

## **LIBERTY LEAF HOLDINGS LTD.**

### **INFORMATION CIRCULAR**

(containing information as of November 22<sup>nd</sup>, 2016, unless otherwise stated)

#### **INTRODUCTION**

**This Information Circular is furnished to you in connection with the solicitation of proxies by management of Liberty Leaf Holdings Ltd. (“we”, “us” or the “Company”) for use at the Annual General Meeting (the “Meeting”) of shareholders of the Company to be held on Monday, December 19, 2016 and at any adjournment of the Meeting.** The Company will conduct its solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse shareholders, nominees or agents (including brokers holding shares on behalf of clients) for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.

#### **APPOINTMENT OF PROXY HOLDER**

The persons named as **proxy holders** in the enclosed form of proxy are the Company’s directors or officers. **As a shareholder, you have the right to appoint a person (who need not be a shareholder) in place of the persons named in the form of proxy to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the form of proxy and strike out the other names or complete and deliver another appropriate form of proxy.**

A proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

#### **VOTING BY PROXY**

**The persons named in the accompanying form of proxy will vote or withhold from voting the shares represented by the proxy in accordance with your instructions, provided your instructions are clear. If you have specified a choice on any matter to be acted on at the Meeting, your shares will be voted or withheld from voting accordingly. If you do not specify a choice or where you specify both choices for any matter to be acted on, your shares will be voted in favour of all matters.**

**The enclosed form of proxy gives the persons named as proxy holders discretionary authority regarding amendments or variations to matters identified in the Notice of Meeting and any other matter that may properly come before the Meeting. As of the date of this Information Circular, our management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any amendment, variation or other matter properly comes before the Meeting, the persons named in the form of proxy intend to vote on such other business in accordance with their judgement.**

You may indicate the manner in which the persons named in the enclosed proxy are to vote on any matter by marking an “X” in the appropriate space. If you wish to give the persons named in the proxy a discretionary authority on any matter described in the proxy, then you should leave the space blank. **In that case, the proxy holders nominated by management will vote the shares represented by your proxy in accordance with their judgment.**

#### **RETURN OF PROXY**

You must deliver the completed form of proxy to the office of the Company’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment.

## ADVICE TO NON-REGISTERED SHAREHOLDERS

Only shareholders whose names appear on our records or validly appointed proxy holders are permitted to vote at the Meeting. Most of our shareholders are “non-registered” shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a “Nominee”). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as “NOBOs”. Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as “OBOs”.

In accordance with the securities regulatory policy, we will have distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular, and the form of proxy directly to NOBOs and to the Nominees for onward distribution to OBOs.

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting materials sent to non-registered holders who have not waived the right to receive Meeting materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIF’s, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the shares which they beneficially own. Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request a legal proxy as set forth in the VIF, which will grant the non-registered holder or his/her nominee the right to attend and vote at the Meeting. Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

### REVOCATION OF PROXY

If you are a registered shareholder who has returned a proxy, you may revoke your proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either:

- a) signing a proxy bearing a later date; or
- b) signing a written notice of revocation in the same manner as the form of proxy is required to be signed as set out in the notes to the proxy.

The later proxy or the notice of revocation must be delivered to the office of the Company’s registrar and transfer agent or to the Company’s head office at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment, or to the Chairman of the Meeting on the day of the Meeting or any adjournment.

If you are a non-registered shareholder who wishes to revoke a VIF or to revoke a waiver of your right to receive Meeting materials and to give voting instructions, you must give written instructions to your Nominee at least seven days before the Meeting.

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed 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 director, and the ratification and approval of the Company’s 2016 stock option plan, approval of which will be sought at the Meeting. See “Particulars of Matters to be Acted Upon”.

**VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

Persons who are registered shareholders of common shares at the close of business on November 14, 2016, are entitled to receive notice of and to attend and vote at the Meeting or any adjournment of the Meeting (see “Voting of Shares and Proxies and Exercise of Discretion by Proxyholders” above).

The authorized capital of the Company consists of an unlimited number of common shares without par value. As of November 14, 2016, the Company had 72,334,605 common shares issued and outstanding.

To the knowledge of the directors and executive officers of the Company, the only person/corporation who holds, directly or indirectly, or exercises control or direction, over more than 10% of the issued and outstanding Common Shares, is as follows:

Name	Number of Voting Securities	Percentage
CDS & CO <sup>(1)</sup>	32,112,479	45.80%

(1) Management of the Company is unaware of the beneficial shareholders of the common shares registered in the name of CDS & CO.

