

# MEZZI HOLDINGS INC.

## INFORMATION CIRCULAR

(as at December 11, 2015, except as indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the Management of **MEZZI HOLDINGS INC.** (the “Company”) for use at the Annual General Meeting (the “Meeting”) of the shareholders of the Company (“Shareholders”), to be held on Tuesday, February 9, 2016, at 10:00 a.m. for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

### **PERSONS OR COMPANIES MAKING THE SOLICITATION**

THE ENCLOSED PROXY IS BEING SOLICITED BY MANAGEMENT OF THE COMPANY. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The cost of solicitation will be borne by the Company. None of the Directors of the Company have advised that they intend to oppose any action intended to be taken by Management as set forth in this Information Circular.

### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the accompanying Instrument of Proxy are directors or officers of the Company. **A Shareholder has the right to appoint a person other than the persons named in the enclosed Instrument of Proxy to represent him at the Meeting. To exercise this right, a Shareholder shall strike out the names of the persons named in the Instrument of Proxy and insert the name of his nominee in the blank space provided, or complete another Instrument of Proxy. The completed Instrument of Proxy should be deposited with the Company's Registrar and Transfer Agent, Computershare Investor Services Inc. at 8<sup>th</sup> Floor – 100 University Avenue, Toronto, Ontario M5J 2Y1 at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays and holidays.**

The Instrument of Proxy must be signed by the Shareholder or by his duly authorized attorney. If signed by a duly authorized attorney, the Instrument of Proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the Shareholder is a corporation, the Instrument of Proxy must be signed by a duly authorized attorney, officer, or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives his power, as the case may be, or a notarially certified copy thereof. The Chairman of the Meeting has discretionary authority to accept proxies which do not strictly conform to the foregoing requirements.

**In addition to revocation in any other manner permitted by law, a Shareholder may revoke a Proxy either by (a) signing a Proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the Instrument of Proxy is required to be executed as set out in the notes to the Instrument of Proxy) and either depositing it at the Company's registered office at Suite 1500 – 609 Granville Street, Vancouver, British Columbia V6C 1T2 by 5:00 p.m. within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the Scrutineer at the Meeting as a registered Shareholder present in person, whereupon such Proxy shall be deemed to have been revoked.**

**Only registered Shareholders have the right to revoke a proxy. Non-registered holders who wish to change their vote by proxy must, at least seven days before the Meeting, arrange for their nominees to revoke the proxy on their behalf.**

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

## **NON-REGISTERED HOLDERS**

**Only registered Shareholders or duly appointed proxyholders are permitted to vote in person at the Meeting. Most Shareholders of the Company are “non-registered Shareholders” because the common shares of the Company (the “Shares”) they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares.** More particularly, a person is not a registered Shareholder in respect of Shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and a form of proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

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

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deliver it to **Computershare Trust Company of Canada** as provided above; or
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

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 one of the above forms wish to vote at the meeting in person, the Non-Registered Holder should strike out the names of the Management Proxyholders and insert the Non-Registered Holder’s name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “non-objecting beneficial owners” (“NOBOs”). Those Non-Registered Holders who have objected to their nominee disclosing

ownership information about themselves to the Company are referred to as “objecting beneficial owners” (“OBOs”).

The Company is not sending the Meeting Materials directly to NOBOs in connection with the Meeting, but rather has distributed copies of the Meeting Materials to Intermediaries for distribution to NOBOs.

The Company does not intend to pay for Intermediaries to deliver the Meeting Materials and Form 54-101 – Request for Voting Instructions Made by Intermediary to OBOs. As a result, OBOs will not receive the Meeting Materials unless their Intermediary assumes the costs of delivery.

### **NOTICE AND ACCESS**

The Company is not sending the Meeting Materials to Shareholders using “notice-and-access”, as defined under National Instrument 54-101.

### **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

**In the absence of any direction in the Instrument of Proxy, it is intended that such Shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Information Circular.** The Instrument of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting. The enclosed Instrument of Proxy does not confer authority to vote for the election of any person as a director of the Company other than those persons named in this Information Circular. At the time of printing of this Information Circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of common shares without par value. On December 11, 2015, 43,503,653 common Shares were issued and outstanding, each common share carrying the right to one vote. At a general meeting of the Company, on a show of hands, every Shareholder present in person shall have one vote and, on a poll, every Shareholder shall have one vote for each Share of which he is the holder.

Only Shareholders of record on the close of business on December 11, 2015, who either personally attend the Meeting or who complete and deliver an Instrument of Proxy in the manner and subject to the provisions set out under the heading “Appointment and Revocation of Proxies” will be entitled to have his or her Shares voted at the Meeting or any adjournment thereof.

The following table sets forth the only persons who as of the date hereof, to the knowledge of the directors and executive officers of the Corporation, beneficially own or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares:

| <b>Name</b>                | <b>Number of Shares</b> | <b>Percentage</b> |
|----------------------------|-------------------------|-------------------|
| Keir Reynolds <sup>1</sup> | 5,248,500               | 12.1% %           |

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

To the knowledge of management of the Company, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and annual approval of the stock option plan. See "Particulars of Matters to be Acted Upon".

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

For the purposes of this Information Circular, "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% 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 own securities, for so long as it holds any of its securities.

Except as otherwise disclosed, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has or has had any material interest, direct or indirect, in any transaction with the Company since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or is likely to materially affect the Company or any of its subsidiaries.

### **Change of Business**

Effective October 24, 2014 following receipt of shareholder and TSX Venture Exchange approvals, the Company (then "CCT Capital Ltd.") completed the acquisition (the "Acquisition") of the privately held company, Mezzi Canada Inc. ("Privco"), pursuant to a three-party amalgamation under the *Canada Business Corporations Act*, which constituted a "Change of Business" under the policies of the TSX Venture Exchange. In consideration of the Acquisition, the Company issued an aggregate of 6,000,000 Shares to the shareholders of Privco at an exchange ratio was one Company Share for every one Privco share held.

Further detail with respect to the Acquisition is included in news releases by the Company and in the Company's Filing Statement dated October 15, 2014, prepared in connection with the Acquisition, which have been electronically filed with regulators and are available for viewing under the Company's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com), together with the Company's other disclosure documents.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **A. General Provisions**

For the purposes of this Information Circular:

“CEO” of the Company means an individual who acted as Chief Executive Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” of the Company means an individual who acted as Chief Financial Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“equity incentive plan” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-based Payments*;

“executive officer” of the Company means an individual who is the Chairman or Vice-Chairman of the Board, the President, a Vice-President in charge of a principal business unit, division or function including sales, finance or production, or any other individual who is performing a policy-making function in respect of the Company;

“incentive plan” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“incentive plan award” means compensation awarded, earned, paid or payable under an incentive plan;

“NEO” or “named executive officer” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the Company's 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 for that financial year; and
- (d) each individual who would be a NEO 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;

“non-equity incentive plan” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“option-based award” means an award under an equity incentive plan of options, including, for greater certainty, Share options, Share appreciation rights, and similar instruments that have option-like features;

“plan” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

“repricing” means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

“Share-based award” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common Shares, restricted Shares, restricted Share units, deferred Share units, phantom Shares, phantom Share units, common Share equivalent units, and stock.

### **B. Compensation Discussion and Analysis**

## **Compensation Objectives and Principles**

The primary goal of our executive compensation process is to attract and retain the key executives necessary for the Company's long term success, to encourage executives to further the development of the Company and our operations, and to motivate quality and experienced executives. The key elements of executive compensation awarded by the Company are base salary or fee, potential for annual incentive award and incentive stock options. Our directors are of the view that all elements should be considered, rather than any single element.

## **Compensation Process**

The Company relies solely on its Board of Directors, through discussion without any formal objectives or criteria, to determine the compensation of its executive officers and directors. The Board of Directors is responsible for determining all forms of compensation of NEOs and the directors, including long-term incentives in the form of stock options, to ensure such arrangements reflect the responsibilities and risks associated with each position. The Board may seek advice from independent compensation consultants or advisors as and when it deems appropriate to assist them in determining compensation for any of the Company's executive officers or directors. During the fiscal year ended April 30, 2015, the Board did not seek such counsel

When determining the compensation of our 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 our shareholders; iv) rewarding performance, both on an individual basis and with respect to operations in general; and v) available financial resources.

