

MOUNTAIN VALLEY MD™

MOUNTAIN VALLEY MD HOLDINGS INC.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF
SHAREHOLDERS AND MANAGEMENT INFORMATION CIRCULAR**

TO BE HELD ON SEPTEMBER 30, 2020

August 27, 2020

MOUNTAIN VALLEY MD HOLDINGS INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares of Mountain Valley MD Holdings Inc. (“**MVMD**” or the “**Company**”) will be held on September 30th, 2020 at 4:30 p.m. EST **by telephone by calling in to 1 (888) 892-3255, toll-free, and if required by applicable laws (see for more information below)**, also in person at 260 Edgeley Blvd., Unit 4, Vaughan, ON, for the following purposes, as further described in the accompanying management information circular dated August 27th, 2020 (the “**Circular**”):

1. to receive the audited financial statements of the Company for the fiscal year ended March 31, 2020 and the reports of the auditors thereon;
2. to determine the number of directors and elect directors for the ensuing year;
3. to appoint MNP LLP as the auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration;
4. to approve the amended 10% rolling stock option plan of the Company, as more particularly described in the accompanying Circular; and
5. to transact such other business, including amendments to the foregoing, as may properly come before the Meeting or any adjournment or adjournments thereof.

This Notice of Meeting is accompanied by the Circular and either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders (collectively, the “**Meeting Materials**”). The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Circular. The Circular is deemed to form part of this Notice of Meeting. Please read the Circular carefully before you vote on the matters to be presented at the Meeting.

INFORMATION ABOUT THE MEETING

In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of its shareholders, employees, communities and other stakeholders, the Company wishes to emphasize its priority to decrease the health risks associated with the spread of COVID-19 and adhere to the laws, orders, and recommendations of Canadian public health officials and government authorities in the context of the Meeting.

On April 21, 2020, the Minister of Public Safety and Solicitor General of British Columbia published a temporary order under the Emergency Program Act (British Columbia) (Ministerial Order No. M116) (the “**Order**”). The Order provides that a corporate meeting (including a meeting of shareholders such as the Meeting) held solely by telephone or other communications medium is not required to have a physical location and is deemed to be held in British Columbia, provided certain conditions are met. The Order applies from April 21, 2020 until the date on which the last extension of the declaration of a state of emergency made on March 18, 2020 (the “**Declaration**”) expires or is cancelled, which is still in effect as at the date of this Notice of Meeting and Circular.

The Company intends to rely on this Order and hold the Meeting **BY TELEPHONE ONLY BY CALLING IN TO 1 (888) 892-3255 (TOLL-FREE)** provided that the Declaration is still in place on September 30, 2020. If the Declaration is no longer in place on September 30, 2020 and/or the Order is no longer applicable, the Company will officially hold the Meeting at its Ontario offices at 260 Edgeley Blvd., Unit 4, Vaughan, ON, pursuant to Articles of the Company, which all for shareholder meetings to be held outside of British Columbia. However, even in the event that the Order is not in effect, the Company strongly encourages that all

shareholders: a) consider not attending the Meeting in person but instead telephoning in to the Meeting by dialing the number set out above; AND b) that shareholders vote their shares prior to the Meeting. The Company in particular asks that shareholders not attend the meeting in person if experiencing any of the symptoms associated with COVID-19 within the 14 days prior to the Meeting. Further, please be advised that the Company reserves the right to refuse entrance to the Meeting to: a) anyone who appears to be displaying such symptoms associated with COVID-19; or b) anyone at all if the then current recommendations or requirements of provincial authorities cannot be adequately adhered to, including social distancing recommendations and limits on the size of gatherings.

Shareholders may call in to the Meeting at 1 (888) 892-3255, toll-free, by 4:30 p.m. EST on September 30, 2020. Via the telephone meeting service provider, the Company will be able to note the attendance of all participants and will also allow for registered shareholders to vote by a show of hands (or its equivalent by phone) unless a ballot is required or demanded during the Meeting as described in the attached Circular if the Order is still in force and effect. The Company encourages votes to be cast by proxy as indicated in this Notice. It is recommended that shareholders call a few minutes prior to 4:30 p.m. EST. in order to be recorded as present. **Shareholders are also encouraged to visit the Company's website at www.mountainvalley.md.com/AGM prior to the Meeting in the event that the Company is able to add a link to a video presentation to run concurrently with the Meeting.**

FOR THE REASONS ABOVE, ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE ON THE MATTERS BEFORE THE MEETING BY PROXY.

The Directors of the Company have fixed the close of business on August 26, 2020 as the record date for determining shareholders entitled to receive notice of and to vote at the Meeting. Only shareholders whose names have been entered into the register of the holders of common shares of the Company as at August 26, 2020, will be entitled to receive notice of and to vote at the Meeting.

Whether or not you are able to attend the Meeting (by telephone), you are encouraged to provide voting instructions on the enclosed form of proxy as soon as possible. The Company's transfer agent, Odyssey Trust Company, must receive your proxy no later than September 28th, 2020 at 4:30 p.m. (Eastern time), or, if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and holidays in the Province of British Columbia) before any adjourned or postponed Meeting. You must send your proxy to the Company's transfer agent by either using the envelope provided or by mailing the proxy to Odyssey Trust Company, Proxy Department, 323 – 409 Granville Street, Vancouver, British Columbia, Canada V6C 1T2. You may vote by email at proxy@odysseytrust.com, Attention: Proxy Department or by fax to 1 (800) 517-4553. You may also vote on the internet by going to <http://odysseytrust.com/Transfer-Agent/Login> and following the instructions. You will need your 12 digit control number located on the form of proxy. If you wish to vote on the internet, you must do so no later than September 28th, 2020 at 4:30 p.m. (Eastern time). If you vote using any other method, your proxy must be received by Odyssey Trust Company no later than September 28th, 2020 at 4:30 p.m. (Eastern time).

All non-registered Shareholders who receive these materials through a broker or other intermediary should complete and return the materials in accordance with the instructions provided to them by such broker or intermediary.