**Approval of Resolutions**

On a show of hands, every shareholder and proxy holder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each common share. To approve a motion for an ordinary resolution, a majority of the votes cast by shareholders in person or by proxy who vote in respect of that resolution will be required. To approve a motion for a special resolution, a majority of not less than two-thirds of the votes cast in person or by proxy be those shareholders who vote in respect of that resolution will be required.

**EXECUTIVE COMPENSATION**

Under this heading, the Company is including the disclosure required by Form 51-102F6 *Statement of Executive Compensation*.

As at December 31, 2015, the end of the most recently completed financial year of the Company, the Company had two Named Executive Officers, as defined below, William Rascan, the Company’s CEO, and P. Joseph Meagher, the Company’s CFO.

The summary compensation table below sets out particulars of compensation paid to the following executive officers for services to the Company during the three most recently completed financial years:

- (a) the individual who served as our chief executive officer (“CEO”) or acted in a similar capacity during the most recently completed financial year;
- (b) the individual who served as our chief financial officer (“CFO”) or acted in a similar capacity during the most recently completed financial year;
- (c) each of our three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined by 1.3(6) of Form 51-102F6 and

(d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year,

(each of whom is a “**Named Executive Officer**”).

### **Compensation Discussion and Analysis**

The Company’s compensation strategy is designed to reward executive officers and directors of the Company for meeting the Company’s principal objectives while maintaining its status as a reporting issuer. The Company’s principal objectives are to identify potential mineral property transactions and to develop the Company’s mineral projects as a means to enhance shareholder value. In this context, the Company has a modest management team who are retained on a consulting contract basis, supplemented where necessary by members of the Company’s board of directors. The compensation for executive officers is comprised primarily of base consulting fees and incentive stock options. The compensation for directors is comprised primarily of incentive stock options and the reimbursement of reasonable expenses incurred in carrying out their responsibilities as directors of the Company. The Company does not have a compensation committee at this time. The board of directors of the Company carries out responsibilities relating to executive and director compensation, including reviewing and recommending director and officer compensation, overseeing the Company’s base compensation structure and equity-based compensation program and evaluating the performance of executive officers. Each year following completion of the Company’s annual general meeting, the board of directors holds a directors’ meeting where the directors agree on the amount of compensation payable to the executive officers for the following year.

The Company does not have any set milestones or performance criteria upon which to set compensation levels. The Company does not have a Compensation Committee. The Company does not have any agreements with any Named Executive Officers for bonus payments or for the payment of a fee in the event of the resignation or termination of a NEO or a change of control of the Company. There are no performance goals the Named Executive Officers must achieve in order to maintain their respective positions as Named Executive Officers within the Company, but the Named Executive Officers are expected to carry out their duties in an effective and efficient way and advance the exploration, and if warranted, development goals of the Company. If the board of directors determines that these duties are not being met, it has the ability to replace such Named Executive Officers in its discretion.

The current level of compensation was determined by the board of directors to be fair and consistent with other companies with a similar stage of development. The board of directors reviewed compensation policies of similar exploration stage companies when it agreed with such payments.

The Company’s management is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities of the Company granted as compensation or held, directly or indirectly, by management.

The Board determines the allocation and terms of any stock option grants. When granting stock options, the Board considers the amount of past options which have been granted.

### ***Option-Based Awards***

The board of directors of the Company is responsible for granting stock options to executive officers. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company’s future success and the individual’s ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to align the personal interests of such persons to the interests of the shareholders. The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

The Company is asking shareholders to approve the stock option plan (the “**Option Plan**”) as described in this Information Circular, subject also to the approval of the CSE. Under the Option Plan, a maximum of 10% of the issued and outstanding shares of the Company are proposed to be reserved at any time for issuance on the exercise

of stock options. As the number of shares reserved for issuance under the Option Plan increases with the issue of additional shares by the Company, the Option Plan is considered to be a “rolling” stock option plan.

See “Particulars of Matters to be Acted Upon” for a more information about the Company’s Option Plan.