The Board reviews the compensation paid to the NEOs on an annual basis.

## **Risk Considerations**

The Board considers the implications of the risks associated with the Company's compensation policies and practices when determining rewards for its officers and Directors. The Board reviews at least once annually the risks, if any, associated with the Company's compensation policies and practices at such time.

Executive compensation is comprised of both short-term compensation in the form of a base salary/fee and long-term ownership through the grant of stock options. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long term shareholder value.

The Board also has the ability to set out vesting periods in each stock option agreement. As the benefits of such compensation, if any, are not realized by officers and directors until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the Shareholders is extremely limited. Furthermore, all elements of executive compensation are discretionary. As a result, it is unlikely officers would take inappropriate or excessive risks at the expense of the Company or the Shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the relatively small size of the Company and its current management group, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company is reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

## **Hedging of Economic Risks in the Company's Securities**

The Company has not adopted a formal policy forbidding directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as

compensation or held, directly or indirectly, by directors or officers. The Company is not, however, aware of any directors or officers having entered into this type of transaction.

### C. Summary Compensation Table

Keir Reynolds, Cyrus Driver, Raif Adelberg, Warwick Smith, Alnesh Mohon and Kim Evans are the NEOs of the Company for the purposes of the following disclosure, each having served as a NEO for some period of time during the fiscal year ended April 30, 2015. The compensation for the NEOs, directly or indirectly, for the Company's three most recently-completed financial years is summarized in the following table.

The grant date fair value of incentive stock option granted by the Company is estimated using the Black-Scholes option pricing model and for the assumptions and estimates used for these calculations, please refer to the notes to the audited consolidated annual financial statements of the Company, which are available for viewing under the Company's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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| Name and Principal Position   | Year ended April 30 | Salary and/or consulting fees (\$) <sup>(1)</sup> | Share based awards (\$) <sup>3</sup> | Option-based awards (\$) <sup>4</sup> | Non-equity incentive plan compensation \$ |                           | Pension value (\$) | All other compensation (\$) | Total compensation (\$) |
|---|---------------------|---|--------------------------------------|---------------------------------------|---|---------------------------|--------------------|-----------------------------|-------------------------|
|   |                     |   |                                      |                                       | Annual incentive plans                    | Long-term incentive plans |                    |                             |                         |
| Alnesh Mohan<br>(Served as CFO from April 4, 2014, until his resignation on November 24, 2014)  | 2015                | \$57,449  | nil                                  | nil                                   | nil                                       | nil                       | nil                | nil                         | \$57,449                |
|   | 2014                | \$5,000   | nil                                  | nil                                   | nil                                       | nil                       | nil                | nil                         | \$5,000                 |
|   | 2013                | N/A   | N/A                                  | N/A                                   | N/A                                       | N/A                       | N/A                | N/A                         | N/A                     |
| Kim Evans<br>(Served as CFO and as a director from April 13, 2006, until her resignation as CFO on April 14, 2014 and her resignation as a director on June 24, 2014) | 2015                | nil   | nil                                  | nil                                   | nil                                       | nil                       | nil                | nil                         | nil                     |
|   | 2014                | \$24,600  | nil                                  | nil                                   | nil                                       | nil                       | nil                | nil                         | \$24,600                |
|   | 2013                | \$41,200  | nil                                  | nil                                   | nil                                       | nil                       | nil                | nil                         | \$41,600                |

**NOTES:**

- (1) Amounts were paid to NEO directly or to a private company controlled by the NEO.
- (2) Grant date fair value of incentive stock options entitling the purchase of 685,000 common shares in the capital of the Company at a per share price of \$0.25 until May 23, 2019, and 185,000 common shares in the capital of the Company at a per share price of \$0.25 until August 27, 2019.
- (3) Contractually obligated cash bonus
- (4) Amounts were paid to a firm of which Mr. Driver is a partner for accounting related services.
- (5) Amounts were paid for use of a studio space. See “Termination and Change of Control Benefits”.
- (6) Grant date fair value of incentive stock options entitling the purchase of 50,000 common shares in the capital of the Company at a per share price of \$0.25 until May 23, 2019, and 450,000 common shares in the capital of the Company at a per share price of \$0.25 until August 27, 2019. All options were cancelled as of August 26, 2015.
- (7) Grant date fair value of incentive stock options entitling the purchase of 685,000 common shares in the capital of the Company at a per share price of \$0.25 until May 23, 2019, and 315,000 common shares in the capital of the Company at a per share price of \$0.25 until August 27, 2019. These options were exercised by Mr. Smith during July and August 2014 (see below “Incentive Plan Awards – Value Vested or Earned During the Year”).
- (8) Amount relates to bonus paid.

**D. Incentive Plan Awards**

The Company has in place a 10% rolling stock option plan (the “Stock Option Plan”) for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and advancing the interests of the Company by affording such persons the opportunity to acquire an equity interest in the Company through options granted under the Stock Option Plan to purchase Shares of the Company. The Stock Option 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 impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the “TSXV”), and closely align the interests of the executive officers with the interests of Shareholders. The Compensation Committee has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards. See “Particulars of Matters to be Acted Upon – Approval and Ratification of Stock Option Plan”. A copy of the Option Plan will be available for review at the Meeting.

As of the date of this Circular, the Company does not have any Share-based award plans in place other than grants of incentive stock options under its Stock Option Plan.

**OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS**



The following table discloses the particulars of all awards for each NEO outstanding at the end of the Company's financial year ended April 30, 2015, including awards granted before this most recently completed financial year:

| Name                            | Option-based Awards                                     |                            |                                 |   | Share-based Awards   |  |  |
|---------------------------------|---|----------------------------|---------------------------------|---|--|--|--|
|                                 | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date          | Value of unexercised in-the-money options <sup>(1)</sup> (\$) | Number of Shares or units of Shares that have not vested (#) | Market or payout value of Share-based awards that have not vested (\$) | Market or payout value of vested share-based awards not paid out or distributed (\$) |
| Keir Reynolds<br>CEO            | 365,000<br>185,000                                      | 0.25<br>0.25               | May 23, 2019<br>August 27, 2019 | nil   | nil  | nil  | nil  |
| Cyrus Driver<br>CFO             | nil   | nil                        | nil                             | nil   | nil  | nil  | nil  |
| Raif Adelberg<br>Past-President | 5,000<br>450,000  | 0.25<br>0.25               | May 23, 2019<br>August 27, 2019 | nil   | nil  | nil  | nil  |
| Warwick Smith<br>Past-CEO       | nil   | nil                        | nil                             | nil   | nil  | nil  | nil  |
| Alnesh Mohan<br>Past-CFO        | nil   | nil                        | nil                             | nil   | nil  | nil  | nil  |
| Kim Evans<br>Past-CFO           | nil   | nil                        | nil                             | nil   | nil  | nil  | nil  |

**NOTES:**

- <sup>(1)</sup> "In-the-money options" means the difference between the market value of the Company's Shares underlying the options on April 30, 2015, and the exercise price of the options. The last trading price of the Company's shares on the TSX Venture Exchange on April 30, 2015 was at \$0.18.

**INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR**

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended April 30, 2015:

| Name                            | Option-based awards – Value vested <sup>(1)</sup> during the year (\$) | Share-based awards – Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|---------------------------------|--|--|--|
| Keir Reynolds,<br>CEO           | \$132,632  | nil  | nil  |
| Cyrus Driver<br>CFO             | Nil  | nil  | nil  |
| Raif Adelberg<br>Past-President | \$75,604   | nil  | nil  |
| Warwick Smith<br>Past-CEO       | \$152,265  | nil  | nil  |
| Kim Evans<br>Past-CFO           | nil  | nil  | nil  |

| Name                     | Option-based awards –<br>Value vested <sup>(1)</sup> during the<br>year<br>(\$) | Share-based awards –<br>Value vested during the<br>year<br>(\$) | Non-equity incentive plan<br>compensation – Value earned<br>during the year<br>(\$) |
|--------------------------|---|---|---|
| Alnesh Mohan<br>Past-CFO | nil   | nil   | nil   |

**NOTES:**

- <sup>(1)</sup> The vesting of stock options is at the discretion of the Compensation Committee. For the year ended April 30, 2015, the Company calculated the compensation cost by using the Black-Scholes option pricing model assuming a risk free interest rate of 1.5% (2014 – nil), a dividend yield of nil (2014 – nil), the expected annual volatility of the Company's share price of 107.7% (2014 – nil) and an expected life of the options of 5 years (2014 – nil).

