

PUF VENTURES INC.
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INFORMATION CIRCULAR

(Containing information as at July 20, 2016 unless indicated otherwise)

This Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of PUF Ventures Inc. (the “**Company**”) for use at the annual general and special meeting (the “**Meeting**”) of its shareholders to be held on **August 26, 2016** at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.

In this Circular, references to “the Company”, “we” and “our” refer to PUF Ventures Inc. “**common shares**” means common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold common shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the common shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Company. **IF YOU ARE A SHAREHOLDER ENTITLED TO VOTE AT THE MEETING, YOU HAVE THE RIGHT TO APPOINT A PERSON OR COMPANY OTHER THAN EITHER OF THE PERSONS DESIGNATED IN THE PROXY, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT FOR YOU AND ON YOUR BEHALF AT THE MEETING. YOU MAY DO SO EITHER BY INSERTING THE NAME OF THAT OTHER PERSON IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING AND DELIVERING ANOTHER SUITABLE FORM OF PROXY.** If your common shares are held in physical form (ie. paper form) and are registered in your name, then you are a registered shareholder (“**Registered Shareholder**”). However, if, like most shareholders, you keep your common shares in a brokerage account, then you are a Beneficial Shareholder. The manner for voting is different for Registered Shareholders and Beneficial Shareholders. The instructions below should be read carefully by all shareholders.

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the common shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your common shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

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

In respect of a matter for which a choice is not specified or where both choices have been specified, in favour of all matters described herein, the persons named in the Proxy will vote the common shares represented by the Proxy for the approval of such matter.

Notice and Access

The Company is not sending this Circular to registered or beneficial shareholders using “notice-and-access” as defined under National Instrument 54-101.

Registered Shareholders

A registered shareholder, or a non-objecting beneficial owner (“**NOBO**”) whose name has been provided to the Company’s registrar and transfer agent, Computershare Investor Services Inc. (“**Computershare**”), will appear on a list of shareholders prepared by the registrar and transfer agent for purposes of the Meeting. To vote in person at the Meeting each registered shareholder or NOBO will be required to register for the Meeting by identifying themselves at the registration desk. Non-registered beneficial shareholders (other than NOBOs) must appoint themselves as a proxyholder to vote in person at the Meeting.

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company’s transfer agent, Computershare, by mail or by hand to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or
- (b) using the Internet through the website of the Company’s transfer agent at <http://www.investorvote.com>. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder’s account number and the Proxy control number.

In all cases ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold common shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of common shares).

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

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

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

Pursuant to National Instrument 54-101 of the Canadian Securities Administrators, the Company is sending proxy-related materials directly to NOBOs, which materials will include a scannable Voting Instruction Form (a “**VIF**”). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and Internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

Management of the Company does not intend to pay for intermediaries to forward to OBOs under National Instrument 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and, in the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

Every intermediary that mails proxy-related materials to Beneficial Shareholders has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should follow the instructions of their intermediary carefully to ensure that their common shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge mails a voting instruction form (the “**Broadridge VIF**”) which will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. The Broadridge VIF will appoint the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **If you receive a Broadridge VIF, you cannot use it to vote common shares directly at the Meeting – the Broadridge VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the common shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your common shares in that capacity. **If you wish to attend at the Meeting and indirectly vote your common shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.**

Alternatively, you can request in writing that your broker send you a legal Proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your common shares.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or to the address of the registered office of the Company at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof.

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

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein. Directors and executive officers may, however, be interested in the annual approval of the Company's stock option plan as detailed in "Particulars of Matters to be Acted Upon –Re-approval of Stock Option Plan".

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed July 20, 2016 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their common shares voted at the Meeting.

As at the Record Date, there were 18,941,894 common shares issued and outstanding, each carrying the right to one vote.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare and will be available at the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or corporation beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Company.

SETTING NUMBER OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at four (4). The Board proposes that the number of directors remain at four (4). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at four (4).

ELECTION OF DIRECTORS

The term of office of each of the current directors expires at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as a director (a "**proposed director**"), the province and country in which he is ordinarily resident, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name of Nominee, Province and Country of Ordinary Residence and Positions Held with the Company	Occupation, Business or Employment ⁽¹⁾	Director of the Company Since	Common shares Beneficially Owned or Controlled, or Directed, Directly or Indirectly ⁽¹⁾
Derek Ivany⁽²⁾ Ontario, Canada <i>Interim President, CEO and Director</i>	Self-employed management consultant. Former director of Navis Resources Corp and Hi Ho Silver Resources Inc.	April 19, 2016	607,000 ⁽³⁾
Christopher Hornung⁽²⁾ Ontario, Canada <i>Director</i>	Self-employed management consultant.	February 6, 2014	216,071
Christopher P. Cherry⁽²⁾ British Columbia, Canada <i>CFO and Director</i>	Chartered Accountant and Certified General Accountant; self-employed management consultant providing management and accounting consulting services to public companies.	January 19, 2016	Nil
Jerry Habuda Ontario, Canada <i>Director</i>	Former police officer with the Toronto Police Department working in the Major Crimes Unit, Northwest Drug Squad and Bail Compliance Unit. Mr. Habuda was also the former head of the Street Violence Task Force.	May 6, 2016	75,000

(1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise indicated, each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years. The number of common shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by the nominees themselves.