### Summary Compensation Table

The following table is a summary of compensation paid to the Named Executive Officers for the financial years ended December 31, 2015, 2014 and 2013:

Name and Principal Position	Year	Salary (\$) <sup>(1)</sup>	Share-based Awards (\$)	Option-based Awards <sup>(2)</sup> (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans <sup>(3)</sup>			
William Rascan CEO, President & Secretary	2015	108,000 <sup>(4)</sup>	Nil	Nil	N/A	N/A	N/A	Nil	108,000
	2014	108,000 <sup>(4)</sup>	Nil	Nil	N/A	N/A	N/A	Nil	108,000
	2013	102,000	Nil	Nil	N/A	N/A	N/A	Nil	102,000
P. Joseph Meagher CFO	2015	18,000 <sup>(5)</sup>	Nil	Nil	N/A	N/A	N/A	6,500 <sup>(6)</sup>	24,500
	2014	18,000 <sup>(5)</sup>	Nil	Nil	N/A	N/A	N/A	4,500 <sup>(6)</sup>	22,500
	2013	18,000 <sup>(5)</sup>	Nil	Nil	N/A	N/A	N/A	4,500 <sup>(6)</sup>	22,500

<sup>(1)</sup> Includes salary paid or accrued during the financial year.

<sup>(2)</sup> The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. No stock options were granted to Named Executive Officers during the years ended December 31, 2015, 2014 and 2013.

<sup>(3)</sup> Long-term incentive plan. The Company does not have any LTIP other than the Stock Option Plan.

<sup>(4)</sup> Paid to Sunshrine Capital Corp., a private company wholly owned by Mr. Rascan, for management fees.

<sup>(5)</sup> Paid to Triumvirate Consulting Corp., a private company of which Mr. Meagher is a director, for management fees.

<sup>(6)</sup> Paid to Triumvirate Consulting Corp., a private company of which Mr. Meagher is a director, for accounting fees.

### Incentive Plan Awards

#### *Outstanding Option-Based Awards*

The following table sets out all option-based awards outstanding as of December 31, 2015:

Name	Option-based awards			
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
William Rascan	50,000	0.10	July 9, 2017	Nil
P. Joseph Megher	80,000	0.10	July 9, 2017	Nil

(1) Calculated using the closing price of the Company’s shares on the Canadian Securities Exchange (the “Exchange”) at December 31, 2015.

***Value Vested or Earned During the Year***

The following table sets out the aggregate dollar value of incentive stock options that would have been realized if the options under the option-based award had been exercised on the vesting date for the Named Executive Officers during the most recently completed financial year ended December 31, 2015:

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
William Rascan	Nil	N/A	N/A
P. Joseph Meagher	Nil	N/A	N/A

**Termination and Change of Control Benefits**

The Company has not entered into any plans or arrangements in respect of remuneration received or that may be received by the Named Executive Officers in the Company’s most recently completed financial year or current financial year in respect of compensating such officers or directors in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control.

**Pension Plan Benefits**

The Company does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

**Director Compensation**

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

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

<b>Name</b>	<b>Fees earned (\$)<sup>(1)</sup></b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)<sup>(2)</sup></b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Keith Anderson	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Steven Feldman	6,000 <sup>(3)</sup>	Nil	Nil	N/A	N/A	Nil	6,000

<sup>(1)</sup> Includes fees paid or accrued during the financial year.

<sup>(2)</sup> Refer to discussion in footnote (2) in the “Summary of Compensation” table for Named Executive Officers for the method of determining the value of option-based awards.

<sup>(3)</sup> Paid to Mr. Feldman for shareholder communications.

**Incentive Plan Awards**

***Outstanding Option-Based Awards***

The following table sets out all option-based awards outstanding as of December 31, 2015 (no share-based awards are outstanding) to directors who were not Named Executive Officers:

Name	Option-based awards			
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Keith Anderson	80,000	0.10	July 9, 2017	Nil
Steven Feldman	80,000	0.10	July 9, 2017	Nil

<sup>(1)</sup> Calculated using the closing price of the Company's shares on the Exchange at December 31, 2015.