Warwick Smith was the Chief Executive Officer of the Company from April 4, 2014 until his resignation on September 16, 2014. During July and August 2014, Mr. Smith exercised all incentive stock options previously granted to him by the Company and the Company issued to Mr. Smith an aggregate 1,000,000 Shares at an exercise price per Share of \$0.25. Trading in the Company's Shares on the Exchange was halted at the time of exercise of options by Mr. Warwick, the closing price of the Shares on the Exchange on the last trading day prior to the halt was \$0.22. The Company's Shares recommenced trading on October 29, 2014, with the last trade price on closing being \$0.16.

## **OPTION REPRICINGS**

There were no re-pricings of stock options under the Stock Option Plan or otherwise during the Company's completed financial year ended April 30, 2015.

### **E. Pension Plan Benefits**

The Company has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement.

The Company also does not have any deferred compensation plans relating to any NEO.

### **F. Termination and Change of Control Benefits**

As of the date of this Circular and other than as described herein, the Company does not have written employment or consulting services agreements with NEOs other than set out below.

#### **Keir Reynolds – Chief Executive Officer**

The Company has entered into a consulting agreement with Mammoth Market Advisory Corp. ("Mammoth"), a company controlled by Keir Reynolds, the current Chief Executive Officer of the Company, pursuant to which Mammoth provides the services of Mr. Reynolds in consideration for a monthly consulting fee of \$10,000 and entitlement to option grants and certain cash bonuses.

*Raif Adelberg – Past-President*

### G. Management Contracts

## H. Director Compensation

[illegible]

| Name   | Fees earned (\$) | Share based awards (\$) | Option-based awards (\$) <sup>(1)</sup> | Non-equity incentive plan compensation \$ |                           | Pension value (\$) | All other compensation (\$) | Total compensation (\$) |
|--|------------------|-------------------------|---|---|---------------------------|--------------------|-----------------------------|-------------------------|
|  |                  |                         |   | Annual incentive plans                    | Long-term incentive plans |                    |                             |                         |
| Michele Pillon<br>(served as a director from January 8, 2014 until her resignation on June 24, 2014) | Nil              | Nil                     | Nil                                     | Nil                                       | Nil                       | Nil                | Nil                         | Nil                     |

**NOTES:**

- (1) The vesting of stock options is at the discretion of the Compensation Committee. For the year ended April 30, 2015, the Company calculated the compensation cost by using the Black-Scholes option pricing model assuming a risk free interest rate of 1.5% (2014 – nil), a dividend yield of nil (2014 – nil), the expected annual volatility of the Company's share price of 107.7% (2014 – nil) and an expected life of the options of 5 years (2014 – nil).
- (2) Grant date fair value of incentive stock options entitling the purchase of 100,000 common shares in the capital of the Company at a per share price of \$0.25 until August 27, 2019.
- (3) Grant date fair value of incentive stock options entitling the purchase of 200,000 common shares in the capital of the Company at a per share price of \$0.25 until August 27, 2019.

\*Relevant disclosure has been provided in the Summary Compensation Table above for directors who receive compensation for their services as a director who are also NEO's

### OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table discloses the particulars of all awards for each director who is not also a NEO outstanding at the end of the Company's financial year ended April 30, 2015, including awards granted before this most recently completed financial year:

| Name  | Option-based Awards                                     |                            |  |   | Share-based Awards   |  | Market or payout value of share-based awards not paid out or distributed (\$) |
|---|---|----------------------------|--|---|--|--|---|
|   | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date   | Value of unexercised in-the-money options <sup>(1)</sup> (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) |   |
| Gary Floyd<br>(resigned on October 23, 2015)  | 100,000   | \$0.25                     | These options are continuous as Mr. Floyd remained an advisor to the Company | nil   | nil  | nil  | nil   |
| Robert Withers<br>(resigned on May 28, 2015)  | 200,000   | \$0.25                     | August 26, 2015  | nil   | nil  | nil  | nil   |
| Leonard Dennis<br>(resigned on June 3, 2014)  | nil   | n/a                        | n/a  | nil   | nil  | nil  | nil   |
| Michele Pillon<br>(resigned on June 24, 2014) | nil   | n/a                        | n/a  | nil   | nil  | nil  | nil   |

**NOTES:**

- (1) "In-the-money options" means the difference between the market value of the Company's shares underlying the options on April 30, 2015, and the exercise price of the options. The last trading price of the Company's shares on the TSX Venture Exchange on April 30, 2015 was at \$0.18.

### INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table summarizes the value of each incentive plan award vested or earned by each director who is not also a NEO during the financial year ended April 30, 2015:

| Name  | Option-based awards –<br>Value vested during the year<br>(\$) | Share-based awards –<br>Value vested during the<br>year<br>(\$) | Non-equity incentive plan<br>compensation – Value earned<br>during the year<br>(\$) |
|---|---|---|---|
| Gary Floyd<br>(resigned on June October 23, 2015) | \$15,103  | Nil   | Nil   |
| Robert Withers<br>(resigned on May 28, 2015)      | \$30,205  | Nil   | Nil   |
| Michele Pillon (resigned on June<br>24, 2014)     | Nil   | Nil   | Nil   |
| Leonard Dennis (resigned on<br>June 3, 2014)      | Nil   | Nil   | Nil   |

Other than as set forth in the foregoing, no director of the Company who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

Incentive stock options have been granted to officers, directors and employees of the Company pursuant to the Option Plan. The purpose of granting such options is to assist the Company in compensation, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

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

The following table sets forth details of the Company's compensation plans under which equity securities of the Company were authorized for issuance at the end of the Company's most recently completed financial year ended April 30, 2015.

| Plan Category   | Number of securities to<br>be issued upon exercise<br>of outstanding options,<br>warrants and rights<br>(a) | Weighted-average<br>exercise price of<br>outstanding options,<br>warrants and rights<br>(b) | Number of securities<br>remaining available for<br>future issuance under<br>equity compensation<br>plans (excluding<br>securities reflected in<br>column (a))<br>(c) |
|---|---|---|--|
| Equity compensation plans<br>approved by<br>securityholders     | 1,745,000   | \$0.25  | 2,076,865  |
| Equity compensation plans<br>not approved by<br>securityholders | N/A   | N/A   | N/A  |
| Total   | 1,745,000   | \$0.25  | 2,076,865  |

The Company's equity compensation plan consists of incentive stock options granted under the Company's 10% rolling Stock Option Plan. For a summary of the Company's Stock Option Plan, see "Particulars of Matters to be Acted Upon – Approval and Ratification of Stock Option Plan".

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

As at December 11, 2015, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company or its subsidiaries, which is owing to the Company or its subsidiaries, or, which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, in relation to a securities purchase program or other program.

### **CORPORATE GOVERNANCE DISCLOSURE**

A summary of the responsibilities and activities and the membership of each of the Committees is set out below. National Policy 58-201 ("NP 58-201") establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

### **INDEPENDENCE OF MEMBERS OF THE BOARD**

Company's Board consists of four directors, one of whom the Company considers to be independent based upon the tests for independence set forth in National Instrument 52-110. John Veltheer is independent. Keir Reynolds is not considered independent as he is the Chief Executive Officer of the Company. Cyrus Driver is not considered independent as he is the Chief Financial Officer of the Company. Alan Reynolds is not considered independent as he has a material relationship with the Chief Executive Officer of the Company as per National Instrument 52-110 s. 1.4 (3)(b).

See "Particulars of Matters to be Acted Upon – Election of Directors".