DATED this 27th day of August, 2020.

By order of the Board of Directors

"Dennis Hancock"

Dennis Hancock
President and Chief Executive Officer



**MANAGEMENT INFORMATION CIRCULAR
AS AT AND DATED AUGUST 27, 2020**

(Unless otherwise noted)

This Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Mountain Valley MD Holdings Inc. (the “**Company**”) for use at the annual general and special meeting (the “**Meeting**”) of its holders of common shares to be held on Wednesday, September 30th, 2020 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 Mountain Valley MD Holdings Inc. “**Common Shares**” means common shares without par value in the capital of the Company and for the avoidance of doubt exclude Class B Non-Voting Shares. “**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;
- references to attending the Meeting or voting at the Meeting are deemed to include calling into the Meeting by telephone in accordance with the instructions provided in the Notice of Meeting. Dialing into the Meeting will be deemed to be attendance at the Meeting.

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. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the meeting materials to beneficial owners of Common Shares held as of record by those intermediaries and the Company may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholder

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 STRIKING OUT THE NAMES OF MANAGEMENT’S NOMINEES AND 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 (i.e., 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 Management Appointees 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 Management Appointees 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 in the Proxy, the Management Appointee acting as a proxyholder will vote the Common Shares represented by the Proxy in favour of each matter identified on the Proxy.

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 (“**NI 54-101**”).

Registered Shareholders

Registered Shareholders are encouraged to vote by Proxy whether or not they are able to attend the Meeting in person. The Company’s transfer agent, Odyssey Trust Company, must receive the Proxy of Registered Shareholders no later than September 28th, 2020 at 4:30 p.m. (Eastern time), or, if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and holidays in the Province of British Columbia) before any adjourned or postponed Meeting. Registered Shareholders must send the Proxy to the Company’s transfer agent by either using the envelope provided or by mailing the proxy to Odyssey Trust Company, Proxy Department, 323 – 409 Granville Street, Vancouver, British Columbia, Canada V6C 1T2. Registered Shareholders may otherwise vote by email at proxy@odysseytrust.com, Attention: Proxy Department, by fax to 1 (800) 517-4553 or vote on the internet by going to <http://odysseytrust.com/Transfer-Agent/Login> and following the instructions (for which Registered Shareholders will require the 12 digit control number located on the form of Proxy).

In all cases, Registered Shareholders should ensure that the Proxy is received no later than September 28th, 2020 at 4:30 p.m. (Eastern time) or at least 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

Registered Shareholders with questions may wish to contact Odyssey Trust Company, the Company’s transfer agent, toll free within North America at 1 (800) 517-4553 or at 1 (587) 885-0960 outside of North America or by e-mail at proxy@odysseytrust.com.

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 Shareholders of Common Shares). 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**”). Subject to the provisions of NI 54-101, issuers may deliver proxy-related materials directly to their NOBOs.

The Company does not intend to pay for an Intermediary to deliver the proxy-related materials to its OBOs and, as such, the Company's OBOs will not receive the materials unless the OBO's Intermediary assumes the cost of delivery of the proxy-related materials.

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 Meadow Bay 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 Meadow Bay Common Shares to be represented at the Meeting. **If you receive a Broadridge VIF, you cannot use it to vote your 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:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the 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 Odyssey or at the address of the registered office of the Company at 610 – 475 West Georgia Street, Vancouver, BC V6B 4M9 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, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the Registered Shareholder's Common Shares.

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

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The board of directors (the "**Board**") of the Company has fixed August 26, 2020 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only holders of record of Common Shares 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 249,568,761 Common Shares issued and outstanding, each carrying the right to one vote.

On a show of hands (or the equivalent thereof by telephone), 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 of the Company 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 Odyssey and will be available at the Meeting.

To the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares as at the Record Date.

Votes Necessary to Pass Resolutions

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ANNUAL GENERAL MEETING MATTERS TO BE VOTED ON

Setting Number of Directors

The Board proposes that the number of directors be fixed at four (4). Shareholders will therefore be asked to approve an ordinary resolution that determines the number of directors to be 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 or she 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 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	Principal Occupation, Business or Employment ⁽¹⁾	Director of the Company Since	MVMD Holdings Common Shares Beneficially Owned or Controlled, or Directed, Directly or Indirectly
Dennis Hancock Ontario, Canada <i>CEO, Chairman and Director</i>	President and CEO since February 21, 2020; previously President and CEO of Mountain Valley MD Inc. (a wholly owned subsidiary of the Company since the completion of a reverse takeover transaction on February 21, 2020) from June 10, 2019 to present (and marketing and business development consultant since December 1, 2018); Founding Partner of Performance Spark since August of 2016 and President of Brand Soapbox since September 2012.	February 21, 2020	2,718,750 ⁽³⁾
Nancy Richardson ⁽²⁾ Ontario, Canada <i>Director</i>	Currently, Ms Richardson is VP of Client Service for LWT Communications, a localization agency with offices in North America and Europe. Ms. Richardson's former expertise is in the pharmaceutical and agency world. She developed continuing medical education for physicians, pharmacists and nurses for over two decades. Together with her business partner, Ms Richardson ran a multi-million-dollar medical communications agency for over a decade, bringing numerous drugs to market, overseeing accounts, generating sales and managing daily operations.	February 21, 2020	200,000

<p>Kevin Puloski⁽²⁾ Ontario, Canada</p> <p><i>Director</i></p>	<p>Mr. Puloski currently spearheads genetic development as well as strategic land acquisitions in India and Uganda for the hemp and cannabis industry. Also: CEO of Pund-IT, an IT business technology firm focused on helping to bring technology solutions to a wide variety of industries; Chief Information Officer (CIO) for Pavestone Company Inc.; Director of User Education at SSA Global (Infor); and Director of FirstScreen Inc., a Cloudbased contract tracing, mental health assessment solution.</p>	<p>February 21, 2020</p>	<p>490,000⁽⁴⁾</p>
<p>Paul Lockhard ⁽²⁾ Ontario, Canada</p> <p><i>Director</i></p>	<p>President & CEO of Colour, a North American data-driven digital brand agency with offices in New York, Toronto and Halifax. Mr. Lockhard brings extensive experience in branding, marketing and go-to-market sales and marketing strategy through his agency's work with companies such as Mazda, AstraZeneca, Hankook Tire, Guardian Capital, Nature's Way and more.</p>	<p>February 21, 2020</p>	<p>Nil</p>

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled, or directed, directly or indirectly is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Denotes member of Audit Committee.
- (3) Of the 2,718,750 Common Shares held by Mr. Hancock, 700,000 are held directly and 2,018,750 are held by PerformanceSPARK Inc., a corporation controlled in part by Mr. Hancock.
- (4) Mr. Puloski holds a portion of his Common Shares indirectly through Pund-IT Corp.