(2) Member of Audit Committee.

(3) Of the 607,000 common shares held by Mr. Ivany, 582,000 common shares are held directly by Mr. Ivany and 25,000 common shares are held by Steve Ivany, brother of Mr. Ivany.

None of the proposed directors of the Company is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and officers of the Company acting solely in such capacity.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Except as disclosed below, as at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Company was a director, CEO or CFO of any company (including the Company) that:

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

- (c) is as at the date of this Circular or has been within 10 years before the date of this Circular, a director or executive officer of any company, including the Company, 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
- (d) has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) 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 a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Christopher Hornung was an officer of two private companies, Elmira Wood Products Inc. and Westwood Garage Doors Inc., which declared bankruptcy in March, 2008 and March, 2012, respectively.

Christopher P. Cherry, the CFO and a director of the Company, is currently the CFO of Mexivada Mining Corp. (“**Mexivada**”). On October 29, 2010, at the request of management, the British Columbia Securities Commission (the “**BCSC**”) issued a cease trade order against the insiders of Mexivada for not filing comparative financial statements for its financial year ended June 30, 2010 and the related Management’s Discussion and Analysis for the same period. The cease trade order was rescinded on November 30, 2010 and is no longer in effect. On October 31, 2011, at the request of management, the BCSC issued a cease trade order against the insiders of Mexivada for not filing comparative financial statement for its financial year ended June 30, 2011 and the related Management’s Discussion and Analysis for the same period. The cease trade order was rescinded on November 24, 2011 and is no longer in effect. On October 31, 2012, at the request of management, the BCSC issued a cease trade order against the insiders of Mexivada for not filing comparative financial statement for its financial year ended June 30, 2012 and the related Management’s Discussion and Analysis for the same period. The cease trade order is still in effect.

APPOINTMENT OF AUDITOR

On January 19, 2016, Wolrige Mahon LLP, Chartered Accountants, resigned as auditor of the Company, and on the same day, the Company appointed Dale Matheson Carr-Hilton Labonte, Chartered Professional Accountants, as the successor auditor. The reporting package required by National Instrument 51-102 *Continuous Disclosure Obligations* regarding the change of auditor is attached to this Circular as Schedule “B” and was filed on SEDAR on January 29, 2016 at www.sedar.com.

Dale Matheson Carr-Hilton Labonte, Chartered Professional Accountants, will be nominated at the Meeting for appointment as auditor of the Company at a remuneration to be fixed by the Board.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. The following disclosure relates to the constitution of the Company’s audit committee and its relationship with its independent auditor is required by Form 52-110F1, which includes the text of the audit committee’s charter, the composition of the audit committee, the relevant education and experience of each audit committee member and the fees paid to the external auditor.

The Audit Committee's Charter

The audit committee has a charter. A copy of the audit committee charter is attached hereto as Schedule "A".

Composition of the Audit Committee

As of the date hereof, the following are the members of the Company's audit committee:

<u>Member</u>	<u>Independent⁽¹⁾</u>	<u>Financially literate⁽²⁾</u>
Derek Ivany	No	Yes
Christopher P. Cherry	No	Yes
Chris Hornung	Yes	Yes

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Mr. Ivany is not independent as he is the Interim President and CEO of the Company and Mr. Cherry is not independent as he is the CFO of the Company.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Derek Ivany brings a wealth of experience in the small cap markets and has industry relationships in Ontario with various groups in the nascent medical marijuana sector. Mr. Ivany has worked with various public companies in the capacity of officer, director and business development consultant over the past 10 years and has been involved in financing mandates in excess of \$100,000,000. Mr. Ivany plans to leverage his experience and network as PUF repositions itself as a hopeful MMPR licensee and, in the meantime, continues to build out its related offerings.

Christopher P. Cherry has over 14 years of corporate accounting and audit experience. Mr. Cherry has extensive corporate experience and has held senior level positions for several public mining companies including director, CFO, and Corporate Secretary. Mr. Cherry has been a Chartered Accountant since February 2009 and a Certified General Accountant since 2004. In his former experience as an auditor, he held positions with KPMG and Davidson and Co. LLP in Vancouver, where he gained experience as an auditor for junior public companies, and an IPO specialist.