### **MANAGEMENT SUPERVISION BY BOARD**

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent director on an informal basis as the independent director is actively and regularly involved in reviewing the operations of the Company and has regular and full access to management. Further supervision is performed through the audit committee which is composed of Keir Reynolds (non-independent Director), Alan Reynolds (non-independent director, with whom is considered independent on the Audit Committee as per Part 6 of National Instrument NI 52-110, who meet with the Company's auditors. The independent audit

committee members exercise their responsibilities for independent oversight of management through their majority control of the Board.

## **PARTICIPATION OF DIRECTORS IN OTHER REPORTING ISSUERS**

The participation of the directors in other reporting issuers is described in the table provided under “Particulars of Matters to be Acted Upon – Election of Directors” in this Information Circular.

## **ORIENTATION AND CONTINUING EDUCATION**

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board of Directors and committees;
2. access to recent, publicly filed documents of the Company;
3. access to management and consultants; and
4. a summary of significant corporate and social responsibilities.

Board members are encouraged to communicate with management and auditors to keep themselves current with industry trends and developments and changes in legislation with management’s assistance; and to attend related industry seminars and visit the Company’s operations. Board members have full access to the Company’s records.

## **ETHICAL BUSINESS CONDUCT**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to Shareholders. The Company adopted a Code of Conduct on July 2, 2014, as seen in Schedule ‘A’ below. The Board instructs its managers and employees to abide by this Code.

## **NOMINATION AND ELECTION OF DIRECTORS**

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the luxury accessories industry are consulted for possible candidates.

The Company has adopted advance notice procedures for nomination of directors, which requires that a shareholder proposing to nominate a person for election as a director at a meeting of shareholders must provide the Company with advance notice of, and prescribed details concerning, the proposed nominee. See “Particulars of Matters to be Acted Upon – Election of Directors – Advance Notice Procedures”.

Voting for election of directors of the Company is by individual voting and not by slate voting. The Company has adopted an advance notice policy for election of directors at uncontested shareholder meetings at which directors are to be elected.

## **COMPENSATION OF DIRECTORS AND THE CEO**

The Board of Directors is responsible for determining all forms of compensation to be granted to our executive officers, to other members of senior management and to the directors. See “Statement of Executive Compensation – Compensation Discussion and Analysis”.

## BOARD COMMITTEES

The Company has an Audit Committee. The Board has determined that additional committees are not necessary at this stage of the Company's development. See "Audit Committee", which follows.

## ASSESSMENTS

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board periodically conducts informal assessments of the Board's effectiveness, the individual directors and each of its committees.

## AUDIT COMMITTEE

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The Company's audit committee is comprised of three directors: Keir Reynolds, Alan Reynolds and John Veltheer. As defined in NI 52-110, the Company considers Alan Reynolds and John Veltheer to be "independent" audit committee members and all three are "financially literate".

The educational background or experience of the following audit committee members has enabled each to perform his responsibilities as an audit committee member and has provided the member with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as 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 one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting:

***Keir Reynolds*** is a business executive with more than a decade of experience in corporate development, finance, technology, alternative energy and natural resource sectors. Mr. Reynolds is financially literate and familiar with the preparation and review of financial statements and accounting principles used in reading and preparing financial statements.

***John Veltheer (Chair)*** is a veteran business consultant who has served as an officer or director of a number of private and public companies since 1998. Dr. Veltheer is financially literate and familiar with the preparation and review of financial statements and accounting principles used in reading and preparing financial statements.

***Alan Reynolds*** recently retired after an extensive 37-year career with a major Canadian financial institution, which included senior and executive roles in internal audit, large corporate and commercial lending, credit risk management, lending operations and process management. Also for the last 5 years, Mr. Reynolds, has been a board member of the Canadian Auditing and Assurance Standards Board (AASB). Mr. Reynolds holds an MBA from Simon Fraser University, and has the Global professional designations, Certified Internal Auditor and Certification in Risk Management Assurance. Mr. Reynolds is financially literate and familiar with the preparation and review of financial statements and accounting principles used in reading and preparing financial statements and auditing principles used in the audit of financial statements.



At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemptions contained in section 2.4 of NI 52-110 or an exemption from NI 52-110 in whole or in part, granted under Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. 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.

The audit committee has specific policies and procedures for the engagement of non-audit services, as described in its audit committee charter, which is attached to this Circular as Schedule 'B'.

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

| <b>Financial Year<br/>Ending</b> | <b>Audit Fees</b> | <b>Audit Related<br/>Fees</b> | <b>Tax Fees</b> | <b>All Other Fees</b> |
|----------------------------------|-------------------|-------------------------------|-----------------|-----------------------|
| April 30, 2014                   | \$8,000           | -                             | -               | \$1,500               |
| April 30, 2015                   | \$20,000          | -                             | -               | -                     |

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **ELECTION OF DIRECTORS**

#### ***Number of Directors***

Under our Articles, the number of directors may be fixed or changed from time to time by ordinary resolution but shall not be fewer than three. We currently have four directors, each of whom is being nominated by management for re-election at the meeting to which this Information Circular relates. At this stage of the Company's development, our Board of Directors believes that four directors is a sufficient number to efficiently carry out the duties of the Board, as well as enhance the diversity of views, skills and experience the directors bring to the Board.

**Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR setting the number of directors at four.**

#### ***Election of Directors***

Each Director of the Company is elected annually and holds office until the next Annual General Meeting of the Shareholders unless that person resigns or otherwise ceases to be a director before then.

The following are the nominees proposed for election as directors of the Company, together with the number of Shares that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each nominee as of December 22, 2015, the record date for determining Shareholders entitled to notice of the Meeting. All of the nominees are currently directors of the Company. Each of the nominees has agreed to stand for election and we are not aware of any intention of any of them not to do so. If, however, one or more of them should become unable to stand for re-election, it is likely that one or more other persons would be nominated at the meeting for election and, in that event, the persons designated in the form of proxy will vote in their discretion for a substitute nominee.

Keir Reynolds was elected as a director of the Company by Shareholders at the last annual general meeting held on January 19, 2015; Cyrus Driver, Alan Reynolds and John Veltheer were each appointed as a director of the Company by the Board of Directors to fill casual vacancies on the Board as a result of resignations of directors since the last annual general meeting was held.

The Company has adopted an advance notice policy for election of directors at uncontested shareholder meetings at which directors are to be elected. See Corporate Governance Disclosure – Nomination and Election of Directors.

Voting for election of directors of the Company is by individual voting and not by slate voting. You can vote your shares for the election of all of these nominees as directors of the Company, or you can vote for some of these nominees for election as directors and withhold your votes for others, or you can withhold all of the votes attaching to the shares you own and, thus, not vote for the election of any of these nominees.

We recommend that Shareholders vote in favour of the election of the proposed nominees as directors of the Company for the ensuing year. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the nominees named in this Information Circular as directors of the Company.**

| Name, Jurisdiction of Residence and Position with the Company                               | Principal Occupation or Employment for the past five years   | Previous Service as a Director | Holdings of common shares of the Company <sup>1</sup> |
|---|--|--------------------------------|---|
| Keir Reynolds <sup>2</sup><br>British Columbia, Canada<br><i>Chairman, CEO and Director</i> | Chairman, CEO and Director of Mezzi Holdings Inc.; President of Mammoth Market Advisory Corp., a private consulting company specializing in advising public and private companies with capital markets strategies  | Since February 2014            | 5,248,500 <sup>3</sup>                                |
| Cyrus Driver<br>British Columbia, Canada<br><i>CFO and Director</i>                         | Partner at Davidson & Co. LLP, chartered professional accountant firm  | Since May 2015                 | 705,000   |
| Alan Reynolds <sup>2</sup><br>British Columbia, Canada<br><i>Director</i>                   | Retired (since July 31, 2015)<br>Previously a Consultant in Internal Audit and Risk Management with a 37-year career in senior roles with CIBC, including the Internal Audit Department, as well as roles in large corporate and commercial lending, credit risk management, lending operations and process management | Since October 2015             | 270,000   |
| John Veltheer <sup>2</sup><br>British Columbia, Canada<br><i>Director</i>                   | Self-employed business consultant  | Since May 2015                 | 0   |

**NOTES:**

<sup>1</sup> Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at December 11, 2015, based upon information filed by individual directors on SEDI. Unless otherwise indicated, such Shares are held directly.