Except as disclosed below, to the best of the Company's knowledge, 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 ("**CTO**") 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, CEO or CFO.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) 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
- (b) 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.

Appointment of Auditor

MNP LLP, Chartered Professional Accountants, of Vancouver, British Columbia, will be nominated at the Meeting for reappointment as auditor of the Company at a remuneration to be fixed by the directors.

THE AUDIT COMMITTEE

The Audit Committee's Charter

The text of the Company's Audit Committee's charter is set out on Appendix A attached to this Circular.

Composition of the Audit Committee

The members of the audit committee are Kevin Puloski, Nancy Richardson and Paul Lockhard, none of whom are executive officers of the Company and, therefore, independent members of the Audit Committee. All members are considered to be financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Audit Committee is considered financially literate if he or she has 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 Company.

Each member of the Audit Committee has adequate education and experience that would provide the member with: (a) 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; (b) 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 (c) an understanding of internal controls and procedures for financial reporting.

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.

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 its auditor which were not adopted by the Board.

Pre-Approval Policies and Procedures

All services to be performed by the independent auditor of the Company must be approved in advance by the audit committee. The audit committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the audit committee of all audit and non-audit services provide by any external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

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⁾
2020	\$90,000	Nil	Nil	Nil
2019	\$27,820	Nil	Nil	Nil

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements, fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements and also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Company is a venture issuer and is relying upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers (as defined therein) from the requirement of Part 3, (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument.

STATEMENT OF EXECUTIVE COMPENSATION

The following information is presented in accordance with Form 51-102F6V - *Statement of Executive Compensation - Venture Issuers* and provides details of all compensation for each of the directors and named executive officers (each, an “**NEO**”) of the Company for the financial years ended March 31, 2020 and 2019.

On February 21, 2020, the Company completed the acquisition of Mountain Valley MD Inc., an Ontario corporation, through a reverse takeover transaction (the “**RTO**”), whereby a wholly owned subsidiary of the Company amalgamated with Mountain Valley MD Inc. (“**SubCo**”). For more information on the RTO, please see the press release dated February 24, 2020 announcing the completion of the RTO and the Company’s Filing Statement dated February 20, 2020, each of which is available on the Company’s SEDAR profile at www.sedar.com.

Definitions:

“**Compensation Securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

“**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, during any part of the Company’s financial year ended March 31, 2020, served as the chief executive officer (“**CEO**”) of the Company, including an individual performing functions similar to a CEO;
- (b) each individual who, during any part of the Company’s financial year ended March 31, 2020, served as chief financial officer (“**CFO**”) of the Company), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year ended March 31, 2020 whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the financial year ended March 31, 2020; and
- (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, as at March 31, 2020.

Based on the foregoing definition, the Company has had during the year ended March 31, 2020 four (4) Named Executive Officers: Robert Dinning, the former Chairman and Chief Executive Officer of the Company (until February 21, 2020 upon the completion of the RTO), Keith Margetson, the former Chief Financial Officer of the Company (until February 21, 2020 upon the completion of the RTO), Lucie Letellier, the Chief Financial Officer of the Company from February 21 (as of the completion of the RTO) up to March 31, 2020 (and thereafter until her resignation on April 30, 2020), and Dennis Hancock, current President and Chief Executive Officer (as of February 21, 2020 as of the completion of the RTO).

Director and Named Executive Officer Compensation

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly by the Company to the Named Executive Officers and directors for each

of the Company's two (2) most recent completed financial years:

Table of Compensation Excluding Compensation Securities							
Name and Position	Year Ended March 31	Salary consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Dennis Hancock ⁽¹⁾ Current President and CEO and director	2020 2019	40,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	40,000 Nil
Robert Dinning ⁽²⁾ Former Chairman and CEO (until February 21, 2020)	2019 2018	90,000 90,000	Nil Nil	Nil Nil	Nil Nil	90,000 ⁽¹²⁾ Nil	180,000 90,000
Lucie Letellier ⁽³⁾ CFO and director from February 21, 2020	2020 2019	13,103 Nil	Nil Nil	Nil	Nil Nil	Nil Nil	13,103 Nil
Keith Margetson ⁽⁴⁾ Former CFO (until February 21, 2020)	2019 2018	36,000 36,000	Nil Nil	Nil Nil	Nil Nil	36,000 Nil	72,000 36,000
Nancy Richardson ⁽⁵⁾ Current director	2020 2019	Nil Nil	Nil Nil	Nil	Nil Nil	Nil Nil	Nil Nil
Kevin Puloski ⁽⁶⁾ Current director	2020 2019	Nil Nil	Nil Nil	Nil	Nil Nil	Nil Nil	Nil Nil
Adrian Robertson ⁽⁷⁾ Former director (until February 21, 2020)	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Charles William (Bill) Reed ⁽⁷⁾ Former director (until February 21, 2020)	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Jordan Estra ⁽⁷⁾ Former director (until February 21, 2020)	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Notes:

- (1) Dennis Hancock was appointed President and CEO and became a director of the Company as of February 21, 2020 upon completion of the RTO. Mr. Hancock provides his services through PerformanceSPARK Inc., a corporation controlled by Mr. Hancock. PerformanceSPARK Inc. received \$40,000 from the Company for Mr. Hancock's services in his role as President and CEO of the Company, which is the figure reflected in the foregoing table. Prior to the completion of the RTO, during the year ended March 31, 2020, Mr. Hancock received compensation from SubCo by way of share issuance equal to \$438,000 at a deemed price of \$0.20 per share and \$28,750 at a deemed price of \$0.40 per share. During the year ended March 31, 2019, PerformanceSPARK received fees equal to \$52,000 from SubCo, paid by way of share issuance at a deemed price of \$0.20 per share.
- (2) Robert Dinning resigned as President and CEO of the Company as of February 21, 2020 upon completion of the RTO. Carlton Energy Inc., a company controlled by Mr. Dinning, was paid a termination fee of \$90,000 in addition to his consulting fees in the year ended March 31, 2020 following the completion of the RTO. See section entitled "Employment, Consulting and Management Agreements".
- (3) Lucie Letellier was appointed CFO and became a director of the Company as of February 21, 2020 upon completion of the RTO (until her resignation on April 30, 2020). Ms. Letellier provided her services through 6103472 Canada Inc., a corporation controlled by Ms. Letellier. 6103472 Canada Inc. received \$13,103 from the Company for Ms. Letellier's services in her role as CFO. Prior to the completion of the RTO, during the year ended March 31, 2020, Ms. Letellier received compensation from SubCo of \$10,000 per month, for aggregate consulting fees equal to \$106,897. During the year ended March 31, 2019, Pe6103472 Canada Inc. received fees equal to \$5,650 from SubCo.
- (4) Keith Margetson resigned as CFO of the Company as of February 21, 2020 upon completion of the RTO. Mr. Margetson was paid a termination fee of \$36,000 in addition to his consulting fees in the year ended March 31, 2020 following the completion of the RTO. See section entitled "Employment, Consulting and Management Agreements".
- (5) Nancy Richardson became a director of the Company as of February 21, 2020 upon completion of the RTO. Ms. Richardson earned \$40,000 for services provided to SubCo prior to the completion of the RTO, which was paid to Ms. Richardson by way of issuance of units (each unit consisting of one Common Share and one Common Share purchase warrant) at \$0.40 per unit. Ms. Richardson has not

received compensation in her role as director of the Company.

- (6) Kevin Puloski became a director of the Company as of February 21, 2020 upon completion of the RTO. Pund-IT Corp. earned \$100,000 for services provided to SubCo prior to the completion of the RTO, which was paid by way of issuance of units (each unit consisting of one Common Share and one Common Share purchase warrant) at \$0.40 per unit. Mr. Puloski has not received compensation in his role as director of the Company.
- (7) Adrian Robertson, Charles William (Bill) Reed and Jordan Estra each resigned as a director of the Company as of February 21, 2020 in connection with the completion of the RTO.

External Management Companies

None of the foregoing current or former NEOs of the Company are employees of the Company. See “*Employment, Consulting and Management Agreements*” for further information about consulting agreements in respect of the current and former NEOs.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to all NEOs and directors by the Company during the most recently completed financial fiscal year ended March 31, 2020 for services provided or to be provided, directly or indirectly, to the Company:

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage class	Date of issue of grant	Issue, conversion or exercise price (\$)	Closing price of security on date of grant (\$)	Closing price of security on date at year end (\$)	Expiry date
Dennis Hancock ⁽²⁾ Current President and CEO	Options	2,500,000 ⁽¹⁾	March 13, 2020	\$0.07	\$0.07	\$0.06	March 13, 2025
Robert Dinning ⁽³⁾ Former Chairman and CEO	Options	Nil	N/A	N/A	N/A	N/A	N/A
Lucie Letellier ⁽⁴⁾ CFO and director from February 21, 2020	Options	500,000 ⁽¹⁾	March 13, 2020	\$0.07	\$0.07	\$0.06	March 13, 2025
Keith Margetson ⁽⁵⁾ Former CFO	Options	Nil	N/A	N/A	N/A	N/A	N/A
Nancy Richardson ⁽⁶⁾ Current director	Options	200,000 ⁽¹⁾	March 13, 2020	\$0.07	\$0.07	\$0.06	March 13, 2025
Kevin Puloski ⁽⁶⁾ Current director	Options	200,000 ⁽¹⁾	March 13, 2020	\$0.07	\$0.07	\$0.06	March 13, 2025
Adrian Robertson ⁽⁷⁾ Former Director	Options	Nil	N/A	N/A	N/A	N/A	N/A
Charles William (Bill) Reed ⁽⁸⁾ Former Director	Options	Nil	N/A	N/A	N/A	N/A	N/A
Jordan Estra ⁽⁹⁾ Former Director	Options	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) 20% vested as at the date of this Circular, 30% to vest on September 13, 2020 and the remaining 50% to vest on March 13, 2021.
- (2) As at March 31, 2020, Mr. Hancock also held 500,000 options exercisable at \$0.05 until March 2, 2025, which were granted by SubCo