Christopher Hornung is Vice President of Kenex Manufacturing Co., of Brampton, Ontario and has been since 1999. During his time with the company, he has co-founded and built several new divisions including Kenex Coatings in Mississauga, Ontario, the premier service provider in finishing technology. Mr. Hornung is also a principal of AAA Heidelberg Inc., and is a partner in and responsible for several real estate holding companies in Ontario.

Each member of the audit committee has adequate education and experience that would provide the member with:

- an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has the audit committee made any recommendations to the Board to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The audit committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The audit committee is authorized to approve any non-audit services or additional work which the Chairman of the audit committee deems as necessary who will notify the other members of the audit committee of such non-audit or additional work.

External Auditor Service Fees (By Category)

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

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
2015	\$28,000	Nil	Nil	Nil
2014	\$16,000	Nil	\$1,000	Nil

(1) The aggregate audit fees billed.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and which are not included under the heading "Audit Fees".

(3) Fees billed for preparation of Company's corporate tax return.

(4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

Exemption

The Company has relied upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers from the requirement to comply with the restrictions on the composition of its audit committee and the disclosure requirements of its audit committee in an annual information form as prescribed by NI 52-110.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the Board of a company whose members are elected by and are accountable to the shareholders of the Company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making. Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides

guidance on corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Company's Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Company's Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Company's Board is responsible for monitoring the Company's officers, who in turn are responsible for the maintenance of internal controls and management information systems.

Half of the directors of the Company are independent. The independent members of the Board are Jerry Habuda and Christopher Hornung. The non-independent directors are Derek Ivany, who is the Interim President and CEO of the Company and Christopher P. Cherry, who is the CFO of the Company.

Directorships

The following director of the Company is a director of other reporting issuers:

Christopher P. Cherry

Reporting Issuer
1040426 BC Ltd.
1040433 BC Ltd.
1040440 BC Ltd.
1040442 BC Ltd.
Acadia Resources Corp.
Amador Gold Corp.
Duport Capital Ltd.
Genix Pharmaceutical Corp.
Harvest Gold Corporation
High Hampton Resources Corp.
Klondike Silver Corp.
NRG Metals Inc.
Remington Resources Inc.
TNX Maverick Resources Inc.
Valiant Minerals Ltd.
Wellstar Energy Corp.
Wolfeye Resource Corp.

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up-to-date with developments in relevant corporate and securities law matters. The Board does not provide any continuing education.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the audit committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. Recruitment of new Board members has generally resulted from recommendations made by directors, management and shareholders. The Board assess potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. The Company nominates Board members it considers ethical.

Generally, the Board seeks nominees that have the following characteristics: a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, support for the Company's mission and strategic objectives, and a willingness to serve.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board as a whole determines compensation for the directors and officers. To make its recommendations on such compensation, the Board takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies, as well as the success of the directors and officers in helping the Company to achieve its objectives and the Company's financial resources.

Other Board Committees

The Board has no other committees other than the audit committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal periodic assessments of the effectiveness of the Board, its committees and the individual directors to satisfy itself that they are performing effectively. The assessment of the Board relates to the ongoing governance and operation of the Board and its effectiveness in discharging its responsibilities. The assessment of individual directors is comprised of an examination of each individual director's ability to contribute to the effective decision-making of the Board.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company does not have a formal compensation program. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all Named Executive Officers ("NEOs"), as hereinafter defined, is fair and reasonable. The Board relies on the experience of its members as officers and directors with other junior mining companies in assessing compensation levels.

Analysis of Elements

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each NEO's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's stock option plan (the "**Plan**").

Long Term Compensation and Option-Based Awards

The Company has no long-term incentive plans other than its Plan. The Company's directors and officers and certain consultants are entitled to participate in the Plan. The Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Plan aligns the interests of the NEO and the Board with shareholders by linking a component of executive compensation to the longer term performance of the Company's common shares.

Options are granted by the Board. In monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the Plan;
- The exercise price of stock options granted under the Plan will be set by the Board in its sole discretion, provided that such price shall not be less than the greater of the closing market price of the underlying securities on (i) the trading day prior to the date of grant, and (ii) the date of grant of the option.
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and

- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Plan. The Board reviews and approves grants of options on an annual basis and periodically during a financial year.

Summary Compensation Table

In this section, an NEO includes (i) the CEO, (ii) the CFO, (iii) each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers as at the end of the most recently completed financial year of December 31, 2015, and whose total compensation was more than \$150,000; and (iv) any additional individuals for whom disclosure would have been required except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year.