<sup>2</sup> Member of the Audit Committee.

<sup>3</sup> 1,612,000 of these shares are held by Mammoth Market Advisory Corp., a private company controlled 100% by Keir Reynolds.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company.

The following directors of the Company hold directorships in other reporting issuers as set out below:

| Name of Director | Name of Other Reporting Issuer                        |
|------------------|---|
| Keir Reynolds    | Indigo Exploration Inc.<br>Lingster Technologies Inc. |

| <b>Name of Director</b> | <b>Name of Other Reporting Issuer</b>  |
|-------------------------|--|
| John Veltheer           | Atlas Cloud Enterprises Inc.<br>Echelon Petroleum Corp.<br>Lateral Gold Corp.  |
| Cyrus Driver            | Aldrin Resource Corp.<br>Bellhaven Copper & Gold Inc.<br>Cobra Venture Corporation<br>Far Resources Ltd.<br>Gold Jubilee Capital Corp.<br>Maxim Resources Inc.<br>Serrano Resources Corp.<br>Superior Mining International Corporation |
| Alan Reynolds           | -  |

### ***Cease Trade Orders, Bankruptcy, Penalties and Sanctions***

Except as set out below, to the knowledge of the Company, no proposed director of the Company:

- (a) is, at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director, CEO or CFO of any company (including the Company and any personal holding company of a proposed director) that:
  - i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity of a director, CEO or CFO of such company; or
  - ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the 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 of such company; or
- (b) is, at the date of this Information Circular, or has been within 10 years before the date of this 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 prior to 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 receiver, 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 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 securityholder in deciding whether to vote for a proposed director.

Cyrus Driver is a current director of the Company standing for election as a director of the Company at the Meeting, and he is also the Company's Chief Financial Officer.

On May 20, 2015, the British Columbia Securities Commission (the "BCSC") issued an order that all trading in the securities of Wind River Energy Corp. cease for failure to include the required accompanying

auditor's report on filing annual financial statements for the financial year ended September 30, 2014, at which time Cyrus Driver was (until his resignation on July 31, 2015) the Chief Financial Officer and a director of Wind River Energy Corp. On November 19, 2015, the Alberta Securities Commission (the "ASC") issued a similar order for the same reason. As of the date of this Circular, these cease trade orders issued against Wind River Energy Corp. have not been revoked or rescinded.

On December 9, 2014, the BCSC issued an order that all trading in the securities of Superior Mining International Corporation cease for failure to file its annual audited financial statements for the year ended July 31, 2014, and the required management's discussion and analysis for the year ended July 31, 2014, at which time Cyrus Driver was (and is as of the date of this Circular) the Chief Financial Officer and a director of Superior Mining International Corporation. The cease trade order was revoked by the BCSC on March 16, 2015, on filing by Superior Mining International Corporation of the required reporting.

On May 4, 2009, the BCSC issued an order that all trading in the securities of Maxim Resources Inc. cease for failure to file audited financial statements and management discussion and analysis for the year ended December 31, 2008, at which time Cyrus Driver was (and is as of the date of this Circular) the Chief Financial Officer of Maxim Resources Inc. The cease trade was revoked by the BCSC on August 4, 2009, on filing by Maxim Resources Inc. of the required reporting.

John Veltheer is a current director of the Company standing for election as a director of the Company at the Meeting.

On August 6, 2015, the BCSC issued an order that all trading in the securities of Echelon Petroleum Corp. cease for failure to file its annual audited financial statements for the year ended March 31, 2015, and the required management's discussion and analysis for the year ended March 31, 2015, at which time John Veltheer was (and is as of the date of this Circular) a director of Echelon Petroleum Corp. In accordance with the automatic reciprocation provisions of the Alberta *Securities Act* of cease trade orders issued by other securities regulatory authorities in Canada, Echelon Petroleum Corp. is also cease traded in Alberta. As of the date of this Circular, these cease trade orders issued against Echelon Petroleum Corp. have not been revoked or rescinded.

John Veltheer was a director and the Chief Financial Officer of European Ferro Metals Ltd. from June 16, 2014 until his resignation on July 15, 2015. On September 11, 2015, the BCSC issued an order that all trading in the securities of European Ferro Metals Ltd. cease for failure to file its interim financial report for the financial period ended June 30, 2015, and the required management's discussion and analysis for the interim period ended March 31, 2015. On September 16, 2015, the Ontario Securities Commission issued a temporary order, which lapsed and was replaced on September 28, 2015, by an order that all trading in the securities of European Ferro Metals Ltd. cease, for failure to file its interim financial report for the financial period ended June 30, 2015, and the required management's discussion and analysis for the interim period ended March 31, 2015. On December 1, 2015, the BCSC revoked its cease trade order. In accordance with the automatic reciprocation provisions of the Alberta *Securities Act* of cease trade orders issued by other securities regulatory authorities in Canada, European Ferro Metals Ltd. was also cease traded in Alberta for the same period of time as the cease trade order in British Columbia was in place. As of the date of this Circular, the cease trade order issued against European Ferro Metals Ltd. by the Ontario Securities Commission has not been revoked or rescinded.

### ***Advance Notice Provisions***

In December, 2014 the Company amended its Articles to incorporate advance notice provisions (the "**Advance Notice Provisions**") as approved by the shareholders of the Company at the annual general meeting held on January 19, 2015. The Advance Notice Provisions require advance notice to the Company in circumstances where nominations of persons for election to the Board are made by Shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the Business Corporations Act or (ii) a shareholder proposal made pursuant to the provisions of the Business Corporations Act.

The purpose of the Advance Notice Provisions is to foster a variety of interests of the Shareholders and the Company by ensuring that all Shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provisions fix

a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and set forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form. A copy of the Advance Notice Provisions are attached as Schedule "C" to the Information Circular dated December 15, 2014, which was prepared by the Company's management in connection with the annual general shareholder meeting that was held on January 19, 2015. This Circular has been electronically filed with regulators by the Company and is available for viewing under the Company's issuer profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

As of the date of this Information Circular, the Company has not received notice of a nomination in compliance with the Advance Notice Provisions.

If a shareholder proposes to nominate an individual or individuals for election as a director of the Company at the next annual general meeting of shareholders to be held during calendar 2017, notice to the Company must be given not less than 30 and not more than 65 days prior to the date of the annual general meeting; provided, however, that in the event an annual general meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual general meeting is made, notice of a director nomination may be given to the Company not later than the close of business on the 10<sup>th</sup> day following the date of such public announcement.

### **APPOINTMENT OF AUDITOR**

Management proposes the re-appointment of Smythe Ratcliffe LLP as auditor of the Company for the ensuing year. Smythe Ratcliffe LLP was first appointed as auditor of the Company by the Board of Directors on July 11, 2014, following the resignation at the Company's request of its former auditor, Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants, who served as auditor of the Company from May 5, 2006.

**Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of Smythe Ratcliffe LLP as the auditor of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.**

### **APPROVAL AND RATIFICATION OF STOCK OPTION PLAN**

Pursuant to the Company's current Stock Option Plan, the number of Shares which may be issued pursuant to options previously granted and those authorized to be granted under the Stock Option Plan is a maximum of 10% of the issued and outstanding Shares of the Company at the time of the grant. In addition, the number of Shares which may be reserved for issuance to any one individual may not exceed 5% of the issued Shares on a yearly basis or 2% if the optionee is engaged in investor relations activities, or, is a consultant. Based on the issued and outstanding common Shares of the Company as at December 11, 2015, options exercisable to acquire an aggregate of 4,350,365 Shares of the Company are currently authorized to be granted under the Stock Option Plan, of which options exercisable to acquire an aggregate of 3,050,000 Shares of the Company have been granted.