- prior to the completion of the RTO, which are exercisable into Common Shares pursuant to the terms of the RTO.
- (3) As at March 31, 2020, Mr. Dinning also held 18,750 options exercisable at \$2.72, and 62,500 options exercisable at \$1.60, all of which expired on May 21, 2020 as a result of Mr. Dinning's resignation in connection with the RTO.
 - (4) As at March 31, 2020, Ms. Letellier also held 500,000 options exercisable at \$0.05 until March 2, 2025, which were granted by SubCo prior to the completion of the RTO, which are exercisable into Common Shares pursuant to the terms of the RTO.
 - (5) As at March 31, 2020, Mr. Margetson also held 1,563 options exercisable at \$6.40, 7,813 options exercisable at \$2.72, and 32,813 options exercisable at \$1.60, all of which expired on May 21, 2020 as a result of Mr. Margetson's resignation in connection with the RTO.
 - (6) No other options other than as disclosed in the table above.
 - (7) As at March 31, 2020, Mr. Robertson also held 1,563 options exercisable at \$6.40, 7,813 options exercisable at \$2.72, and 32,813 options exercisable at \$1.60, all of which expired on May 21, 2020 as a result of Mr. Robertson's resignation in connection with the RTO.
 - (8) As at March 31, 2020, Mr. Reed also held 1,563 options exercisable at \$6.40, 7,813 options exercisable at \$2.72, and 32,813 options exercisable at \$1.60, all of which expired on May 21, 2020 as a result of Mr. Reed's resignation in connection with the RTO.
 - (9) As at March 31, 2020, Mr. Estra also held 1,563 options exercisable at \$6.40, 7,813 options exercisable at \$2.72, and 32,813 options exercisable at \$1.60, all of which expired on May 21, 2020 as a result of Mr. Estra's resignation in connection with the RTO.

Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised Compensation Securities during the most recently completed financial fiscal year ended March 31, 2020.

Employment, Consulting and Management Agreements

Pursuant to a consulting agreement (the "**Carlton Agreement**") made as of January 1, 2012 between the Company and Carlton Energy Inc. ("**Carlton**"), a company controlled by Robert Dinning, the former Chairman and President and CEO of the Company (until February 21, 2020), the Company agreed to pay Carlton a monthly fee of \$15,000, plus HST, exclusive of bonuses, benefits and other compensation, for the first year of the term of the Carlton Agreement for services rendered by Carlton to the Company, subject to increase in subsequence fees equal to any increase in the Consumer Price Index. The Carlton Agreement had an initial term of two years, automatically extendable in one- year increments unless the Company gave written notice that it did not wish to further extend the Carlton Agreement. In the event of termination by the Company other than for just cause, disability or death or termination by Carlton for "good reason", the Company agreed to pay Carlton within 45 days after the date of termination the amount of the balance of the current year's obligation plus one additional year of compensation, and all outstanding and accrued regular and special vacation pay to the date of termination.

The Carlton Agreement set out a number of examples that would constitute "good reason", including, *inter alia*: (i) a change (other than those that are clearly consistent with a promotion) in Carlton's position or duties (including any position or duties as a director of the Company), responsibilities (including, without limitation, to whom Carlton reports and who reports to the Company), title or office in effect immediately prior to a "control change", which includes any removal of Carlton from or any failure to re-elect or reappoint Carlton to any such positions or offices; and (ii) the failure by the Company to obtain, in a form satisfactory to Carlton, an effective assumption of its obligations under the Carlton Agreement by any successor to the Company, including a successor to a material portion of its business. "Control change" was defined in the Carlton Agreement as the occurrence of any of the following events: (i) the actual acquisition or continuing ownership of, securities ("**Convertible Securities**") convertible into, exchangeable for or representing the right to acquire shares of the Company as a result of which a person, group of persons or persons acting jointly or in concert, or which associated or affiliated within the meaning of the *Business Corporations Act* (Ontario) with any such person, group of persons or any of such persons acting jointly or in concert (collectively, "**Acquirors**"), may or do beneficially own shares of the Company and/or Convertible Securities such that, assuming only the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, the Acquirors would beneficially own shares that would entitle the holders thereof to cast more than 20% of the votes attaching to all the shares in the capital of the Company that may be

cast to elect directors of the Company; or (ii) the exercise of the voting power for all of any such shares so as to cause or result in the election of a number of directors greater than 50% of the total number of directors of the Company who were not incumbent directors; or (iii) the shareholders of the Company approving a resolution authorizing the Company to enter into a transaction involving, directly or indirectly, (a) the merger, amalgamation or other combination of the Company or its principal business with one or more other entities; or (b) the sale of all or substantially all of the assets of the Company; or (iv) any transactions or series of transactions, the effect of which would cause Carlton and/or the directors of the Company, or any company, partnership, limited partnership, or any other legal entity of which they exercise control, to own less than ten percent of the issued and outstanding voting shares of the Company; or (v) any change in directors at an annual or special meeting of shareholders in which the identity of a majority of directors is different than that preceding such meeting.

During the financial year ended March 31, 2020, the reverse takeover by Mountain Valley MD Inc., a wholly owned subsidiary of the Company as at the date hereof, constituted a “Change of Control” and “Good Reason” and, in addition to \$90,000 in usual fees accrued or received by Carlton, Carlton also received or accrued a termination fee of \$90,000. Following the year ended March 31, 2020, this termination fee was paid by the issuance of Common Shares at \$0.05 per share.

Keith Margetson provided CFO services to the Company pursuant to a consulting agreement (the “**Margetson Agreement**”) made as of May 1, 2011 between the Company and Keith Margetson. The Company was entitled to terminate the Margetson Agreement at any time without just cause by paying Mr. Margetson a lump sum equal to three months’ compensation and any unpaid reimbursable business expenses incurred through to the last day of engagement. On a “change of control” of the Company, specified in the Margetson Agreement as a takeover bid, private purchase, merger, amalgamation, corporate reorganization or any other form of business combination, acquisition of more than 50% of the Company or control by a third party of more than 50% of the Board, Mr. Margetson, at his option may, within a 12 month period from the “change of control” would be entitled to receive a lump sum payment equal to 12 months’ compensation and any unpaid, allowable, reimbursable business expenses incurred through to the last day of engagement with the Company. During the financial year ended March 31, 2020, the reverse takeover by Mountain Valley MD Inc. triggered the requirement to pay Margetson \$36,000 in addition to his usual accrued fees of \$36,000. Following the year ended March 31, 2020, this termination fee was paid by the issuance of Common Shares at \$0.05 per share.