The following table sets forth compensation paid to the Company's NEOs during the financial years ended December 31, 2015, 2014, and 2013:

Name and principal position	Year ⁽¹⁾	Salary (\$) ⁽²⁾	Share-based awards (\$)	Option-based awards (\$) ⁽³⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$) ⁽²⁾
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
Yari Nieken ⁽⁴⁾ Former President and CEO ⁽⁴⁾	2015	Nil	20,377	Nil	Nil	Nil	Nil N/A	Nil	20,377
	2014	84,125	N/A	36,700	N/A	N/A	N/A	N/A	120,828
	2013	17,000	N/A	1,244	N/A	N/A	N/A	N/A	18,244
Tracey St. Denis Former CFO ⁽⁵⁾	2015	Nil	8,151	Nil	Nil	Nil	Nil	22,038	30,188
	2014	23,245	N/A	22,050	N/A	N/A	N/A	N/A	45,265
	2013	25,170	N/A	N/A	N/A	N/A	N/A	N/A	25,170

(1) Financial year ended December 31.

(2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.

(3) The Black-Scholes valuation method is used to calculate the value of the options granted.

(4) Mr. Nieken served as CEO of the Company from March 3, 2014 to April 19, 2016 and as President of the Company from August 14, 2015 to April 19, 2016.

(5) Ms. St. Denis served as CFO of the Company from May 2, 2013 to January 19, 2016.

Narrative Description - For the year ended December 31, 2015

On April 1, 2014, the Company entered into a Management Consulting Services Agreement with Paradigm Shift Consulting (the "**consultant**"), a private business owned by Yari Nieken. The consultant acted as the Interim President and CEO and a director of the Company. A monthly consulting fee of \$6,500 is payable to the consultant plus \$200 per day when required to travel from Vancouver, British Columbia. The contract is on a month-to-month basis until such time that the agreement is replaced or as soon as "interim" is removed from the title. The agreement may be cancelled by either party on 30 days' written notice. On termination of the contract the consultant will be immediately retained by the Company as a non-paid advisor/consultant to the Company until such time as the consultant still holds unexercised stock options in the Company.

T. St. Denis, Inc. is a private accounting firm owned by Tracey A. St. Denis. Ms. St. Denis resigned as CFO of the Company on January 19, 2016.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table sets out all option-based awards outstanding as at December 31, 2015 for each NEO.

Option-based Awards				
Name and Principal Position	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Yari Nieken Former President and CEO	250,000	0.10	June 1, 2017	N/A
Tracey St. Denis Former CFO	100,000	0.10	June 1, 2017	N/A

- (1) This amount is based on the difference between the market value of the securities underlying the options on December 31, 2015, which was \$0.035, being the last trading day of the Company's shares for the financial year, and the exercise price of any outstanding options.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth for the NEOs, the value vested during the financial year ended on December 31, 2015 for options awarded under the Plan, as well as the value earned under non-equity incentive plans for the same period:

Name	Option-based awards- Value vested during the year (\$) ⁽¹⁾	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Yari Nieken Former President and CEO	N/A	N/A	N/A
Tracey St. Denis Former CFO	Nil	N/A	N/A

- (1) This amount is based on the difference between the market value of the securities underlying the options on the date of vesting of the options and the exercise price of the options. All options vested on their grant date.

PENSION PLAN BENEFITS

The Company does not have any non-cash compensation plans, long-term incentive plans, pension or retirement plans for its officers or directors and it did not pay or distribute any non-cash compensation during the financial year ended December 31, 2015.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Termination and Change of Control Benefits

The Company does not have any plan contract, agreement or plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change in control of the Company or a change in the NEO's responsibilities.

DIRECTOR COMPENSATION

Director Compensation Table

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive stock options.

During the most recently completed financial year ended December 31, 2015, the directors who were not NEOs received the following compensation for services provided to the Company:

Name	Fees earned (\$) ⁽¹⁾	Share based awards (\$)	Option based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Ian Foreman ⁽³⁾	74,625	40,754	Nil	N/A	N/A	17,250	132,629
Christopher Hornung ⁽⁴⁾	Nil	Nil	Nil	N/A	N/A	Nil	Nil

(1) Includes fees paid or accrued during the fiscal year.

(2) Refer to footnote (2) in the "Summary Compensation Table" for NEOs for the method of determining the value of options based awards.

(3) Mr. Foreman is a Principal of Foremost Management Services Inc. that provides consulting and administrative services to the Company. Mr. Foreman resigned as a director of the Company on January 27, 2016.

(4) Mr. Hornung has served as a director of the Company since February 6, 2014.

Narrative Description - For the year ended December 31, 2015

Effective January 1, 2013, the Company entered into an agreement with Foremost Management Services Inc., a company owned and operated by Ian Foreman, a former director of the Company who resigned as a director of the Company on January 27, 2016. Pursuant to the agreement, Foremost Management Services Inc. will earn an administration fee calculated as 10% of all incurred monthly expenses in exchange for managing the affairs of the Company. On November 1, 2014, the Company entered a sublease agreement with Foremost Management Services Inc. for \$1,500 per month not including the goods and services tax when they moved to larger premises.