Under TSX Venture Exchange policy, all such rolling stock option plans which set the number of Shares issuable under the plan at a maximum of 10% of the issued and outstanding Shares must be approved and ratified by Shareholders on an annual basis. Therefore, at the Meeting, Shareholders will be asked to pass a resolution in substantially the following form:

**"RESOLVED that the Company approve and ratify the stock option plan of the Company pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company to a maximum of 10% of the issued and outstanding common Shares at the time of the grant, with a maximum of 5% of the Company's issued and outstanding Shares being reserved to any one person on a yearly basis."**

The purpose of the Stock Option Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the Shareholders. Options will be exercisable over periods of up to ten years as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSX Venture Exchange. Pursuant to the Stock Option Plan, the Board of Directors may from time to time authorize the issue of options to directors, officers employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The Stock Option Plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion. The Stock Option Plan provides that if a change of control, as defined therein, occurs, all Shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

The full text of the Stock Option Plan is available for viewing by request to the Company at Suite 1001 – 1185 Georgia Street, Vancouver, BC V6E 4E6 and will be available for viewing at the Meeting.

**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 giving annual approval of the Stock Option Plan.**

**The persons named as proxies in the enclosed form of proxy intend to cast the votes represented by proxy in favour of the foregoing resolution unless the holder of Shares who has given such proxy has directed that the votes be otherwise cast.**

#### **OTHER MATTERS**

**Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Shares represented by the Instrument of Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.**

#### **ADDITIONAL INFORMATION**

Additional information concerning the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders wishing to obtain a copy of the Company's financial statements and Management's Discussion and Analysis may contact the Company at Suite 1001 – 1185 West Georgia Street, Vancouver, BC V6E 4E6, Telephone: (778) 998-9242.

Financial information is provided in the Company's comparative financial statements and Management's Discussion and Analysis for its most recently completed financial year ended April 30, 2015, which are filed on SEDAR.

## **SCHEDULE 'A'**

### **Code of Business Conduct and Ethics**

#### **I. Introduction**

We require high standards of professional and ethical conduct from our employees. Our reputation with our shareholders and prospective investors for honesty and integrity is key to the success of our business. No employee will be permitted to achieve results through violations of laws or regulations, or through unscrupulous dealings.

We intend that the Company's business practices will be compatible with the economic and social priorities of each location in which we operate. Although customs vary by country and standards of ethics may vary in different business environments, honesty and integrity must always characterize our business activity. If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation.

This Code reflects our commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees are expected to comply. Please read this Code carefully.

In addition to following this Code in all aspects of your business activities, you are expected to seek guidance in any case where there is a question about compliance with both the letter and the spirit of our policies and applicable laws. This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees of the Company. This Code does not supersede the specific policies and procedures that are covered in the Company's operating manuals or in separate specific policy statements. References in this Code to the "Company" means the Company or any of its subsidiaries. Reference to "employees" includes officers and independent accounting contractors.

Those who violate the standards set forth in this Code will be subject to disciplinary action up to and including dismissal. If you are in a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described in Section XVII below.

Your cooperation is necessary to the continued success of our business and the cultivation and maintenance of our reputation as a good corporate citizen.

#### **II. Compliance With Laws, Rules and Regulations**

Compliance with the letter and spirit of all laws, rules and regulations applicable to our business is critical to our reputation and continued success. All employees must respect and obey the laws of the cities, provinces, states and countries in which we operate and avoid even the appearance of impropriety. Not all employees are expected to know the details of these laws, but it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. The Company holds information and training sessions to promote compliance with laws, rules and regulations, including insider trading laws.

### III. Conflicts of Interest

A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with the interests of the Company. A conflict situation can arise when an employee or director takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest also arise when an employee or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, such persons are likely to pose conflicts of interest, as are transactions of any kind between the Company and any other organization in which you or any member of your family have an interest.

It is a conflict of interest for an employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor as a consultant or director. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors, except on behalf of the Company.

Activities that could give rise to conflicts of interest are prohibited unless specifically approved by the Board of Directors or the Audit Committee. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interests should be reported immediately to senior management or the Company's general legal counsel.

Given that the Directors are engaged in a wide range of activities, each Director or officer is required to disclose to the Company any interest in a material contract or transaction or proposed material contract or transaction with the Company or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Company. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In any case, a Director who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his remuneration as a Trustee, one for indemnity under the Declaration of Trust or one for insurance.



#### IV. Corporate Opportunities

Employees and directors are prohibited from taking for themselves personally opportunities that arise through the use of corporate property, information or position and from using corporate property, information or position for personal gain. Employees and directors are also prohibited from competing with the Company directly or indirectly. Employees and directors owe a duty to the Company to advance the legitimate interests of the Company when the opportunity to do so arises.

#### V. Confidentiality

Employees must maintain the confidentiality of information entrusted to them by the Company or that otherwise comes into their possession in the course of their employment, except when disclosure is authorized or legally mandated. Employees are required to execute a confidentiality agreement upon employment and from time to time during the course of employment. The obligation to preserve confidential information continues even after you leave the Company.

Confidential information includes all non-public information that may be of use to competitors, or harmful to the Company or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us.

#### VI. Protection and Proper Use of Company Assets

All employees should endeavour to protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation.

Company assets, such as equipment, funds or computers, may only be used for legitimate business purposes or other purposes approved by management. Company assets may never be used for illegal purposes.

The obligation to protect Company assets includes proprietary information. Proprietary information includes any information that is not generally known to the public or would be helpful to our competitors. Examples of proprietary information include intellectual property, such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, proprietary geological concepts, engineering and manufacturing ideas, designs, contact lists, databases, records, salary information and any unpublished geological, geophysical, geochemical, financial data or reports. Unauthorized use or distribution of this information is a violation of Company policy. It may also be illegal and may result in civil and criminal penalties. The obligation to preserve proprietary information continues even after you leave the Company.

## VII. Insider Trading

Employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of the business of the Company. All non-public information about the Company should be considered confidential. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal.

## VIII. Fair Dealing

We seek to outperform our competition fairly and honestly and to acquire, explore and develop mineral projects in a fair and honest manner. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information obtained without the owner's consent or inducing the disclosures of proprietary information or trade secrets by past or present employees of other companies is prohibited. Each employee should endeavor to deal fairly with the Company's business associates, option partners, joint ventures, suppliers, competitors and employees. No employee should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

## IX. Discrimination and Harassment

We value the diversity of our employees and are committed to providing equal opportunity in all aspects of employment. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Employees are encouraged to speak out when a co-worker's conduct makes them uncomfortable, and to report harassment when it occurs.

## X. Safety and Health

We are all responsible for maintaining a safe and healthy workplace by following safety and health rules and practices, and more specifically detailed in the Company's Safety Manual/Field Guide and Fuel Spill Contingency Plan. The Company is committed to keeping its workplaces and project areas free from hazards. Please report any accidents, injuries, unsafe equipment, practices or conditions immediately to a supervisor or other designated person. Threats or acts of violence or physical intimidation are prohibited.

In order to protect the safety of all employees, employees must report to work in condition to perform their duties and free from the influence of any substance that could prevent them from conducting work activities safely and effectively. The use of alcohol or illegal drugs in the workplace is prohibited. Likewise, employees are prohibited from being under the influence of alcohol or illegal drugs during the course of their duties.

## XI. Record Keeping

Honest and accurate recording and reporting of information is critical to our financial reporting and our ability to make responsible business decisions. The Company's accounting records are relied upon to produce reports for the Company's management, shareholders, creditors, governmental agencies and others. Our financial statements and the books and records on which they are based must truthfully and accurately reflect all corporate transactions and conform to all legal and accounting requirements and our system of internal controls.

All employees have a responsibility to ensure that the Company's records, including accounting records, do not contain any false or intentionally misleading entries. We do not permit intentional misclassification of transactions as to accounts, departments or accounting periods. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.

All Company books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect Company transactions and must conform to both applicable legal requirements and the system of internal controls of the Company. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications may become public through legal or regulatory investigations or the media. Exaggeration, derogatory remarks, legal conclusions or inappropriate characterizations of people and companies must be avoided. This applies to communications of all kinds, including email and informal notes or interoffice memos. Records should be retained and destroyed in accordance with the Company's records retention policy.

## XII. Use of E-Mail and Internet Services

E-Mail systems and Internet services are provided to help us do work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. You may not

access, send or download any information that could be insulting or offensive to another person, such as sexually explicit material or jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. Also remember that "flooding" our systems with junk mail and trivia hampers the ability of our systems to handle legitimate Company business and is prohibited.

Employees should not download copyrighted materials, should not copy material that is not licensed to the Company and should follow the terms of a licence when using material that is licenced to the Company. No changes should be made to licensed materials without the prior consent of the Company. In addition, employees are prohibited from downloading games and screensavers as these are common sources of viruses.

Your messages (including voice mail) and computer information are considered the Company's property and you should not have any expectation of privacy. Unless prohibited by law, the Company reserves the right to access and disclose this information as necessary for business purposes. Use good judgment, and do not access, send messages or store any information that you would not want to be seen or heard by other individuals.

### XIII. Political Activities and Contributions

We respect and support the right of our employees to participate in political activities. However, these activities should not be conducted on Company time or involve the use of any Company resources such as telephones, computers or supplies. Employees will not be reimbursed for personal political contributions.

We may occasionally express our views on local and national issues that affect our operations. In such cases, Company funds and resources may be used, but only when permitted by law and by our strict guidelines. The Company may also make limited contributions to political parties or candidates in jurisdictions where it is legal and customary to do so. No employee may make or commit to political contributions on behalf of the Company without the approval of the Board of Directors.

### XIV. Gifts and Entertainment

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, travel, accommodation and other merchandise or services. In some cultures they play an important role in business relationships. However, a problem may arise when such courtesies compromise –or appear to compromise – our ability to make objective and fair business decisions.

Offering or receiving any gift, gratuity or entertainment that might be perceived to unfairly influence a business relationship should be avoided. These guidelines apply at all times, and do not change during traditional gift-giving seasons. No gift or entertainment should ever be offered, given, provided or accepted by any director or employee of the Company, or by any family member of a director or employee, unless it:

- a. is not a cash gift;
- b. is consistent with customary business practices;
- c. is not excessive in value;
- d. cannot be construed as a bribe or payoff; and
- e. does not violate any applicable laws or regulations.

Please discuss with your supervisor any gifts or proposed gifts if you are uncertain whether they are appropriate.

#### XV. Waivers of This Code of Business Conduct and Ethics

Any waiver of this Code with respect to a director or officer of the Company may be made only by the Board of Directors or the Audit Committee. Any such waiver will be promptly disclosed to the extent required by applicable law or stock exchange regulation.

#### XVI. Reporting of Any Illegal or Unethical Behavior

We have a strong commitment to conduct our business in a lawful and ethical manner. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation and to report violations of laws, rules, regulations or this Code. We prohibit retaliatory action against any employee who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

#### XVII. Compliance Procedures

This Code cannot, and is not intended to, address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of action.

Since we cannot anticipate every situation that may arise, it is important for the Company to set forth a general way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all of the facts. In order to reach the right solutions, you must be as fully informed as possible.

- Ask yourself what you are specifically being asked to do. This analysis will enable you to focus on the specific issues that are raised and the available alternatives. Use your judgment and common sense. If something seems unethical or improper, it probably is.
- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and to discuss the problem.
- Discuss the problem with your supervisor. This approach is best in most if not all situations. Your supervisor may be more knowledgeable about the issue and will appreciate being brought into the process. It is a supervisor's responsibility to help you to solve problems.
- Seek help from Company resources. In the rare instance in which it may not be appropriate to discuss an issue with your supervisor, or in which you feel uncomfortable approaching your supervisor, discuss the problem with the Company's general legal counsel. If you prefer to write, address your concerns to the Company's general legal counsel or the President.
- You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, the Company will protect your anonymity. The Company does not permit retaliation of any kind against employees for good faith reports of ethical violations.
- Ask first. If you are unsure of the proper course of action, seek guidance before you act. If

you do not feel comfortable discussing the matter with your supervisor, please call

Keir Reynolds at \_\_\_\_\_. We strive to ensure that all questions or concerns are handled fairly, discreetly and thoroughly .

## **SCHEDULE "B"**

### **MEZZI HOLDINGS LTD.**

#### **AUDIT COMMITTEE CHARTER**

The Audit Committee (the "Audit Committee") of the Board of Directors (the "Board") of Mezzi Holdings Inc. (the "Company") is appointed by the Board to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to monitor:

- a. the integrity of the financial statements of the Company;
- b. the external auditor's qualifications and independence;
- c. the performance of the Company's external auditor; and
- d. management's reporting on internal control.

Although the Audit Committee has the powers and responsibilities set forth in this Charter, the role of the Audit Committee is oversight. The majority of the members of the Audit Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Audit Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles ("GAAP") and applicable rules and regulations. These are the responsibilities of management and the external auditor.

#### **Committee Membership**

The Audit Committee shall consist of no fewer than three members, a majority of whom must be "unrelated" to the Company as required by Policy 3.1 of the TSX Venture Exchange (the "TSX-V") Corporate Finance Manual. A majority of the members should also be "independent" and all of the members should be "financially literate" within the meaning of those terms set out in National Instrument 52-110 – Audit Committees.

The members of the Audit Committee will be appointed or reappointed by the Board following each annual meeting of the Company's shareholders. Each member of the Audit Committee will continue to be a member of the Audit Committee until his or her successor is appointed unless he or she resigns or is removed by the Board or ceases to be a director of the Company. Where a vacancy occurs at any time in the membership of the Audit Committee, the Board may appoint a qualified individual to fill such vacancy and must appoint a qualified individual if the membership of the Audit Committee is less than three directors as a result of any such vacancy.

## **Meetings**

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. Any member of the Audit Committee or the external auditor may call a meeting of the Audit Committee. At all Audit Committee meetings a majority of the members shall constitute a quorum. The acts of the Audit Committee at a duly constituted meeting shall require the vote of a majority of the members present provided that, in any circumstances, a resolution or other instrument in writing signed by all members of the Audit Committee shall avail as the act of the Audit Committee. The Audit Committee shall meet periodically with management, the internal auditors and the external auditor in separate executive sessions to discuss any matters that the Audit Committee or any of these groups believe should be discussed privately. The Audit Committee may request any officer or employee of the Company or the Company's external legal counsel or external auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

The members of the Audit Committee shall select a chair from among their number who must be an "unrelated" to the Company as required by TSX-V Policy 3.1. The chair will preside at each meeting of the Audit Committee and, in consultation with the other members of the Audit Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting.

## **Committee Authority and Responsibilities**

The Audit Committee shall recommend to the Board (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Company, and (ii) the compensation of the external auditor.

The Audit Committee shall be directly responsible for the oversight of the work of the external auditor (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The external auditor shall report directly to the Audit Committee. The Audit Committee shall preapprove all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its external auditor. The Audit Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant preapprovals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant preapprovals shall be presented to the full Audit Committee at its next scheduled meeting. The membership of any such subcommittee must consist of a majority of unrelated directors. The Audit Committee shall consult with management but shall not delegate any of its responsibilities to management.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the external auditor and to any advisors employed by the Audit Committee.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Audit Committee shall annually review the Audit Committee's own performance.

In fulfilling its responsibilities, the Audit Committee shall:

## **Financial Statement and Disclosure Matters**

1. Review and discuss with management and the external auditor the annual audited financial



statements and related documents, including disclosures made in management's discussion and analysis, prior to filing with the appropriate securities regulatory authorities or public dissemination;

2. Review and discuss with management and the external auditor, if so engaged, the Company's quarterly financial statements and related documents including disclosures made in management's discussion and analysis, prior to filing with the appropriate securities regulatory authorities or public dissemination;
3. Discuss with management the Company's press releases or material change reports discussing financial matters, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made);
4. Review and discuss with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company or any of its subsidiaries with unconsolidated entities or other persons including related persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses;
5. Review and discuss with management and the external auditor the quality and acceptability of the accounting principles, policies and practices used in the preparation of the Company's financial statements, including all critical accounting policies and practices used, any alternative treatments of financial information, those policies for which management is required to exercise discretion or judgments regarding the implementation thereof, the ramification of their use and the external auditor's preferred treatment, as well as any other material communications between the external auditor and management;
6. Discuss with the external auditor the matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants relating to the conduct of the audit.

#### **Annual or Periodic Reviews**

7. Annually or periodically, as appropriate, review any significant changes to the Company's accounting principles and financial disclosure practices as suggested by the external auditors, management or the internal audit group.
8. Annually review separately with each of management, the external auditors and the internal audit group:
  - a. any significant disagreement between management and the external auditors or the internal audit group in connection with the preparation of the financial statements;
  - b. any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information; and
  - c. management's response to each.
9. Annually discuss with the external auditors, without management being present:
  - a. their judgments about the quality and appropriateness of the Company's accounting

- principles and financial disclosure practices as applied in its financial reporting;
  - b. the completeness and accuracy of the Company's consolidated financial statements; and
  - c. the external auditor's relationship with management.
10. Annually or periodically, as appropriate, discuss with management the Company's major financial and investment risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies.
  11. Review and discuss with management, the external auditor and the Company's in-house and external legal counsel, as appropriate, any legal, regulatory or compliance matters arising periodically that could have a significant impact on the Company's financial statements, including applicable changes in accounting standards or rules.

#### **Oversight of the Company's Relationship with the Independent Auditor**

12. The Audit Committee shall review annually the selection, qualifications and performance of the external auditor, including considering whether the external auditor's quality controls are adequate.
13. Review, in advance where feasible, all auditing services to be provided by the external auditor, determine which non-audit services may not be provided by the external auditor and approve any non-audit services, as permitted by applicable securities laws and the TSX-V.
14. Ensure that the external auditors submit to the Audit Committee on an annual basis a written statement affirming their independence, discuss with the external auditor any disclosed relationships or services that may impact its objectivity and independence and satisfy itself as to the external auditor's independence, taking into account the opinions of management and internal auditors.
15. Consider whether, in order to assure continuing independence of the external auditor, it is appropriate to adopt a policy of rotating the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit on a regular basis.
16. Recommend to the Board policies for the Company's hiring of employees or former employees of the external auditor who participated in any capacity in the audit of the Company.
17. Meet with the external auditor prior to the audit to review with the external auditor and management the external auditor's audit plan, discuss and approve audit scope, staffing locations, reliance upon management, and internal audit and general audit approach.

#### **Oversight of the Company's Internal Audit Function**

18. Review annually the performance of the controller or the Chief Financial Officer, if he or she acts in the capacity of controller.
19. Review, based upon the recommendations of the external auditor and the Company's senior internal auditing executive, the scope and plan of the work to be done by the internal audit group.
20. Review and, if it deems appropriate, approve the appointment and replacement of the Company's controller.
21. Review the significant reports to management prepared by the internal auditing department and

management's responses and subsequent follow-up to any identified weaknesses.

22. In consultation with the external auditor and the internal audit group, review the adequacy of the Company's internal control structure and procedures designed to ensure compliance with the applicable laws and policies, and discuss the responsibilities, budget and staffing needs of the internal audit group.

#### **Oversight of Complaints**

23. The Company shall forward to the Audit Committee any complaints that it has received regarding accounting, internal accounting controls, or auditing matters. Any employee of the Company may submit, on a confidential, anonymous basis if the employee so desires, any concerns by sending such concerns in writing and forwarding them in a sealed envelope to the Chair of the Audit Committee. The envelope is to be clearly marked, "To be opened by the Audit Committee only."

#### **Disclosure**

24. The Audit Committee will provide a report of its activities to the shareholders of the Company as part of the Company's management proxy circular for its annual meeting.

## SCHEDULE 'C'

### Advance Notice Policy

#### INTRODUCTION

The Corporation is committed to: (i) facilitating an orderly and efficient process for holding annual general meetings and, when the need arises, special meetings of its shareholders; (ii) ensuring that all shareholders receive adequate advance notice of the director nominations and sufficient information regarding all director nominees; and (iii) allowing shareholders to register an informed vote for directors of the Corporation after having been afforded reasonable time for appropriate deliberation.

#### PURPOSE

The purpose of this Advance Notice Policy (the "**Policy**") is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors of the Corporation. This Policy fixes a deadline by which director nominations must be submitted to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that must be included in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the board of directors of the Corporation (the "**Board**") that this Policy is in the best interests of the Corporation, its shareholders and other stakeholders. This Policy will be subject to an annual review by the Board, which shall revise the Policy if required to reflect changes by securities regulatory authorities or stock exchanges, and to address changes in industry standards from time to time as determined by the Board.

#### NOMINATIONS OF DIRECTORS

1. Only persons who are qualified to act as directors under the *Business Corporations Act* (British Columbia) (the "**Act**") and who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. At any annual meeting of shareholders, or at any special meeting of shareholders at which directors are to be elected, nominations of persons for election to the Board may be made only:
  - a. by or at the direction of the Board, including pursuant to a notice of meeting;
  - b. by or at the direction or request of one or more shareholders pursuant to a valid "proposal" as defined in the Act and made in accordance with Part 5, Division 7 of the Act;
  - c. pursuant to a requisition of the shareholders that complies with and is made in accordance with section 167 of the Act, as such provisions may be amended from time to time; or
  - d. by any person (a "**Nominating Shareholder**") who:
    - (i) at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below and at the close of business on the record date fixed by the Corporation for such meeting, (a) is a "registered owner" (as defined in the Act) of one or more shares of the Corporation carrying the right to vote at such meeting, or (b) beneficially owns shares carrying the right to vote at such meeting and provides evidence of such ownership that is satisfactory to the Corporation, acting reasonably. In cases where a Nominating Shareholder is not an individual, the notice set forth in paragraph 4 below must be signed by an authorized representative, being a duly authorized director, officer, manager,

trustee or partner of such entity who provides such evidence of such authorization that is satisfactory to the Corporation, acting reasonably; and

(ii) in either case, complies with the notice procedures set forth below in this Policy.

2. In addition to any other requirements under applicable laws, for a nomination to be validly made by a Nominating Shareholder in accordance with this Policy, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.
3. To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:
  - a. in the case of an annual meeting of shareholders, not less than thirty (30) days nor more than sixty-five (65) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (50) days after the date (the "**Notice Date**") on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be given not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date; and
  - b. in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15<sup>th</sup>) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder's notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting and/or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders, or the reconvening of any adjourned or postponed meeting of shareholders, or the announcement thereof, commence a new time period for the giving of a Nominating Shareholder's notice as described above.

4. To be in proper written form, a Nominating Shareholder's notice must be addressed to the Corporate Secretary of the Corporation, and must set forth:
  - a. as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the present principal occupation or employment of the person and the principal occupation or employment within the five years preceding the notice; (iii) the citizenship of such person; (iv) the class or series and number of shares in the capital of the Corporation which are, directly or indirectly, controlled or directed or which are owned, beneficially or of record, by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (v) a statement as to whether such person would be "independent" of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110, *Audit Committees*, of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination;
  - b. the full particulars regarding any oral or written proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Corporation; and

- c. any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that would reasonably be expected to be material to a reasonable shareholder's understanding of the experience, independence and/or qualifications, or lack thereof, of such proposed nominee.

As soon as practicable following receipt of a Nominating Shareholder's notice (and such other information referred to above, as applicable) that complies with this Policy, the Corporation shall publish through a public announcement the names of the nominees named in such notice and such other details of such notice as the Corporation may deem appropriate.

- 5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the Act or at the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the provisions of this Policy and, if the Chairman determines that any proposed nomination was not made in compliance with this Policy, to declare that such defective nomination shall be disregarded.
- 6. For purposes of this Policy:
  - a. **"public announcement"** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com); and
  - b. **"Applicable Securities Laws"** means, collectively, the applicable securities statutes of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada, and all applicable securities laws of the United States.
- 7. Notwithstanding any other provision of this Policy, notice given to the Corporate Secretary of the Corporation pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the principal executive offices of the Corporation, sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) or received by email (at the address as aforesaid); provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Pacific Time) on a business day, then such delivery or electronic communication shall be deemed to have been made on the next business day.
- 8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any provision or requirement of this Policy.

## GOVERNING LAW

This Policy shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

#### **EFFECTIVE DATE**

This Policy was approved and adopted by the Board on December 15, 2014 and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date, provided that if this Policy is not ratified and approved by an ordinary resolution of shareholders of the Corporation at the Corporation's next shareholder meeting following the effective date of this Policy, the Policy shall, from and after the date of such shareholder meeting, cease to be of any force and effect.