Effective as of February 21, 2020, the Company entered into a consulting agreement (the “**PS Agreement**”) with PerformanceSPARK Inc. (“**PS**”) for the services of Dennis Hancock as President and CEO (the “**CEO Services**”). Pursuant to the PS Agreement, which has an initial term of 36 months, the Company has agreed to pay PS \$20,000 per month plus applicable taxes (the “**Monthly Fee**”). The Monthly Fee is not inclusive of all expenses incurred by Mr. Hancock or PS in the delivery of CEO Services. PS is also entitled to receive incentive securities and group benefits to the extent they are available to consultants of the Company. The Company and PS may agree to terminate the PS Agreement, either party may terminate the PS Agreement on 90 days written notice, the Company may terminate the PS Agreement without notice upon the payment of three (3) times the Monthly Fee plus accrued and unpaid fees or the Company may terminate the Agreement or the Company may terminate without paying additional fees for “Cause”. “Cause” is defined in the PS Agreement as including the following: (i) PS or Mr. Hancock committing any fraudulent, dishonest or negligent act in connection with the performance of the CEO Services; or (ii) Mr. Hancock failing to perform any of the CEO Services in the manner or within the time required herein, or committing or permitting a breach of, or default in, any of Mr. Hancock’s duties or obligations under the PS Agreement, which for the avoidance of doubt will include the inability to provide the CEO Services and/or act as a President and/or Chief Executive Officer by order or other requirement of any applicable securities commission, stock exchange, or other regulatory body.

The Company and the corporation through which Lucie Letellier provided the services of a CFO were in the process of concluding a consulting agreement prior to Ms. Letellier's resignation on April 30, 2020. No termination fees were payable to Ms. Letellier as a result of her resignation.

Compensation, Philosophy and Objectives

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 NEOs 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 existing stock option plan (the "**2017 Plan**"), the amendment of which is being proposed for approval by the Shareholders at the Meeting (see section entitled "*Particulars of Matters to be Voted On*").

Description of Stock Option Plan

The 2017 Plan is a "rolling" stock option plan, pursuant to which a maximum of 10% of the issued and outstanding Common Shares at the time an option is granted may be reserved for issuance pursuant to the exercise of incentive stock options. The 2017 Plan was approved by the Board on October 20, 2017 and was ratified and approved by shareholders at the Company's annual general meeting held on November 17, 2017 (the "**2017 Meeting**"). The 2017 Plan was adopted by the Company in connection with the transfer of the listing of the Common Shares from the Toronto Stock Exchange to the TSX Venture Exchange ("**TSXV**") on September 27, 2017 in order to comply with the policies of the TSXV. The 2017 Plan replaced the Company's previous stock option plan adopted in 2012 (the "**Previous Plan**") wherein all outstanding stock options under the Previous Plan were rolled into and deemed granted under the 2017 Plan.

The purpose of the 2017 Plan is to provide incentives to qualified persons to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The 2017 Plan has been used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of the Company.

The listing of the Common Shares was transferred from the TSXV to the Canadian Securities Exchange (the “**CSE Listing**”) on March 2, 2018 and it became the intention of the Company to make corrections to the Old Plan in order to reflect the CSE Listing.

See section entitled “*Particulars of Matters to be Voted On - Proposed Amendment to Stock Option Plan*” for terms of the 2017 Plan as well as details regarding the proposed amendment to the 2017 Plan. The predominant material terms of the 2017 Plan will remain unchanged. Only those aspects of the 2017 Plan requiring change as a result of the listing of the Common Shares on the CSE have been amended.

As at August 27, 2020, 11,238,500 options are outstanding, representing 4.5% of the outstanding Common Shares.

The following table sets out equity compensation plan information as at the year ended March 31, 2020:

	Number of securities to be issued upon exercise of outstanding options (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)) (c)
Equity compensation plans approved by securityholders	11,238,500	0.06	13,718,376
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
TOTAL:	11,238,500	0.06	13,718,376

CORPORATE GOVERNANCE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* requires management of an issuer (other than a venture issuer) that solicits a proxy from a securityholder of the issuer for the purpose of electing directors to the its board of directors to include in its management information circular the disclosure required by Form 58-101F2 – *Corporate Governance Disclosure*. The following disclosure describes the Company’s approach to corporate governance.

Board of Directors

Independent 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.

The majority of the Board is independent, and one director is an officer of the Company. The independent directors are Kevin Puloski, Nancy Richardson and Paul Lockhard. The non-independent director is Dennis Hancock (President and CEO).

Directorships in Other Reporting Issuers

None of the directors proposed for re-election are directors of any other reporting issuers as at the date of this Circular.

Independent Director Meetings

The independent directors of the Company do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. The Board encourages independent Board members to discuss all matters with both other independent directors and non-independent directors and management in order that they are fully informed and apprised of all matters necessary to make objective decisions as directors.

The Board currently consists of four directors in total and there is consistent and frequent communication among the four directors on all matters affecting the operation of the Company.

Orientation and Continuing Education

The Board has not developed a formal orientation policy for new directors. 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.

In order to ensure that directors maintain the skill and knowledge necessary to meet their obligations as directors, the Company encourages its directors to take director education and training courses offered by post-secondary institutions. Directors are reimbursed for the expense of these training courses.

Ethical Business Conduct

The Board has not adopted a written code for directors, officers and employees. 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.

The Board does not have a nominating committee, and the identification of new candidates for Board nomination is 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 the CEO.

Other Board Committees

The Board has no other committees other than the Audit Committee.

Assessments

The Board, the Audit Committee and individual directors are not regularly assessed with respect to their effectiveness and contribution. 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 the Audit Committee.

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.

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

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Meadow Bay Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries since April 1, 2019 (being the commencement of the Company's last completed financial year), or has any interest in any material transaction in the current year other than as set out herein.

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

Proposed Amendment to Stock Option Plan

The Company has not yet amended the 2017 Plan, being the current stock option plan of the Company, since the listing of its Common Shares on the CSE. As the 2017 Plan reflects the requirements of the TSX-V, the Board determined it to be appropriate to amend the 2017 Plan to reflect CSE requirements (the “**2020 Plan**”). There are no changes to the nature of the stock option plan as a “rolling” plan. The details of the proposed 2020 Plan are set out below.