#### ***Value Vested or Earned During the Year***

The following table sets out the aggregate dollar value of incentive stock options that would have been realized if the options under the option-based award had been exercised on the vesting date for directors who were not Named Executive Officers during the most recently completed financial year ended December 31, 2015:

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Keith Anderson	Nil	N/A	N/A
Steven Feldman	Nil	N/A	N/A

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

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2015:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	2,112,500	\$0.06	2,643,199
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>Total</b>	<b>2,112,500</b>		<b>2,643,199</b>

#### **AUDIT COMMITTEE**

As at the date hereof, the Audit Committee is composed of William Rascan, Keith Anderson and Steven Feldman. Mr. Anderson and Mr. Feldman are independent members of the Audit Committee in accordance with Section 1.4 of National Instrument 52-110 *Audit Committees* (“NI 52-110”). Mr. Rascan is the Company's CEO and therefore is not independent. All of the members of the Audit Committee are “financially literate” as that term is defined in NI 52-110.

Name of Audit Committee Member	Independent <sup>(1)</sup>	Financially Literate <sup>(1)</sup>	Relevant Education and Experience

William Rascan	No	Yes	Has been an executive officer and director of several reporting issuers and is familiar with the corporate requirements and financial reporting obligations of applicable stock exchanges and provincial securities laws.
Keith Anderson	Yes	Yes	Has been an executive officer and director of several reporting issuers and is familiar with the corporate requirements and financial reporting obligations of applicable stock exchanges and provincial securities laws.
Steven Feldman	Yes	Yes	Has provided consulting services to several reporting issuers with respect to corporate governance, corporate advisory services and business advisory services.

(1) As that term is defined in NI 52-110.

### **Audit Committee Charter**

The Charter of the Company's audit committee is included as Schedule "A" to this Information Circular.

### **External Auditor Service Fees by Category**

#### **Audit Fees and Audit-Related Fees**

The aggregate fees billed/unbilled by the Company's external auditor for the financial year ended December 31, 2015 for audit and assurance and related services is \$12,750 (2014: \$12,750).

#### **Tax Fees**

The aggregate fees unbilled/billed for tax compliance, tax advice and tax planning services by the Company's external auditor for the financial year ended December 31, 2015 were \$NIL (2014: NIL).

#### **All Other Fees**

The aggregate fees billed by the Company's external auditor for the financial year ended December 31, 2015 for review of unaudited interim financial statements, compilation of consolidated financial statements and related services were \$NIL (2014: NIL)

### **Exemption**

The Company is relying on the exemption in section 6.1 of NI 52-110, which exempts issuers whose shares are listed on the Exchange from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

## **CORPORATE GOVERNANCE**

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 Corporate Governance Guidelines provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101") prescribes certain disclosure by the Company of its corporate governance practices. The disclosure required by NI 58-101 is presented below.



## **Board of Directors**

The Board of Directors facilitates its independent supervision over management through regular meetings of the Board. The non-management directors of the Board do not hold regularly scheduled meetings at which non-independent directors are not in attendance. However, the size of the Board and the nature of the Company's operations ensure that open and candid discussion among the independent directors is possible.

The independent members of the Board of Directors are Keith Anderson and Steven Feldman. The non-independent directors are William Rascan, CEO and P. Joseph Meagher, CFO of the Company.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

## **Directorship**

The directors of the Company are currently directors of the following other reporting issuers:

William Rascan	N/A
P. Joseph Meagher	Bonterra Resources Inc. Alchemist Mining Incorporated Bullion Gold Resources Corp. Alexis Financial Inc. Chichi Financial Inc. Syd Financial Inc. Boomer Financial Inc.
Keith Anderson	Vangold Resources Ltd. Alchemist Mining Incorporated Alexis Financial Inc. Chichi Financial Inc. Syd Financial Inc. Boomer Financial Inc.
Steven Feldman	N/A

## **Orientation and Continuing Education**

The Board of Directors of the Company briefs all new directors with respect to the policies of the Board of Directors and other relevant corporate and business information. The Board does not provide any continuing education.

## **Ethical Business Conduct**

The Board of Directors relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board of Directors has found that these, combined with 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.

## **Nomination of Directors**

The Board of Directors 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. The Board takes into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board of Directors does not have a nominating committee. The Board of Directors is responsible for recruiting new members to the Board and planning for the succession of Board members.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

### **Compensation**

The Board of Directors is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the CEO of the Company and the directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position.

The Board of Directors conducts reviews with regard to compensation of the directors and CEO once a year.

When determining the compensation of its officers, the Board considers: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

### **Other Board Committees**

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

### **Assessments**

The Board of Directors regularly monitors the adequacy of information given to directors, communications between the board and management and the strategic direction and processes of the Board and its committees.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

During the last completed financial year, no director, executive officer, or nominee for director of the Company or any of their associates has been indebted to the Company or any of its subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support in agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person of the Company, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the commencement of our last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of our subsidiaries.

An "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

## MANAGEMENT CONTRACTS

Management functions of the Company are generally performed by directors and executive officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### Election of Directors

The Company's Board of Directors proposes to nominate the persons named in the table below for election as directors of the Company. Each director elected will hold office until the next annual general meeting of the Company or until his successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Company or the *Business Corporations Act* (British Columbia) (the "BCBCA") or he becomes disqualified to act as a director.

Management of the Company proposes that the number of directors for the Company be determined at six (6) for the ensuing year, subject to such increases as may be permitted by the Articles of the Company.

The following table sets out the names of management's nominees for election as directors, the jurisdiction in which each is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which each has been a director of the Company, the respective principal occupations or employments during the past five years (if such nominee is not presently a director who was elected to his present term of office by a vote of shareholders) and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular.

Name, Jurisdiction of Residence and Position Held with the Company	Principal Occupation During the Past Five Years <sup>(1)(2)</sup>	Director Since	Number of Shares Owned <sup>(1)</sup>
<b>William Rascan</b> <sup>(3)</sup> British Columbia, Canada <i>President, CEO, Secretary and Director</i>	Chief Executive Officer, President, Secretary and Director of the Company.	May 16, 2012	2,065,500 <sup>(4)</sup>
<b>P. Joseph Meagher</b> British Columbia, Canada <i>CFO and Director</i>	CFO and Director of various public companies; Director of Triumvirate Consulting Corp., a private consulting company; former manager of Smythe Ratcliffe LLP from 2005 to 2011.	June 15, 2012	855,714
<b>Keith Anderson</b> <sup>(3)</sup> British Columbia, Canada <i>Director</i>	President, CEO, Secretary and Director of Alchemist Mining Inc. (CSE).	June 15, 2012	Nil
<b>Steven Feldman</b> <sup>(3)</sup> British Columbia, Canada <i>Director</i>	Investor and Corporate Communications Consultant and former Manager of Investor Relations for Barisan Gold Corp. (TSXV); former Vice-President of Investor and Corporate Relations for TVI Pacific Inc. (TSX); former Manager of Investor Relations for SouthGobi Resources Ltd. (TSX) from 2005 to 2012.	May 16, 2012	225,000

- (1) This information as to principal occupation and number of shares owned, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) Unless otherwise stated above, any nominee named above not elected at the last annual general meeting has held the principal occupation or employment indicated for at least five years.
- (3) Member of the Audit Committee.
- (4) 1,788,000 shares are held in Sunshrine Capital Corp., a private company wholly-owned by William Rascan.

To the knowledge of the Company's management, no proposed director of the Company:

- (a) is, as at the date of the Info Circular, or has been within 10 years before the date of the Information Circular, a director, CEO, CFO or any company (including the Company) that:

(i) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or

(ii) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or

(b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information 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;

(c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receive, receiver manager or trustee appointed to hold the assets of the proposed director; or

(d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has been entered into a settlement agreement with a securities regulatory authority; or

(e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

#### **Appointment and Remuneration of Auditor**

Unless otherwise instructed, the proxies given in this solicitation will be voted for the re-appointment of Smythe LLP, of Vancouver, British Columbia, as auditors for the Company to hold office until the next annual general meeting, at a remuneration to be fixed by the directors.

#### **Incentive Stock Option Plan**

The Option Plan is a “rolling” stock option plan, which makes a maximum of 10% of the issued and outstanding Common Shares available for issuance thereunder. The policies of the Exchange require that a rolling plan such as the Option Plan be approved by the Shareholders on an annual basis.

The purpose of the Option Plan is to provide directors, officers and key employees of, and certain other persons who provide services to, the Company with an opportunity to purchase Common Shares of the Company at a specific price, and subsequently benefit from any appreciation in the value of the Common Shares. This provides an incentive for such persons to contribute to the future success of the Company and enhances the ability of the Company to attract and retain skilled and motivated individuals, thereby increasing the value of the Common Shares for the benefit of all Shareholders.

The exercise price of stock options granted under the Option Plan will be determined by the Board and will be priced in accordance with the policies of the Exchange, and will not be less than the closing price of the Common Shares on the Exchange on the date prior to the date of grant less any allowable discounts. All options granted under the Option Plan will have a maximum term as permitted by the Exchange and will be the dates fixed by the Board at the time the options are granted.

The Option Plan provides that it is solely within the discretion of the Board of Directors to determine who should receive options and how many they should receive. The Board may issue a majority of the options to insiders of the Company. However, the Option Plan provides that in no case will the Option Plan or any existing share compensation arrangement of the Company result, at any time, in the issuance to any option holder, within a one

year period, of a number of Common Shares exceeding <sup>- 13</sup>5% of the Company's issued and outstanding Common Share capital.

The full text of the Option Plan is available for review by any Shareholder up until the day preceding the Meeting at the Company's head office, located at 1240 – 789 West Pender Street, Vancouver, British Columbia and will also be available at the Meeting.

Upon the approval of the Option Plan by Shareholders, Shareholder approval will not be required or sought on a case-by-case basis for the purpose of the granting of options and the exercise of options under the Option Plan.

At the Meeting, Shareholders will be asked to approve an ordinary resolution approving the Option Plan. The text of the resolution to be considered and, if thought fit, approved at the Meeting is as follows:

“BE IT RESOLVED THAT:

1. Subject to the approval of the Canadian Securities Exchange, the Company's incentive stock option plan, which makes a total of 10% of the issued and outstanding shares of the Company available for issuance thereunder as described in the Company's Information Circular dated December 2, 2015, be and is hereby ratified, confirmed and approved.
2. The Company be and is hereby authorized to grant options pursuant and subject to the terms and conditions of the Option Plan.
3. Any one director or officer of the Company be and is hereby authorized and directed to perform all such acts, deeds and things and execute all such documents and other instruments as may be required to give effect to the true intent of this resolution.”

In order to be effective, the foregoing ordinary resolutions must be approved by a simple majority of the votes cast by those shareholders of the Company who, being entitled to do so, vote in person or by proxy at the Meeting in respect of such resolution.

**It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the ordinary resolution authorizing the approval of the Option Plan.**

The Directors of the Company believe the passing of the foregoing ordinary resolution is in the best interests of the Company and recommend that shareholders of the Company vote in favour of the resolution.

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the Option Plan.**

#### **OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

#### **ADDITIONAL INFORMATION**

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Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's financial statements and management's discussion and analysis ("MD&A") for the most recently completed financial year.

The Company will provide to any securityholder upon request, copies of the Company's financial statements and MD&A for the most recently completed financial year. Please direct your request to the Company at 1240-789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

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

DATED at Vancouver, British Columbia, this 22<sup>nd</sup> day of November, 2016

**ON BEHALF OF THE BOARD**

*"William Rascan"*  
President

**SCHEDULE "A"**  
**AUDIT COMMITTEE CHARTER**

**1.0 Purpose of the Committee**

1.1 The purpose of the Audit Committee is to assist the Board in its oversight of the integrity of the Company's financial statements and other relevant public disclosures, the Company's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

**2.0 Members of the Audit Committee**

2.1 At least one Member must be "financially literate" as defined under MI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

2.2 The Audit Committee shall consist of no less than three Directors.

2.3 At least one Member of the Audit Committee shall be "independent" as defined under MI 52- 110, while the Company is in the developmental stage of its business.

**3.0 Relationship with External Auditors**

3.1 The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board of Directors and the Audit Committee.

3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.

3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.

3.4 The Audit Committee will have direct communications access at all times with the external auditors.

**4.0 Non-Audit Services**

4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.

4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:

- (i) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and
- (ii) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

## **5.0 Appointment of Auditors**

5.1 The external auditors will be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.

5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

## **6.0 Evaluation of Auditors**

6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

## **7.0 Remuneration of the Auditors**

7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the shareholders at each general meeting of the shareholders.

7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

## **8.0 Termination of the Auditors**

8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

## **9.0 Funding of Auditing and Consulting Services**

9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

## **10.0 Role and Responsibilities of the Internal Auditor**

10.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company shall be responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

## **11.0 Oversight of Internal Controls**

11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

## **12.0 Continuous Disclosure Requirements**

12.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company is responsible for ensuring that the Company's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

## **13.0 Other Auditing Matters**

13.1 The Audit Committee may meet with the external auditors independently of the management of the Company at any time, acting reasonably.

13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Company.



**14.0 Annual Review**

14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

**15.0 Independent Advisers**

15.1 The Audit Committee shall have the power to retain legal, accounting or other advisors to assist the Committee.