On March 1, 2014, the Company entered into a Management Consulting Services Agreement with Foremost Management Services Inc. to provide management consulting services to the Company for a one year period and then on a month to month basis thereafter. The contract may be cancelled by either party after the first year on 30 days written notice and, if cancelled by the Company, by payment of an amount equivalent to one year's annual fees. In the event the management consultant breaches the terms of the agreement, no notice is required by the Company. Upon termination of the contract, the management consultant will be immediately retained by the Company as a non-paid advisor/consultant to the Company until such time as the management consultant no longer holds unexercised stock options in the Company. The options will not be cancelled upon termination. On exercise of the management consultant's options, the relationship between the consultant and the Company will cease. A monthly consulting fee of \$7,500 is payable along with the issuance of 500,000 stock options in the Company.

Outstanding Option-Based Awards

The following table sets forth for each director, other than those who are also NEOs of the Company, all awards outstanding at the end of the most recently completed financial year ended December 31, 2015, including awards granted before the most recently completed financial year:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Ian Foreman ⁽²⁾	500,000	0.10	June 1, 2017	N/A
Christopher Hornung ⁽³⁾	250,000	0.10	June 1, 2017	N/A

- (1) This amount is based on the difference between the market value of the securities underlying the options on December 31, 2015, which was \$0.035, being the last trading day of the Company's shares for the financial year and the exercise price of any outstanding options.
- (2) Mr. Foreman is a Principal of Foremost Management Services Inc. that provides consulting and administrative services to the Company. Mr. Foreman resigned as a director of the Company on January 27, 2016.
- (3) Mr. Hornung has served as a director of the Company since February 6, 2014.

Incentive Plan Awards – Value Vested or Earned During The Year

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the year ended December 31, 2015:

Name	Option-based awards - Value vested during the year (\$) ⁽¹⁾	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Ian Foreman ⁽²⁾	Nil	N/A	N/A
Christopher Hornung ⁽³⁾	Nil	N/A	N/A

- (1) This amount is based on the difference between the market value of the securities underlying the options on the date of vesting of the options and the exercise price of the options. All options fully vested on their grant date.
- (2) Mr. Foreman resigned as a director of the Company on January 27, 2016.
- (3) Mr. Hornung has served as a director of the Company since February 6, 2014.

Narrative Discussion

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, for involvement in special assignments during the most recently completed financial year.

As disclosed elsewhere in this Circular, the Company has a Stock Option Plan for the granting of options to its officers, employees, directors and consultants. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at the end of the year ended December 31, 2015. See Particulars of Other Matters to be Acted Upon – Re-approval of Stock Option Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options, warrants and rights	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 - (the Stock Option Plan as approved by shareholders October 2, 2014)	5,385,000	\$0.08	2,041,757
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
TOTAL:	5,385,000	\$0.08	2,041,757

(1) This figure is based on the total number of shares authorized for issuance under the Stock Option Plan, less the number of stock options outstanding as at the Company's financial year ended December 31, 2015.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's last completed financial year or as of the Record Date, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, officer or principal shareholder of the Company or any associate or affiliate of the foregoing persons, has any direct or indirect material interest in any transactions in which the Company has participated within the three year period prior to the date of this Circular that has materially affected or will materially affect the Company except as follows:

Christopher Hornung is a director of the Company and a Principal of AAA Heidelberg Inc., a company which the Company has an agreement to acquire a 100% interest.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Stock Option Plan

New 10% Rolling Plan

The Board previously adopted a 20% fixed stock option plan dated for reference October 6, 2014 (the "**Existing Plan**"). The Plan was established to provide incentive to directors, officers and employees and consultants.

On July 7, 2016, the Board approved a new 10% rolling stock option plan (the "**New Plan**") to replace the Existing Plan, which incorporates, among other things, provisions concerning the new requirements of the Canada Revenue Agency concerning withholding tax payments on exercised options. As a 10% rolling plan the aggregate number of common

shares issuable as options under the New Plan may be up to 10% of the Company's issued and outstanding common shares on the date on which an option is granted, less common shares reserved for issuance on exercise of options then outstanding under the New Plan. The purpose of the New Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of common shares of the Company. The New Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees (an "**Optionee**"). If the New Plan is approved by shareholders, all outstanding options under the Existing Plan will be rolled into and deemed granted under the New Plan. As at the date of this Information Circular, there are no outstanding options under the Existing Plan.

Eligible Optionees

To be eligible to receive a grant of options under the New Plan, regulatory authorities require an Optionee to be either a director, officer, employee, consultant or an employee of a company providing management or other services to the Company or a subsidiary at the time the option is granted.

Options may be granted only to an individual eligible, or to a non-individual that is wholly-owned by individuals eligible, for an option grant. If the option is granted to a non-individual, it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the option remains in effect.

Restrictions

The New Plan is subject to the following restrictions:

- (a) The Company must not grant an option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any 12-month period that exceeds 5% of the outstanding common shares of the Company, unless the Company has obtained approval by a majority of the Disinterested Shareholders (defined below) of the Company;
- (b) The aggregate number of options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 2% of the outstanding shares calculated at the date of the grant, without prior regulatory approval;
- (c) The Company must not grant an option to a Consultant in any 12 month period that exceeds 2% of the outstanding shares calculated at the date of the grant of the option;
- (d) The aggregate number of common shares reserved for issuance under options granted to Insiders (defined below) must not exceed 10% of the outstanding shares (in the event that the New Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (e) The number of optioned shares issued to Insiders in any 12 month period must not exceed 10% of the outstanding shares (in the event that the New Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (f) The issuance to any one Optionee within a 12 month period of a number of common shares must not exceed 5% of outstanding shares unless the Company has obtained Disinterested Shareholder Approval to do so;
- (g) The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so; and
- (h) The Company may implement such procedures and conditions as the Board deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

Definitions

“**Disinterested Shareholder Approval**” means the approval by a majority of the votes cast by all shareholders of the Company at the Meeting excluding votes attached to listed common shares beneficially owned by Insiders (defined below) of the Company and Associates (as defined in the British Columbia *Securities Act*) of Insiders.

An “**Insider**” is a director, or senior officer of the Company, a director or senior officer of a company that is an Insider or subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, voting common shares carrying more than 10% of the voting rights attached to all outstanding voting common shares of the Company.

Material Terms of the New Plan

The following is a summary of the material terms of the New Plan:

- (a) persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the New Plan;
- (b) all options granted under the New Plan expire on a date not later than 10 years after the issuance of such options. However, should the expiry date for an option fall within a trading Blackout Period (as defined in the New Plan, generally meaning circumstances where sensitive negotiations or other like information is not yet public), within 9 business days following the expiration of a Blackout Period;
- (c) for options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) an Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) if an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee’s options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the New Plan);
- (h) vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period;
- (i) in the event of a take over bid being made to the shareholders generally, immediately upon receipt of the notice of the take over bid, the Company shall notify each Optionee currently holding any Options, of the full particulars of the take over bid, and all outstanding options may, notwithstanding the vesting terms contained in the New Plan or any vesting requirements subject to regulatory approval; and
- (j) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the New Plan with respect to all New Plan shares in respect of options which have not yet been granted under the New Plan.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the New Plan may be made by the Board without further shareholder approval. Accordingly, the Board proposes that the New Plan also provide the following:

The Board may, without shareholder approval:

- (i) amend the New Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the New Plan, if applicable;
- (iii) change the termination provision of an option granted under the New Plan if it does not entail an extension beyond the original expiry date of such option;
- (iv) make such amendments to the New Plan as are necessary or desirable to reflect changes to securities laws applicable to the Company;
- (v) make such amendments as may otherwise be permitted by regulatory authorities;
- (vi) if the Company becomes listed or quoted on a stock exchange or stock market senior to the CNSX-V, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) amend the New Plan to reduce the benefits that may be granted to Service Providers.

Shareholder Approval

At the Meeting, Shareholders will be asked to consider and vote on the ordinary resolution to adopt the New Plan, with or without variation, as follows:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Stock Option Plan, approved by the board of directors of the Company on July 7, 2016, as more particularly described in the Information Circular of the Company dated for reference July 20, 2016, be ratified and approved;
2. all outstanding options granted previously by the Company be rolled into the Stock Option Plan;
3. to the extent permitted by law, the Company be authorized to abandon all or any part of the Stock Option Plan if the directors of the Company deem it appropriate and in the best interests of the Company to do so; and
4. any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents as may be required to give effect to these resolutions.”

The Board recommends that shareholders vote in favour of the Plan. Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the foregoing ordinary resolution.

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

A copy of the Plan will be available for inspection at the Meeting.

ADDITIONAL INFORMATION

Financial information is provided in the audited financial statements of the Company and in the related management discussion and analysis (together, the “**Financial Statements**”). Additional information relating to the Company and a copy of the Financial Statements may be obtained at www.sedar.com, and upon request from the Company at Suite 804-750 West Pender Street, Vancouver, BC V6C 2T7, telephone: (604) 682-2928 or fax: (604) 685-6905. Copies of the above documents will be provided, upon request, free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date hereof.

SCHEDULE “A”

PUF VENTURES INC. (the “Company”)

AUDIT COMMITTEE CHARTER

1. Overall Purpose / Objectives

The Audit Committee will assist the Board of Directors in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company’s business, operations and risks.

2. Authority

The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, to set and pay the compensation for any advisors employed by the Audit Committee, to ensure the attendance of Company officers at meetings as appropriate and to communicate directly with the Company’s external auditors.

3. Organization

Membership

The Audit Committee will be comprised of at least three members, a majority of which are not officers or employees of the Company.

The chairman of the Audit Committee will be nominated by the Audit Committee from the members of the Audit Committee which are not officers or employees of the Company, or a company associated or affiliated with the Company, from time to time.

A quorum for any meeting will be two members.

The secretary of the Audit Committee will be the Company secretary, or such person as nominated by the Chairman.

Attendance at Meetings

The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.

Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.

The proceedings of all meetings will be minuted.

4. Roles and Responsibilities

The Audit Committee will:

- Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

- Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.
- Review the annual and quarterly financial statements including Management's Discussion and Analysis and annual and interim earnings press releases prior to public dissemination, including any certification, report, opinion, or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards.
- Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- Review the interim financial statements and disclosures, and obtain explanations from management on whether:
 - (a) actual financial results for the interim period varied significantly from budgeted or projected results;
 - (b) accounting policies consistent with International Financial Reporting Standards have been consistently applied;
 - (c) there are any actual or proposed changes in accounting or financial reporting practices;
 - (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure; and
 - (e) review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Board authorizes the Chairman of the Audit Committee to pre-approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non-audit or additional work.
- Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.

- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- Establish a procedure for:
 - (a) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
 - (b) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- Endeavor to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- Perform other functions as requested by the full Board.
- If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
- Review and recommend updates to the charter; receive approval of changes from the Board.

Schedule "B"



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

VANCOUVER
1500 – 1140 W. Pender Street
Vancouver, BC V6E 4G1
TEL 604.687.4747 | FAX 604.689.2778

TRI-CITIES
700 – 2755 Lougheed Hwy.
Port Coquitlam, BC V3B 5Y9
TEL 604.941.8266 | FAX 604.941.0971

WHITE ROCK
301 – 1656 Martin Drive
White Rock, BC V4A 6E7
TEL 604.531.1154 | FAX 604.538.2613

WWW.DMCL.CA

January 28, 2016

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
Canadian Securities Exchange

Dear Sirs/Mesdames:

**RE: PUF Ventures Inc. (the “Company”)
Change of Auditors**

As required by Section 4.11 of National Instrument 51-102, we have reviewed the information contained in the Notice of Change of Auditor dated January 15, 2016 (the “**Notice**”) for the above company and have the following comments:

With exception to the last sentence of paragraph (a) and paragraph (c) of the Notice, with which we agree, we have no basis on which to agree or disagree with the statements made in paragraphs (a), (b) or (d) of the Notice.

We understand that the Notice of Change of Auditor, together with this letter and a similar letter from Wolrige Mahon LLP, Chartered Professional Accountants, the resigning auditors, will be provided to the Company’s registered shareholders with the meeting materials relating to the Company’s next annual general meeting of shareholders.

Yours truly,

A handwritten signature in blue ink, appearing to read 'DMCL'.

DALE MATHESON CARR-HILTON LABONTE LLP
Chartered Professional Accountants

PARTNERSHIP OF:

VANCOUVER Robert J. Burkart, Inc. Kenneth P. Chong Inc. Alvin F. Dale Ltd. Donald L. Furney, Ltd. David J. Goertz, Inc. Matthew G. Gosden, Inc. Barry S. Hartley, Inc. Reginald J. LaBonte Ltd. Robert J. Matheson, Inc. Rakesh I. Patel Inc. Lorraine W. Rinfret, Inc. Brad A. Robin Inc.
WHITE ROCK Michael K. Braun Inc. Peter J. Donaldson, Inc. Harjit S. Sandhu, Inc. TRI-CITIES Fraser G. Ross, Ltd. Brian A. Shaw Inc.



January 28, 2016

British Columbia Securities Commission
12th Floor, 701 West Georgia Street
P.O. Box 10142 Pacific Centre
Vancouver, BC V7Y 1L2

Alberta Securities Commission
5th Floor, 300 – 5th Avenue SW
Calgary, Alberta
T2P 3C4

Ontario Securities Commission
20 Queen Street West, 20th Floor
Toronto ON M5H 3S8

Canadian Securities Exchange
220 Bay Street, 9th Floor
Toronto ON M5J 2W4

Dear Sirs:

**RE: PUF Ventures Inc. (the “Corporation”)
NATIONAL INSTRUMENT NO. 51-102 - CHANGE OF AUDITOR**

As required by National Instrument 51-102, Continuous Disclosure Obligations, we wish to advise that we are in agreement with the proposed change of auditor as set out in the enclosed “Change of Auditor Notice” dated January 19, 2016.

Yours very truly,

WOLRIGE MAHON LLP

Per: Anna C. Moreton, Inc. Incorporated Partner
Wolrige Mahon *LLP*
Chartered Professional Accountants

PUF VENTURES INC.

VIA SEDAR

January 19, 2016

**Dale Matheson Carr-Hilton Labonte,
Chartered Accountants**
Suites 1500 and 1700
1140 West Pender Street
Vancouver, BC V6E 4G1

**Wolrige Mahon LLP,
Chartered Professional Accountants**
400 Burrard Street
Vancouver, BC V6C 1M2

Dear Sirs/Mesdames:

**RE: Notice of Change of Auditors dated effective January 19, 2016
Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*
(the "Instrument") of the Canadian Securities Administrators**

The Company hereby provides notice pursuant to the Instrument of a change of auditor by PUF Ventures Inc. (the "**Company**") from Wolrige Mahon LLP, Chartered Professional Accountants to Dale Matheson Carr-Hilton Labonte, Chartered Accountants.

The Company confirms that:

- (a) The Company has decided to change its auditor from Wolrige Mahon LLP, Chartered Professional Accountants (the "**Former Auditors**") to Dale Matheson Carr-Hilton Labonte, Chartered Accountants (the "**Successor Auditors**"). Consequently, the Company asked the Former Auditors to resign and the Former Auditors submitted their resignation effective January 19, 2016. The Successor Auditors have agreed to their appointment as the Company's new auditors.

At the next annual general meeting of the Company, the shareholders of the Company will be asked to approve the appointment of the firm, Dale Matheson Carr-Hilton Labonte, Chartered Accountants, as Successor Auditors.

- (b) There were no reservations contained in the Former Auditors' Reports for either of the Company's two most recently completed fiscal years or for any period subsequent thereto for which an audit report was issued, preceding the date of this notice.
- (c) The Company's Audit Committee and Board of Directors have participated and approved the change of auditor for the Company and have also approved the appointment of Dale Matheson Carr-Hilton Labonte, Chartered Accountants, as Successor Auditors.
- (d) In the opinion of the Company, no "reportable events", as that term is defined in the Instrument have occurred prior to the date of this notice.

Suite 459 – 409 Granville Street
Vancouver, BC, V6C 1T2
Telephone: (604) 678-2531

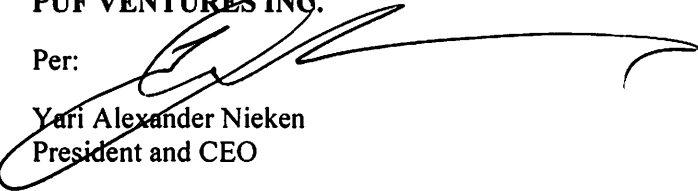
The Company requests that each of Wolrige Mahon LLP, Chartered Professional Accountants and Dale Matheson Carr-Hilton Labonte, Chartered Accountants, provide the Company with a letter, in digital format, addressed to the regulatory authorities stating whether or not it agrees with the above statements.

Thank you for your co-operation.

Yours truly,

PUF VENTURES INC.

Per:



Yari Alexander Nieken
President and CEO

PUF VENTURES INC.

FINANCIAL STATEMENTS REQUEST FORM

Registered holders and beneficial owners of a company's securities have the opportunity to elect annually to have their names added to a supplemental mailing list in order to receive a copy of a company's annual and interim financial statements and the corresponding management discussion and analysis ("MD&A") of those statements.

If you wish to receive printed copies of these materials for PUF VENTURES INC. (the "**Company**"), please complete this form and return it to:

PUF Ventures Inc.
Suite 804 – 750 West Pender Street
Vancouver, BC V6C 2T7
F: 604.685.6905
E: lindsay@takeitpublicservices.com

I wish to receive annual financial statements and corresponding MD&A.

I wish to receive interim financial statements and corresponding MD&A.

You will not receive copies of the annual or interim financial statements from the Company for the ensuing year if you do not complete and return this form.

Copies of the Company's previously issued and current annual and interim financial statements and related MD&A are available to shareholders and to the public on the SEDAR website at www.SEDAR.com.

I confirm that I am a shareholder of the Company.

DATED: _____, 20____. _____
Signature

Name of Registered/Beneficial Shareholder - Please Print

Address

Postal Code

Fax Number

Name and title of person signing if different from name above.

By providing an E-mail address, you will be deemed to be consenting to the electronic delivery to you at such E-mail address of the above selected financial statements, if delivery by electronic means is allowed by applicable regulatory rules and policies.

E-mail address (optional)

The Company will use the information collected solely for the purpose of mailing such financial statements to you and will treat your signature on this form as your consent to the above.