The 2020 Plan provides for a floating maximum limit of ten percent (10%) of the outstanding Common Shares. A total of 24,956,876 options will be available for grant under the 2020 Plan of which 11,238,500 are reserved for issuance as at the date of this Circular, with a balance of 13,718,376 available for grant. **There is no change in the number of options available for grant as between the 2017 Plan and the 2020 Plan.** The amendments to the Plan relate to the differences between the TSX-V versus CSE Requirements. A copy of the 2020 Plan is available for review upon request to the Company.

The terms of the 2020 Plan are as follows:

Administration

The 2020 Plan will be administered by the Board or by a committee of two or more directors who may be designated from time to time to serve as the committee for the Plan. Subject to the limitations of the Plan, the Board has full power to grant options, to determine the terms, limitations, restrictions and conditions respecting such options and to settle, execute and deliver option agreements and bind the Company accordingly, to interpret the 2020 Plan and to adopt such rules, regulations and guidelines for carrying out the 2020 Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the 2020 Plan.

Total Number of Securities Issuable and Securities Issued under the Plan

The maximum aggregate number of Common Shares reserved for issuance pursuant to the exercise of options granted under the Plan is 10% of the outstanding Common Shares as at the date of a stock option grant. If any option is exercised, in whole or in part, then the maximum number of Common Shares for which options may be granted hereunder shall be proportionately increased by the number of Common Shares issued on such exercise. If any option subject to the 2020 Plan is forfeited, expires, is terminated or is cancelled for any reason other than by reason of exercise, then the maximum number of Common Shares for which options may be granted must be increased by the number of Common Shares which were the subject of such forfeited, expired, terminated or cancelled option. The maximum number of Common Shares must be appropriately adjusted in the event of a subdivision or consolidation of the Common Shares.

Option Exercise Price

The exercise price per Common Share under an option must be determined by the administrator, in its discretion, at the time such option is granted, but such price shall not be less than the market price on the date of grant or the date before grant, whichever is greater. No amendments will be permitted unless approved by the CSE.

Tax Withholding

The Plan establishes that the Company shall have the right to withhold from any amount payable to an optionee such amount as may be necessary to enable the Company to comply with the applicable

requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to awards under the 2020 Plan. The Company shall also have the right in its discretion to satisfy any liability for any withholding obligations by selling, or causing a broker to sell, on behalf of any participant such number of Common Shares issued to the participant pursuant to an exercise of options under the 2020 Plan as is sufficient to fund the withholding obligations (after deducting commissions payable to the broker), or retaining any amount or consideration which would otherwise be paid, delivered or provided to the participant under the 2020 Plan. The Company may require a participant, as a condition to exercise of an option, to make such arrangements as the Company may require so that the Company can satisfy applicable withholding obligations, including, without limitation: (i) requiring the participant to remit the amount of any such withholding obligations to the Company in advance; (ii) requiring the participant to reimburse the Company for any such withholding obligations; or (iii) causing a broker who sells such shares on behalf of the participant to withhold from the proceeds realized from such sale the amount required to satisfy any such withholding obligations, and remitting such amount directly to the Company.

Eligible Participants under the Plan

Options may be granted to any Director, Employee or Consultant of the Company or its subsidiaries as those terms are defined in the 2020 Plan. Except in relation to Consultant Companies (as defined in the 2020 Plan), Options may be granted only to an individual or to a Company that is wholly owned by individuals eligible for an Option grant. Options may be granted to Optionees who are, in the opinion of the Board or Committee, in a position to contribute to the success of the Company or any of its subsidiaries or who, by virtue of their service to the Company or to any of its subsidiaries, are in the opinion of the Board or Committee, worthy of special recognition.

Maximum Insiders are Entitled to Receive

Unless the Company obtains “disinterested shareholder approval”: (a) the maximum aggregate number of Common Shares that may be reserved for issuance to insiders of the Company under the 2020 Plan; and (b) the maximum aggregate number of options granted to insiders of the Company under the 2020 Plan within a 12-month period, may not exceed 10% of outstanding Common Shares at the time of grant.

Maximum Any One Individual is Entitled to Receive

Unless the Company obtains “disinterested shareholder approval”, the maximum aggregate number of Common Shares that may be reserved under the 2020 Plan for issuance to any one person (and any companies wholly-owned by that person), in any 12-month period must not exceed 5% of the outstanding Common Shares at the time of grant.

Maximum Any One Consultant is Entitled to Receive

The maximum aggregate number of Common Shares that may be reserved under the 2020 Plan for issuance to any one Consultant during any 12-month period must not exceed 2% of the outstanding Common Shares at the time of grant.

Maximum Persons Retained to Provide Investor Relations Activities are Entitled to Receive

The maximum aggregate number of Common Shares that may be reserved during any 12-month period under the 2020 Plan for issuance to all persons retained to provide investor relations activities must not exceed 2% of the outstanding Common Shares at the time of grant.

Vesting of Options

Options issued to persons retained to provide investor relations activities will be subject to a vesting schedule of at least 12 months whereby no more than 25% of the options granted may be vested in any 3 month period. Options issued to optionees other than persons retained to provide investor relations activities may, at the discretion of the administrators, be subject to vesting conditions, such vesting conditions to be provided for in the option agreement to be entered into between the Company and the optionee. If there is a takeover bid made for all or any of the issued and outstanding Common Shares, then all outstanding options, whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall be exercisable in full to enable the optioned Common Shares subject to such options to be issued and tendered to such bid. The vested portions of options will be exercisable, in whole or in part, at any time after vesting. If an option is exercised for fewer than all of the optioned Common Shares for which the option has then vested, the option shall remain in force and exercisable for the remaining optioned Common Shares for which the option has then vested, according to the terms of such option.

Terms of Options

The option period for an option shall be determined by the administrator at the time the option is granted and may be up to 10 years from the date the option is granted. At the time an option is granted, the administrator may determine that, with respect to that option, upon the occurrence of an optionee ceasing to be a director, senior officer, employee, management company employee, or consultant of the Company for any reason excluding termination for cause or death or on account of disability, there shall come into force a time limit for exercise of such option which is different than the option period, and in the event of such a determination, the option agreement for such option shall contain provisions which specify the events and time limits related to that determination. Subject to the applicable maximum option period provided for under the 2020 Plan and subject to applicable regulatory requirements and approvals, the administrator may extend the option period of an outstanding option beyond its original expiration date (whether or not such option is held by an insider), provided such option has been outstanding for at least one year prior to such extension. If such expiry of the option period falls within a blackout period, the expiry of the option shall automatically be extended to the date which is 10 business days after the expiry of the blackout period, provided that the optionee or the Company is not subject to a cease trading order, or similar order under securities laws, in respect of the Company's securities.

Causes of Cessation of Entitlement

In the event that the optionee shall cease to be a director, senior officer, employee, management company employee or consultant of the Company by reasons of such optionee's termination for cause, the option shall terminate and shall cease to be exercisable upon such termination for cause. In the event that the optionee shall cease to be a director, senior officer, employee, management company employee or consultant of the Company by reason of such optionee's disability, any options held by such optionee that could have been exercised immediately prior to such cessation shall be exercisable by such optionee, or by his or her guardian, for a period of 30 days following the date of such cessation (if such optionee dies within that 30 day period, any option held by such optionee that could have been exercised immediately prior to his or her death shall pass to the qualified successor of such optionee, and shall be exercisable by the qualified successor until the earlier of 30 days following the death of such optionee and the expiry of the option period). In the event that the optionee shall cease to be a director, senior officer, employee, management company employee or consultant of the Company by reason of such optionee's death, any options held by such optionee shall pass to the qualified successor of the optionee and shall be exercisable by such qualified successor until the earlier of one year following the date of such death and the original expiry date of such option.

Assignability of Options

Neither the options nor the benefits and rights of any optionee under any option or under the 2020 Plan shall be assignable or otherwise transferable, except as specifically provided under the 2020 Plan in the event of the death or disability of an optionee. During the lifetime of the optionee, all options may only be exercised by the optionee.

Amendment or Termination of the Plan

The Board reserves the right to amend or terminate the 2020 Plan at any time if and when it is deemed advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding options granted under the 2020 Plan without the consent of the optionee. Any amendment to the 2020 Plan may also be subject to acceptance of such amendment or amended plan for filing by regulatory authorities and, if required, the approval of the shareholders.

Adjustments

Following the date an option is granted, the exercise price for and the number of Common Shares which are subject to an option will be adjusted, with respect to the then unexercised portion thereof, in the events and in accordance with the provisions and rules set out under the 2020 Plan, with the intent that the rights of optionees under their options are, to the extent possible, preserved and maintained notwithstanding the occurrence of such events. If the outstanding Common Shares are changed into or exchanged for a different number of Common Shares or into or for other securities of the Company or securities of another company or entity, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then on each exercise of the option which occurs following such events, for each optioned share for which the option is exercised, the optionee shall instead receive the number and kind of shares or other securities of the Company or other company into which such Common Share would have been changed or for which such Common Share would have been exchanged if it had been outstanding on the date of such event and the exercise price will be similarly adjusted so that the aggregate price to exercise the option is preserved.

At the Meeting, the Shareholders will be asked to consider and if thought advisable, approve, with or without variation, the following ordinary resolution to approve the 2020 Plan (the "**Plan Resolution**"):

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (a) The incentive stock option plan, as described in the Circular dated August 27, 2020, be and is hereby approved, adopted and authorized; and
- (b) Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, all such documents and instruments and to perform or cause to be performed all such other acts and things as may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument and the doing of such act or thing."

The Plan Resolution must be approved, with or without variation, by the affirmative vote of a simple majority of the votes cast on the Plan Resolution by all shareholders voting as a single class, present in person or represented by proxy at the Meeting. **The Board unanimously recommends that shareholders vote FOR the Plan Resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the proxy intend to vote FOR the**

approval of the Plan Resolution.

Other than the foregoing, the Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of this Circular.

ADDITIONAL INFORMATION

Additional information relating to the Company is available for review by the public on SEDAR at www.sedar.com and may also be obtained by a shareholder upon request without charge from the Company at 610 – 475 West Georgia Street, Vancouver, BC V6B 4M9, telephone: (647) 725-9755.

Financial information is provided in the Company's consolidated audited financial statements of the Company for the year ended March 31, 2020 and in the related Meadow Bay MD&A, to be filed following the date of this Circular as disclosed by the Company.

APPENDIX A

AUDIT COMMITTEE CHARTER OF MOUNTAIN VALLEY MD HOLDINGS INC. (THE "COMPANY")

1. MANDATE

The audit committee will assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the Company's business, operations and risks.

2. COMPOSITION

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 *Independence*

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

2.2 *Expertise of Committee Members*

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. The Board shall interpret the qualification of financial literacy in its business judgment and shall conclude whether a director meets this qualification.

3. MEETINGS

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

4. ROLES AND RESPONSIBILITIES

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 *External Audit*

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 *Internal Control*

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 *Financial Reporting*

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

- (a) review significant accounting and financial reporting issues, especially complex, unusual and Related Party Transactions (a "Related Party Transaction"); and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (d) review and approve the interim financial statements prior to their release to the public; and
- (e) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

- (f) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit

services, if:

- (i) the pre-approval policies and procedures are detailed as to the particular service;
- (ii) the audit committee is informed of each non-audit service; and
- (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 *Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 *Reporting Responsibilities*

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. **RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

6. **GUIDANCE – ROLES & RESPONSIBILITIES**

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfillment of their roles and responsibilities on the committee:

6.1 *Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 *Financial Reporting*

General

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Company's adoption of them.

Annual Financial Statements

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (h) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Company's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Company's financial and operating controls are functioning effectively;
 - (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
 - (viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 *Compliance with Laws and Regulations*

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 *Other Responsibilities*

- (a) review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements.