



MANAGEMENT INFORMATION CIRCULAR

(As at April 30, 2018 (the “**Record Date**”) and in Canadian dollars, except where indicated)

PERSONS MAKING THIS SOLICITATION OF PROXIES

This Management Information Circular (“Circular”) is provided in connection with the solicitation by the management of Reservoir Capital Corp. (the “Corporation”) of proxies (“Proxies”) from registered shareholders and voting instruction forms (“VIFs”) from the beneficial shareholders (collectively, “Shareholders”) of common shares of the Corporation (“Common Shares”) in respect of the annual general meeting of Shareholders (the “Meeting”) to be held at the time and place and for the purposes set out in the notice of meeting (the “Notice of Meeting”).

Although it is expected that the solicitation of Proxies and VIFs will be primarily by mail, Proxies and VIFs may also be solicited personally or by telephone, facsimile or other solicitation services. The costs of the solicitation of Proxies and VIFs will be borne by the Corporation.

The Corporation has given notice of the Meeting in accordance with the “Notice and Access” procedures of National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian securities administrators (“**NI 54-101**”). In accordance with NI 54-101, the Corporation has sent the Notice of Meeting and the Proxy or VIF, but not this Circular, directly to its registered Shareholders. Instead of mailing this Circular to Shareholders, the Corporation has posted the Circular on its website pursuant to the “Notice and Access” procedures of NI 54-101. Shareholders may request a paper copy of this Circular be sent to them by contacting the Corporation as set out under “Additional Information” at the end of this Circular.

Pursuant to NI 54-101, arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries, banks, trust companies, trustees and their agents, nominees and other intermediaries (“**Intermediaries**”) to forward the Notice of Meeting and a VIF to each of the unregistered (beneficial) owners of the Common Shares held of record by Intermediaries that have consented to allow their addresses to be provided to the Corporation (“**NOBOs**”). The Corporation may reimburse the Intermediaries for reasonable fees and disbursements incurred by them in doing so.

The Corporation does not intend to pay Intermediaries to forward the Notice of Meeting and VIF to those beneficial Shareholders that have refused to allow their address to be provided to the Corporation (“**OBOs**”). Accordingly, OBOs will not receive the Notice of Meeting and VIF unless their respective Intermediaries assume the cost of forwarding such documents to them.

None of the directors of the Corporation have informed the Corporation’s management in writing that they intend to oppose the approval of any of the matters set out in the Notice of Meeting.

REGISTERED SHAREHOLDERS

Only persons registered as Shareholders in the Corporation's Central Security Register maintained by its registrar and transfer agent or duly appointed proxyholders of registered Shareholders ("Proxyholders") will be recognized, make motions or vote at the Meeting.

BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance as many Shareholders do not hold Common Shares in their own name.

If Common Shares are listed in an account statement provided to a Shareholder (a "**Beneficial Shareholder**") by a broker, those Common Shares, in all likelihood, will **not** be registered in the Shareholder's name. It is more likely that such Common Shares will be registered under the name of an Intermediary. Common Shares held by Intermediaries on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting shares for the Beneficial Shareholders. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

As provided for NI 54-101, the Corporation has elected to obtain a list of its NOBOs from Intermediaries, and deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable VIF instead of a Proxy. A VIF enables a Shareholder to provide instructions to the registered holder of its Common Shares as to how those shares are to be voted at the Meeting and allows the registered Shareholder of those Common Shares to provide a Proxy voting the Common Shares in accordance with those instructions. VIFs should be completed and returned in accordance with its instructions. As indicated in the VIF, Internet voting is also allowed. The results of the VIFs received from NOBOs will be tabulated and appropriate instructions respecting voting of Common Shares to be represented at the Meeting will be provided to the registered Shareholders.

The forms of VIF requesting voting instructions supplied to Beneficial Shareholders are substantially similar to the Proxy provided directly to the registered Shareholders by the Corporation, however, their purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. A VIF has its own return instructions, which should be carefully followed by Beneficial Shareholders to ensure their Common Shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining voting instructions from OBOs to Broadridge Investor Communications in Canada and the United States of America. Broadridge prepares a machine-readable VIF, mails the VIF and other proxy materials for the Meeting to OBOs and asks them to return the VIF to Broadridge. It then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting.

A Beneficial Shareholder may use their VIF to vote their own Common Shares directly at the Meeting if the Beneficial Shareholder inserts their own name as the name of the person to represent them at the Meeting. The VIF must be returned to Computershare, Broadridge or other Intermediary well in advance of the meeting to have the Common Shares voted. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

Shareholders with any questions respecting the voting of Common Shares held through a broker or other Intermediary, should contact that broker or other Intermediary for assistance.

UNITED STATES SHAREHOLDERS

This solicitation of Proxies and VIFs involves securities of a company located in Canada and is being effected in accordance with the corporate and securities laws of the province of British Columbia, Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Corporation or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of British Columbia, Canada differ from the disclosure and proxy solicitation requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Business Corporations Act* (British Columbia), some of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

APPOINTMENT OF PROXYHOLDERS AND COMPLETION AND REVOCATION OF PROXIES AND VIFS

Only persons registered as Shareholders in the Corporation's Central Security Register maintained by its registrar and transfer agent or duly appointed proxyholders of registered Shareholders will be recognized or may make motions or vote at the Meeting.

The persons named (the "**Management Designees**") in the Proxy or VIF have been selected by the board of directors of the Corporation (the "**Board**") and have agreed to represent, as Proxyholder, the Shareholders appointing them.

A Shareholder has the right to designate a person (who need not be a Shareholder and, for a VIF, can be the appointing Shareholder) other than the Management Designees as their Proxyholder to represent them at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Proxy or VIF the name of the person to be designated and by deleting therefrom the names of the Management Designees or, if the Shareholder is a registered Shareholder, by completing another proper form of Proxy and delivering the Proxy or VIF in accordance with its instructions. Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as Proxyholder and provide instructions on how their Common Shares are to be voted. The nominee should bring personal identification with them to the Meeting.

A Shareholder may indicate the manner in which the Proxyholders are to vote on behalf of the Shareholder, if a poll is held, by marking an "X" in the appropriate space of the Proxy. **If both spaces are left blank, the Proxy will be voted as recommended by management for any matter requiring a "For" or "Against" vote, and in favour of the matter for any matter requiring a "For" or "Withhold" vote.**

The Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting. As at the date of this Circular, the Corporation's management is not aware that any amendments or variations are to be presented at the Meeting. If any amendments or variations to such matters should properly come before the Meeting, the Proxies hereby solicited will be voted as recommended by management.

To be valid, the Proxy or VIF must be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy or VIF). The completed Proxy or VIF must then be returned in accordance with its instructions. Proxies (but not VIFs,

unless the VIF was has Computershare's name and address on the top right corner of the first page) and proof of authorization can also be delivered to the Corporation's transfer agent,

Computershare Investor Services Inc. (Attn: Proxy Department)

Fax: 1-866-249-7775 (within North America)
(+1) 416-263-9524(outside North America)

Mail: 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Canada
(toll free information line: 1-800-564-6253)

Courier: 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9, Canada

at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. **Proxies and VIFs received after that time may be accepted or rejected by the Chairman of the Meeting in the Chairman's discretion, and the Chairman is under no obligation to accept or reject late Proxies.**

A Proxy will be revoked by a Shareholder personally attending at the Meeting and voting their Common Shares. A Shareholder may also revoke their Proxy in respect of any matter upon which a vote has not already been held by depositing an instrument in writing (which includes an Proxy bearing a later date) executed by the Shareholder or by their authorized attorney in writing, or, if the Shareholder is a company, under its corporate seal by an officer or attorney thereof duly authorized, at the office of the transfer agent at one of Computershare's addresses set out above, the office of the Corporation (Attn: Kim Casswell) at Suite 501, 543 Granville Street, Vancouver, British Columbia, V6C 1X8 (or by fax to (+1) 604-688-1157) or the registered office of the Corporation at Northwest Law Group (Attn: Michael F. Provenzano), Suite 704, 595 Howe Street, Box 35, Vancouver, British Columbia V6C 2T5, Canada (or by fax to 1-866-687-5792 (toll free)) at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or by depositing the instrument in writing with the Chairman of such Meeting, prior to the commencement of the Meeting or of any adjournment thereof. VIFs may only be revoked in accordance with their specific instructions.

VOTING OF PROXIES AND VIFS

Voting at the Meeting will be by a show of hands, each registered Shareholder and each Proxyholder having one vote, unless a poll is required (if the number of Common Shares represented by Proxies and VIFs that are to be voted against a motion are greater than 5% of the votes that could be cast at the Meeting) or requested, whereupon each registered Shareholder and Proxyholder is entitled to one vote for each Common Share held or represented, respectively.

Each Shareholder may instruct their Proxyholder how to vote their Common Shares by completing the blanks on the Proxy or VIF. All Common Shares represented at the Meeting by properly executed Proxies and VIFs will be voted or withheld from voting when a poll is requested or required and, where a choice with respect to any matter to be acted upon has been specified in the Proxy or VIF, such Common Shares will be voted in accordance with such specification. **In the absence of any such specification on the Proxy or VIF as to voting, the Management Designees, if named as Proxyholder or nominee, will vote in favour of the matters set out therein.**

The Proxy or VIF confers discretionary authority upon the Management Designees, or other person named as Proxyholder, with respect to amendments to or variations of matters identified in the Notice

of Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting.

To approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an “**ordinary resolution**”) unless the motion requires a “**special resolution**” in which case a majority of 66-2/3% of the votes cast will be required.

QUORUM

The Articles of the Corporation provide that a quorum for the transaction of business at any meeting of Shareholders shall be two Shareholders present in person or represented by Proxy, representing not less than 5% of the outstanding Common Shares.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares, which are the only shares entitled to be voted at the Meeting. As at the Record Date, the Corporation had 48,164,424 Common Shares issued and outstanding. Shareholders are entitled to one vote for each Common Share held.

To the knowledge of the directors and executive officers of the Corporation, no one beneficially owned, directly or indirectly, or exercised control or direction over, voting securities carrying more than 10% of the voting rights attached to the Common Shares as at the Record Date.

STATEMENT OF EXECUTIVE COMPENSATION

Unless otherwise noted the following information is for the Corporation’s last two financial year (which ended April 30, 2017 and 2018) and, since the Corporation has subsidiaries, is prepared on a consolidated basis.

A. Named Executive Officers

For the purposes of this Circular, a Named Executive Officer (“**NEO**”) means each of the following individuals during the most recently completed financial year:

- (a) each chief executive officer (“**CEO**”) of the Corporation;
- (b) each chief financial officer (“**CFO**”) of the Corporation; and
- (c) each of the Corporation’s three most highly compensated executive officers, or individuals acting in a similar capacity, other than the CEO and CFO, if their individual total compensation (excluding the value of any pension) was more than \$150,000 for that financial year.

B. Compensation Discussion and Analysis

The Compensation Committee of the Board is responsible for ensuring that the Corporation has appropriate procedures for reviewing executive compensation and making recommendations to the Board with respect to the compensation of the Corporation’s executive officers. The Compensation Committee seeks to ensure that total compensation paid to all executive officers is fair and reasonable and is consistent with the Corporation’s compensation philosophy.

The Compensation Committee is also responsible for recommending compensation for the directors and officers and granting stock options to the directors, officers and employees of, and consultants to, the Corporation pursuant to the Corporation's Stock Option Plan (the "**Option Plan**"). Stock options already held by NEOs are considered when granting new options to them.

Annual Assessment

The Compensation Committee assesses each NEO's performance on the basis of his or her respective contribution to the achievement of corporate goals as well as to needs of the Corporation that arise on a day-to-day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board with respect to the determination of executive compensation.

Risk Assessment

The Compensation Committee also evaluates the potential risks associated with Corporation's compensation policies and practices. The Compensation Committee recommends to the Board of Directors compensation strategies which align the NEOs' interests with those of the Shareholders and other stakeholders to insure that the Corporation's long term goals are met without exposing the Corporation to unnecessary risk. The Compensation Committee considers a mix of base salary, short term incentives, and long term incentives to attract high caliber executives to encourage behaviour that leads to creation of long term value while limiting incentives that might promote inappropriate risk-taking.

Compensation Components

The compensation of the NEOs is comprised of (i) base salary, and (ii) long-term incentives in the form of stock option grants under the Option Plan. In establishing compensation levels, the Compensation Committee also relies on the experience of its members as officers and directors of other companies in similar lines of business as the Corporation. The other companies of which they are currently a director are identified under the heading "Disclosure of Corporate Governance Practices – Directorships" of this Circular. The purpose of this comparison to similar companies is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

To date, no specific formulas have been developed to assign a specific weighting to each of these components. Instead, the Board considers the Corporation's performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

No NEO or director is permitted to purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Base Salary

In establishing base salaries for NEOs, the Compensation Committee considers the NEO's performance, level of expertise, responsibilities, length of service to the Corporation and comparable levels of remuneration paid to executives of other companies of comparable size. Using this information, together with budgetary guidelines and other internally generated planning and forecasting tools, the Compensation Committee then makes its recommendations to the Board and the Board then sets the base salaries of the NEO's.

Long Term Compensation

Long term compensation is paid in the form of grants of stock options. The Board established the Option Plan to encourage share ownership and entrepreneurship on the part of the directors, management and employees. The Compensation Committee believes that the Option Plan aligns the interests of the NEOs' with the interests of Shareholders by linking a component of compensation to the longer term performance of the Common Shares.

Options are generally granted on an annual basis, subject to the imposition of trading black-out periods, in which case options scheduled for grant will be granted subsequent to the end of the black-out period. All options granted to NEOs are recommended by the Compensation Committee and approved by the Board. In monitoring stock option grants, the Compensation Committee takes into account the level of options granted by comparable companies for similar levels of responsibility and considers each NEO based on reports received from management, its own observations on individual performance (where possible) and its assessment of individual contribution to Shareholder value.

In addition to determining the number of Common Shares subject to options to be granted pursuant to the methodology outlined above, the Compensation Committee also makes the following determinations:

- the exercise price for each option granted;
- the date on which each option is granted;
- the vesting terms for each stock option; and
- the other materials terms and conditions of each stock option grant.

The Compensation Committee makes these determinations subject to and in accordance with the provision of the Option Plan.

C. Summary Compensation Table

The following table contains a summary of the compensation paid to the NEOs during the Corporation's last four financial years.

Name and principal position	Year Ended April 30	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation		Pension value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans (\$)	Long term incentive plans (\$)			
Lewis Reford Interim President & CEO ⁽¹⁾	2018	40,000	0	0	0	0	0	0	40,000
	2017	20,000	0	0	0	0	0	0	20,000
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Miljana Vidovic Former President & CEO ⁽²⁾	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	0	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0	0
Christina Cepeliauskas CFO	2018	14,509 ⁽³⁾	0	0	0	0	0	0	14,509
	2017	14,509 ⁽³⁾	0	0	0	0	0	0	14,509
	2016	14,509 ⁽³⁾	0	0	0	0	0	0	14,509
	2015	14,509 ⁽³⁾	0	0	0	0	0	0	14,509

- (1) Mr. Reford, a director, was appointed Interim President and CEO of the Corporation on August 29, 2016.
- (2) Ms. Vidovic's ceased to be President and CEO of the Corporation on August 29, 2016.
- (3) Pursuant to a Management Services Agreement between the Corporation and Seabord Services Corp., Ms. Cepeliauskas's remuneration is paid by Seabord. See "Management Contracts" for a description of the material terms of the Management Services Agreement.

The Corporation calculates the "grant date fair value" amounts in the 'Option-based Awards' column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from a simple "in-the-money" value calculation. Stock options that are well "out-of-the-money" can still have a significant "grant date fair value" based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is the total compensation of each NEO reported in the other columns. The value of the in-the-money options currently held by each director (based on Common Share price less option exercise price) is set forth in the 'Value of Unexercised in-the-money Options' column of the "Outstanding Share-Based and Option-Based Awards" table below.

Employment Agreements

The Corporation has not entered into any employment or consulting agreements with its Named Executive Officers.

D. Incentive Plan Awards

Outstanding Share-Based and Option-Based Awards

The following table sets out, for each NEO, the incentive stock options to purchase Common Shares under the Option Plan (option-based awards held as of the last two financial year ends (April 30, 2017 and 2018). The closing prices of the Common Shares on the TSX Venture Exchange ("TSX-V") on those dates were \$0.03 (2017) and \$0.05 (2018) per share.

Name	Year ended April 30	Option-based Awards				Share-based Awards		
		Number of securities underlying unexercised options (vested-unvested)	Option exercise price (per share) \$	Option expiration date (m/d/y)	Value of unexercised 'in-the-money' ⁽²⁾ options (\$)	Number of shares or units of shares not vested (#)	Market or payout value of share-based awards not vested (\$)	Market or payout value of share-based awards vested but not paid out (\$)
Lewis Reford Interim President & CEO ⁽¹⁾	2018	0 - 0	N/A	N/A	N/A	N/A	N/A	N/A
	2017	4,000 – 0	6.00	09/07/2017	0	0	0	0
Christina Cepeliauskas CFO	2018	0 - 0	N/A	N/A	N/A	N/A	N/A	N/A
	2017	4,000 – 0	6.00	09/07/2017	0	0	0	0

- (1) Mr. Reford was appointed Interim President and CEO of the Corporation on August 29, 2016.
- (2) Options are “in the money” if the market price of the Common Shares is greater than the exercise price of the options. The value of such options is the product of the number of Common Shares multiplied by the difference between the exercise price and the closing market price of the Common Shares on the financial year end. Options which were not vested at the financial year end are not included in this value.

The Compensation Committee’s approach to recommending options to be granted is consistent with prevailing practice junior public companies. Grants of options depend on the length of service of the NEOs. There are, therefore, no formulae followed or performance goals or significant conditions which must be met before options will be granted. Options are always granted at the prevailing market price of the Common Shares.

Value of Share-Based and Option-Based Awards Vested or Earned During the Year

There were no incentive plan awards that vested or were earned by an NEO during the Corporation’s last completed financial year.

E. Pension Plan Benefits

The Corporation does not have a pension plan or deferred compensation plan.

F. Termination and Change of Control Benefits

See “Summary Compensation Table – Employment Agreements” for a description of the material terms of the termination and change of control benefits that the Corporation has agreed to provide to certain NEOs as a result of a change of control of the Corporation, its subsidiaries or affiliates.

G. Director Compensation

The following table describes director compensation for non-executive directors for the Corporation’s last two financial years.

Name	Year ended April 30	Fees earned (\$) ⁽¹⁾	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total (\$)
Winston Bennett	2018	8,000	0	0	0	0	0	8,000
	2017	4,000	0	0	0	0	0	4,000
Miles Thompson	2018	8,000	0	0	0	0	0	8,000
	2017	4,000	0	0	0	0	0	4,000
Patrick Trustram-Eve	2018	8,000	0	0	0	0	0	8,000
	2017	4,000	0	0	0	0	0	4,000
Michael Winn	2018	8,000	0	0	0	0	0	8,000
	2017	4,000	0	0	0	0	0	4,000

(1) Director fees.

The Corporation calculates the “grant date fair value” amounts in the ‘Option-based Awards’ column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. Stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is the total compensation of each director reported in other columns.

The value of the in-the-money options currently held by each director (based on Common Share price less option exercise price) is set forth in the ‘Value of Unexercised in-the-money Options’ column of the “Share-Based and Option-Based Awards to Directors” table below.

The methodology used for determining the remuneration of the Board is similar to that used for the remuneration of NEOs. Remuneration of committee chairmen is determined based on their own merits and circumstances after being considered in light of prevailing economic conditions – both on a corporate level and on national and international levels – and industry norms for such remuneration. Levels of remuneration of directors, committee members and committee chairmen are usually first informally discussed among the members of the Compensation Committee before being formally considered and approved by the Board.

Share-Based and Option-based Awards to Directors

The following table sets out, for each director who is not an NEO, the stock options to purchase Common Shares under the Option Plan (option-based awards) held as of the last two financial year ends (April 30, 2017 and 2018). The closing prices of the Common Shares on the TSX-V on those dates were \$0.03 (2017) and \$0.05 (2018) per share.

Name	Year ended April 30	Option-based Awards				Share-based Awards		
		Number of securities underlying unexercised options (vested-unvested)	Option exercise price (per share) \$	Option expiration date (m/d/y)	Value of unexercised 'in-the-money' options ⁽¹⁾ (\$)	Number of shares or units of shares not vested (#)	Market or payout value of share-based awards not vested (\$)	Market or payout value of share-based awards vested but not paid out (\$)
Winston Bennett	2018 2017	0 - 0 6,000 - 0	N/A 6.00	N/A 09/07/2017	N/A 0	N/A 0	N/A 0	N/A 0
Miles Thompson	2018 2017	0 - 0 30,000 - 0	N/A 6.00	N/A 09/07/2017	N/A 0	N/A 0	N/A 0	N/A 0
Patrick Trustram-Eve	2018 2017	0 - 0 10,000 - 0	N/A 6.00	N/A 09/07/2017	N/A 0	N/A 0	N/A 0	N/A 0
Michael Winn	2018 2017	0 - 0 10,000 - 0	N/A 6.00	N/A 09/07/2017	N/A 0	N/A 0	N/A 0	N/A 0

- (1) Options are “in the money” if the market price of the Common Shares is greater than the exercise price of the options. The value of such options is the product of the number of Common Shares multiplied by the difference between the exercise price and the closing market price of the Common Shares on the financial year end. Options which were not vested at the financial year end are not included in this value.

The Compensation Committee’s approach to recommending options to be granted is consistent with prevailing practice for junior public companies. Grants of options depend on the length of service of the directors. Therefore, there are no formulae followed or performance goals or significant conditions which must be met before options will be granted. Options are always granted at the prevailing market price of the Common Shares.

The methodology used for determining the remuneration of the Board is similar to that used for the remuneration of NEOs. Remuneration of committee chairmen is determined based on their own merits and circumstances after being considered in light of prevailing economic conditions – both on a corporate level and on national and international levels – and industry norms for such remuneration. Levels of remuneration of directors, committee members and committee chairmen are usually first informally discussed among the members of the Compensation Committee before being formally considered and approved by the Board.

Value of Share-Based and Option-Based Awards Vested or Earned During the Year

There were no share-based or option-based awards vested or earned during the Corporation’s last two financial years by the directors.

H. Management Contracts

Pursuant to a management service agreement (the “**Seabord Agreement**”) dated January 1, 2009 as amended on January 1, 2012, January 1, 2013 and February 1, 2014 between the Corporation and Seabord Services Corp. (“**Seabord**”) of Suite 501, 543 Granville Street, Vancouver, British Columbia, the Corporation pays \$10,000 per month to Seabord in consideration of Seabord providing office, reception, secretarial, accounting and corporate records services to the Corporation, which services include Christina Cepeliauskas in her capacity as chief financial officer of the Corporation and Kim Casswell in her capacity as corporate secretary of the Corporation.

The Corporation and Seabord entered into Debt Settlement Agreement dated October 24, 2017 whereby the Corporation agreed to settlement indebtedness owed to Seabord (the “Indebtedness”) in the amount of \$354,886 which included a \$51,000 promissory note and \$303,886 of fees and expenses.

The Corporation and Seabord mutually agreed to settle \$177,597 of the Indebtedness through the Corporation’s cash payment to Seabord of \$59,097 and the balance payment of \$118,500 of the Indebtedness was settled by the issuance of 2,370,000 common shares of the Corporation at a deemed price of \$0.05 per common share, with Seabord cancelling and forgiving the remainder of the balance remaining indebtedness of \$177,289.

Seabord is a private company wholly-owned by Michael Winn, a director of the Corporation.

I. Stock Option Plan

The Board established the Option Plan to advance the interests of the Corporation by encouraging the directors, officers and employees of, and consultants to, the Corporation and its subsidiaries, if any, and management company (“**Optionees**”) to acquire Common Shares thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation, subsidiary or management company, as applicable, and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

Pursuant to the Option Plan, the Board, based on the recommendations of the Compensation Committee, may grant options to Optionees in consideration of them providing their services to the Corporation or a subsidiary. The number of Common Shares subject to each option is determined by the Board within the guidelines established by the Option Plan. The options enable the Optionees to purchase Common Shares at a price fixed pursuant to such guidelines. The options are exercisable by the Optionee giving the Corporation notice and payment of the exercise price for the number of Common Shares to be acquired.

The Option Plan authorizes the Board to grant stock options to the Optionees on the following terms:

1. The number of Common Shares issuable upon the exercise of all options granted under the Option Plan shall not exceed 10% of the issued and outstanding Common Shares.
2. The number of Common Shares issuable upon the exercise of options granted under the Option Plan by one Optionee or all Optionees providing investor relations services is subject to the following limitations:
 - (a) no Optionee can be granted options during a 12 month period to purchase more than
 - (i) 5% of the issued Common Shares unless disinterested Shareholder approval has been obtained (such approval has not been sought); or
 - (ii) 2% of the issued Common Shares, if the Optionee is a consultant, and
 - (b) the aggregate number of Common Shares subject to options held by all Optionees providing investor relations services cannot exceed 2% in the aggregate.
3. Approval by disinterested Shareholders must be obtained (such approval has not been, nor is it intended to be, sought) if options granted under the Option Plan, together with all of the Corporation’s previously established and outstanding stock options, stock option plans, employee stock purchase plans, or any other compensation or incentive mechanisms involving the issuance or potential issuance of Common Shares, could result, at any time, in

- (a) the number of Common Shares reserved for issuance pursuant to stock options granted to insiders exceeding 10% of the Common Shares outstanding at the time of granting;
 - (b) the grant to insiders, within a one year period, of options to purchase that number of Common Shares exceeding 10% of the outstanding Common Shares; or
 - (c) the issuance to any one insider and such insider's associates, within a one year period, of Common Shares totalling in excess of 5% of the outstanding Common Shares.
4. The exercise price of the options cannot be set at less than the greater of \$0.10 per Common Share and the closing trading price of the Common Shares on the day before the granting of the stock options. If the Optionee is subject to the tax laws of the United States of America ("USA") and owns (determined in accordance with such laws) greater than 10% of the Common Shares, the exercise price shall be at least 110% of the price established as aforesaid.
5. The options may be exercisable for up to 10 years.
6. There are no vesting requirements unless the Optionee is a consultant providing investor relations services for the Corporation, in which case the options must vest in stages over at least 12 months with no more than one quarter vesting in any three month period. However, the Board may impose additional vesting requirements and, subject to obtaining any required approval from the TSX-V, may authorize all unvested options to vest immediately. If there is a 'change of control' of the Corporation (due to a take-over bid being made for the Corporation or similar event), all unvested options, subject to obtaining any required approval from the Exchange, shall vest immediately.
7. The options can only be exercised by the Optionee (to the extent they have already vested) for so long as the Optionee is a director, officer, or employee of, or consultant to, the Corporation or any subsidiary or is an employee of the Corporation's management company and within a period thereafter not exceeding the earlier of:
- (a) the termination date specified for such option in the stock option certificate;
 - (b) 90 days after the Optionee ceases to be a director, officer or employee of, or consultant to, the Corporation, or employee of the Corporation's management company, unless such Optionee was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Optionee's services to the Corporation; and
 - (c) one year from the Optionee's death.

If the Optionee is terminated 'for cause', involuntarily removed or resigns (other than at the request of the Board or for the benefit of another director or officer) from any of such positions the option will terminate concurrently.

8. The options are non-assignable and non-transferable except to a wholly-owned holding company. If the option qualifies as an 'incentive stock option' under the United States Internal Revenue Code, the option is not assignable to a holding company.
9. No financial assistance is available to Optionees under the Option Plan.

10. Any amendments to outstanding stock options are subject to the approval of the TSX-V and, if required by the TSX-V, of the shareholders of the Corporation, possibly with only ‘disinterested shareholders’ being entitled to vote. Disinterested Shareholder approval must be obtained for the reduction of the exercise price (including the cancellation and re-issuance of options within a one year period so as to effectively reduce the exercise price) of options held by insiders of the Corporation. The amendment to an outstanding stock option will also require the consent of the Optionee.
11. Any amendments to the Option Plan are subject to the approval of the TSX-V and, if required by the TSX-V or the Option Plan, of the Shareholders of the Corporation, possibly with only ‘disinterested Shareholders’ being entitled to vote.

No options have been granted under the Option Plan which are subject to Shareholder approval.

The Option Plan does not permit stock options to be transformed into stock appreciation rights.

Repricing of Stock Options

The Corporation did not make any downward repricing of stock options or stock appreciation rights during the year.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as at the end of the Corporation’s last two financial years, information regarding outstanding options, warrants and rights (other than those granted *pro rata* to all Shareholders) granted by the Corporation under its equity compensation plans.

Plan Category	Year ended April 30	Number of shares issuable upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted average exercise price of outstanding options, warrants and rights	Number of shares remaining available for issuance under equity compensation plans ⁽²⁾
Equity compensation plans approved by Shareholders	2018	0	N/A	4,816,442
	2017	177,750	6.00	1,683,404
Equity compensation plans not approved by Shareholders	2018	N/A	N/A	N/A
	2017	N/A	N/A	N/A
Totals	2018 2017	0 177,750	N/A 6.00	4,816,442 1,683,404

(1) Assuming outstanding options, warrants and rights are fully vested.

(2) Excluding Common Shares issuable upon exercise of outstanding options, warrants and rights shown in the second column.

CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) of the Canadian securities administrators requires the Corporation to annually disclose certain information regarding its corporate governance practices. That information is disclosed below.

1. Board of Directors

The Board has responsibility for the stewardship of the Corporation including responsibility for strategic planning, identification of the principal risks of the Corporation's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems.

The Board sets long term goals and objectives for the Corporation and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Corporation to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Corporation and its business. The Board is responsible for protecting Shareholders' interests and ensuring that the incentives of the Shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Corporation's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Corporation is authorized to act without Board approval, on all ordinary course matters relating to the Corporation's business.

The Board also monitors the Corporation's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board is responsible for the appointment of the CEO, President and other senior management and monitoring of their performance.

The Board has adopted a written mandate or code setting out the foregoing obligations, which supplements the requirements of applicable corporate and securities common and statute law which provide that the Board has responsibility for the stewardship of the Corporation.

The Board considers that the following directors are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Corporation, other than interests and relationships arising from shareholding: Winston Bennett and Patrick Trustram-Eve. The Board considers that Lewis Reford, the Interim President and CEO of the Corporation and Miles Thompson, the Chairman of the Corporation, are not independent, because they are members of management. Michael Winn is not independent because of his ownership of Seabord – see "Management Contracts".

The Board facilitates its exercise of independent supervision over the Corporation's management through regular meetings of the Board.

The Board does not hold regularly scheduled meetings without the non-independent directors and members of management. Since the beginning of each of the Corporation's last two financial years, the independent directors did not hold any ad hoc meetings without the non-independent directors and management.

When a matter being considered involves a director, that director does not vote on the matter. As well, the directors regularly and independently confer amongst themselves and thereby keep apprised of all operational and strategic aspects of the Corporation's business.

The Chairman of the Board is responsible for presiding over all meetings of the directors and Shareholders. He is not an independent director however, the independent directors either have significant experience as directors and officers of publicly traded companies or as members of the financial investment community and, therefore, do not require the guidance of an independent Chairman of the Board in exercising their duties as directors.

2. Descriptions of Roles

The Board has not established written descriptions of the positions of CEO or chair of any of the committees of the Board (except as may be set out in a charter applicable to a committee) as it feels they are unnecessary and would not improve the function and performance of the Board, CEO or committee. The role of chair is delineated by the nature of the overall responsibilities of the Board or the committee.

The Board has not set limits on the objectives to be met by the CEO, but believes that such limits and objectives should depend upon the circumstances of each situation and that to formalize these matters would be restrictive and unproductive.

3. Directorships

Certain of the directors are presently a director of one or more other reporting issuers (public companies), as follows:

Director	Other Issuers
Miles Thompson	Lara Exploration Ltd.
Michael Winn	Alexco Resource Corp. Altus Strategies Plc Atico Mining Corporation EMX Royalty Corporation Nebo Capital Corp. Revelo Resources Corp.
Patrick Trustram-Eve	N/A
Lewis Reford	N/A
Winston Bennett	N/A

4. Orientation and Continuing Education

The Board takes the following measures to ensure that all new directors receive a comprehensive orientation regarding their role as a member of the Board, its committees and its directors, and the nature and operation of the Corporation.

The first step is to assess a new director's set of skills and professional background since each new director brings a different skill set and professional background. Once that assessment has been completed, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director.

The second step is taken by one or more existing directors, who may be assisted by the Corporation's management, to provide the new director with the appropriate orientation through a series of meetings, telephone calls and other correspondence.

The third and final step is the Corporation provides a copy of its Board Policy Manual, which sets out a comprehensive introduction to the Board and its committees, to each new director.

The Board takes the following measures to provide continuing education for its directors to maintain the skill and knowledge necessary for them to meet their obligations as directors:

- the Board annually reviews its Charters, Polices and Mandate which comprise the Board Policy Manual; and
- there are technical presentations at Board meetings, focusing on either a particular property or a summary of various properties. The ‘question and answer’ portions of these presentations are a valuable learning resource for the non-technical directors.

5. Ethical Business Conduct

To comply with its legal mandate, the Board seeks to foster a culture of ethical conduct by striving to ensure the Corporation carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the Board

- has adopted a written Code of Business Conduct and Ethics for its directors, officers, employees and consultants.
- has established a Corporate Governance Committee.
- has established a Whistleblower Policy which details complaint procedures for financial concerns.
- encourages management to consult with legal and financial advisors to ensure the Corporation is meeting those requirements.
- is cognizant of the Corporation’s timely disclosure obligations and reviews material disclosure documents such as financial statements, Management’s Discussion & Analysis (“MD&A”) and press releases prior to distribution.
- relies on its Audit Committee to annually review the systems of internal financial control and discuss such matters with the Corporation’s external auditor.
- actively monitors the Corporation’s compliance with the Board’s directives and ensures that all material transactions are thoroughly reviewed and authorized by the Board before being undertaken by management.

The Board must also comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as relevant securities regulatory instruments and stock exchange policies, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

6. Nomination of Directors

To identify new candidates for nomination for election as directors, the Board considers the advice and input of the Corporate Governance Committee, the members of which are listed under “Particulars of Matters to be Acted Upon – 4. Election of Directors” and which is composed of a majority of independent directors, regarding:

- the appropriate size of the Board, the necessary competencies and skills of the Board as a whole and the competencies and skills of each director individually; and
- the identification and recommendation of new individuals qualified to become new Board members. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve as directors.

7. Other Board Committees

In addition to the Audit Committee, described in the next section, the Board has established a Compensation Committee, and a Corporate Governance Committee.

Committees of the Board are composed of independent and non-independent directors. The functions and members of these committees are described below.

Compensation Committee: The Compensation Committee is responsible for the review of all compensation (including stock options) paid by the Corporation to the Board, senior management and employees of the Corporation and any subsidiaries, to report to the Board on the results of those reviews and to make recommendations to the Board for adjustments to such compensation.

The Committee consists of three directors, one of whom is independent (outside, non-management directors – Winston Bennett), and two of whom are not independent, (Michael Winn – Chairman, and Lewis Reford). Each member of the Committee has direct experience relevant to their responsibilities on the Committee, including acting as officers and directors of other publicly traded companies so that they are familiar with remuneration in the Corporation’s industry.

For further details on the role of the Compensation Committee, refer to “Compensation Discussion and Analysis”.

Corporate Governance Committee: The Corporate Governance Committee is responsible for advising the Board of the appropriate corporate governance procedures that should be followed by the Corporation and the Board and monitoring whether they comply with such procedures. The Corporate Governance Committee is also responsible for assisting in the recruitment of new directors.

The Committee consists of three directors, two of whom are independent (outside, non-management director) (Winston Bennett, and Patrick Trustram-Eve) and one of whom is not independent (Lewis Reford – Chairman)

8. Assessments

The Board and the Corporate Governance Committee have not established a process to regularly assess the Board and its committees with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the Board, its committees or the individual directors compared to their expectation of

performance. In doing so, the contributions of an individual director are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* (“NI 52-110”) of the Canadian securities administrators requires the Corporation’s Audit Committee to meet certain requirements. It also requires the Corporation to disclose in this Circular certain information regarding the Audit Committee. That information is disclosed below.

Overview

The Audit Committee of the Board is principally responsible for

- recommending to the Board the external auditor to be nominated for election by the Shareholders at each annual general meeting and negotiating the compensation of such external auditor.
- overseeing the work of the external auditor, including the resolution of disagreements between the auditor and management regarding the Corporation’s financial reporting.
- pre-approving all non-audit services to be provided to the Corporation, by the auditor.
- reviewing the Corporation’s annual and interim financial statements, MD&A and press releases regarding earnings before they are reviewed and approved by the Board and publicly disseminated by the Corporation.
- reviewing the Corporation’s financial reporting procedures and internal controls to ensure adequate procedures are in place for the Corporation’s public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

The Corporation’s auditor reports directly to the Audit Committee.

The Audit Committee’s Charter

The Board has adopted a Charter for the Audit Committee (the “**Charter**”) which sets out the Committee’s mandate, organization, powers and responsibilities. The Charter is attached to this Circular.

Composition of the Audit Committee

The Audit Committee consists of three directors. Unless it is a “Venture Issuer” (an issuer the securities of which are not listed or quoted on any of the Toronto Stock Exchange, a market in the USA other than the over-the-counter market, or a market outside of Canada and the USA) as of the end of its last two financial years, NI 52-110 requires each of the members of the Committee to be independent and financially literate. Since the Corporation is a “Venture Issuer” (its securities are listed on the TSX-V, but are not listed or quoted on any other exchange or market) it is exempt from this requirement. In addition, the Corporation’s governing corporate legislation requires the Corporation to have an Audit Committee composed of a minimum of three directors, a majority of whom are not officers or employees of the Corporation. The Audit Committee complies with this requirement.

The following table sets out the names of the members of the Audit Committee and whether they are ‘independent’ and ‘financially literate’.

Name of Member	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Michael Winn	No	Yes
Patrick Trustram-Eve	Yes	Yes
Winston Bennett (Chairman)	Yes	Yes

Notes:

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

Relevant Education and Experience

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Corporation to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. 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 Corporation’s financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting,

are as follows:

Name of Member	Education	Experience
Michael Winn	Graduate course work in accounting and finance. B.Sc. (Geology) – 1985 University of Southern California Los Angeles, California	Mr. Winn is currently President of Seaboard Capital Corp. (private consulting company providing analysis of mining and energy companies) since January 2013. Mr. Winn is also President of Seaboard Services Corp. (a private company providing management, administrative, and regulatory services to private and public mining companies) since January 2007.
Patrick Trustram-Eve	Masters Degree in Modern Languages Honours – 1995 University of Edinburgh, United Kingdom Diploma in Administrative Accounting and Financial Administration – 1997 Icare University - Chile	Mr. Trustram-Eve is the Managing Director of ZigZag Global, an eCommerce logistics technology company and director of TranslateMedia, a leading independent languages services company. He is also a founding director of ITC Ventures, a venture capital investment group focused on small business opportunities in the media sector in South America. Prior to that, Mr. Trustram-Eve worked for five years as a financial analyst and treasury manager for Anglo American Corp.

Winston Bennett (Chairman)	Bachelor of Arts, Honours Business Administration (HBA) Richard Ivey School of Business University of Western Ontario – 2003 Charter Financial Analyst Charterholder CFA Institute - 2007	Mr. Bennett is a private investor and advisor to a number of companies. He recently participated as a principal investor, director and executive in the successful leveraged buyout and subsequent sale of a Canadian manufacturing company. Mr. Bennett’s career includes six years in the renewable energy industry – first as a Vice President and Director of Helios Energy Inc., a developer of large-scale solar energy projects, and then as a consultant to a large infrastructure investment fund. Prior to his involvement in renewable energy, Mr. Bennett was Vice President of Investment Banking at Cormark Securities Inc., one of Canada’s leading independent investment dealers.
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Complaints

The Audit Committee has established a Whistleblower Policy which outlines procedures for the confidential, anonymous submission by employees regarding the Corporation’s accounting, auditing and financial reporting obligations, without fear of retaliation of any kind. If an applicable individual has any concerns about accounting, audit, internal controls or financial reporting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

The applicable individual may report their concern in writing and forward it to the Chairman of the Audit Committee in a sealed envelope labelled “*To be opened by the Audit Committee only*”. Further, if the applicable individual wishes to discuss any matter with the Audit Committee, this request should be indicated in the submission. Any such envelopes received by the Corporation will be forwarded promptly and unopened to the Chairman of the Audit Committee.

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions.

The Audit Committee will retain as part of its records, any complaints or concerns for a period of no less than seven years. The Audit Committee will keep a written record of all such reports or inquiries and make quarterly reports on any ongoing investigation which will include steps taken to satisfactorily address each complaint.

The Audit Committee did not receive any complaints during the last two financial years.

The Whistleblower Policy is reviewed by the Audit Committee on an annual basis and is included as an addendum to the Audit Committee Charter attached hereto.

Audit Committee Oversight

Since the commencement of the Corporation’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in NI 52-110 regarding *De Minimis* Non-audit Services or on a Regulatory Order Generally

Since the commencement of the Corporation’s most recently completed financial year, the Corporation has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Corporation’s auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor’s annual fees charged to the Corporation, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year’s audit), or
2. an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in section III.B “Powers and Responsibilities – Performance & Completion by Auditor of its Work” of the Charter.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Corporation by its external auditor during the last three financial years.

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
April 30, 2018	23,460	Nil	Nil	Nil
April 30, 2017	\$45,900	Nil	Nil	Nil
April 30, 2016	\$33,150	Nil	Nil	Nil

- (1) The aggregate fees billed by the Corporation’s auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Corporation’s auditor that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not disclosed in the ‘Audit Fees’ column.
- (3) The aggregate fees billed for professional services rendered by the Corporation’s auditor for tax compliance, tax advice, and tax planning.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations

Since the Corporation is a Venture Issuer, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 *Composition of the Audit Committee* (as described in ‘Composition of the Audit Committee’ above) and Part 5 *Reporting Obligations* of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in the Corporation’s Annual Information Form, if any, and this Circular).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or who at any time during the last two financial years was, a director or executive officer of the Corporation, a proposed nominee for election as a director of the Corporation or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last two financial years has been, indebted to the Corporation or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of each of such years been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

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

Other than disclosed in this Circular, the Corporation is not aware of any material interest of any executive officer, director or nominee for director, or anyone who has held office as such since the beginning of the Corporation's last two financial years, or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors except for the current and future directors and executive officers of the Corporation and its subsidiaries, if any, inasmuch as, in the following year, they may be granted options to purchase Common Shares pursuant to the Option Plan, ratification of which will be sought at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Settlement with Miles F. Thompson

The Corporation and Miles F. Thompson, a director of the Corporation (the "Lender"), entered into a Debt Cancellation Agreement dated June 8, 2017 (the "Agreement") whereby the Corporation incurred total indebtedness (the "Indebtedness") to the Lender in the amount of \$454,000. The Corporation and the Lender agreed that the Lender would receive a payment of \$220,000 which would be settled by the issuance of common shares of the Corporation with the Lender holding \$234,000 of the remaining Indebtedness. On November 14, 2017, the Corporation issued to the Lender 4,400,000 common shares (representing 14.32% of the then outstanding common shares) of the Corporation at a deemed price of \$0.05 per common share in settlement of the \$220,000 of Indebtedness owed to Lender.

Immediately prior to the share issuance, Mr. Thompson had ownership of 1,447,708 common shares (representing 7.78% of the Corporation's then outstanding common shares) and warrants to purchase an additional 800,000 common shares. If the warrants were exercised, Mr. Thompson would have had ownership of 2,247,708 common shares (representing 11.57% of the then outstanding shares) of the Corporation.

Mr. Thompson has ownership of 5,847,708 Common Shares (representing 19.81% of the then outstanding common shares of the Corporation Common Shares) and warrants to purchase an additional 800,000 Common Shares. If the warrants were exercised, Mr. Thompson would have ownership of own 6,647,708 Common Shares (representing 21.93% of the then outstanding Common Shares) of the Corporation.

Other Interests

Other than as disclosed herein, there are no material interests, direct or indirect, of current directors, executive officers, any persons nominated for election as directors, or any Shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associates or affiliates of such persons, in any transaction within the last two financial years or in any proposed transaction which has materially affected or would materially affect the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board the only matters to be brought before the Meeting are those matters set forth in the Notice of Meeting.

1. Report of Directors

The Board will provide a report on the events of its last two financial years at the meeting. No approval or other action needs to be taken at the Meeting in respect of this report.

2. Financial Statements and Management's Discussion & Analysis

The Board has approved the financial statements of the Corporation, the auditor's report thereon, and the MD&A for the year ended April 30, 2017, all of which will be tabled at the Meeting. No approval or other action needs to be taken at the Meeting in respect of these documents.

3. Set Number of Directors to be Elected

The Corporation currently has five directors. Accordingly, it will be proposed at the Meeting that five directors be elected to hold office until the next annual general meeting of Shareholders or until their successors are elected or appointed.

The Board recommends that Shareholders vote in favour of setting the number of directors at five. Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution setting the number of directors to be elected at five.

4. Election of Directors

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's province or state and country of residence, principal occupation at the present and during the preceding five years (unless shown in a previous management information circular), the period during which the nominee has served as a director, and the number of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date.

The Board recommends that Shareholders vote in favour of the following proposed nominees. Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote for the election of the persons named in the following table to the Board. Management does not contemplate that any of such nominees will be unable to serve as directors. Each director elected will hold office until the next annual general meeting of Shareholders or until their successor is duly elected, unless their office is earlier vacated in accordance with the Corporation's Articles or the provisions of the corporate law to which the Corporation is subject.

Name and Province or State and Country of Residence	Present Office and Date First Appointed a Director	Principal Occupation During the Past Five Years ⁽⁴⁾	Number of Common Shares ⁽⁵⁾
C. Winston Bennett ⁽¹⁾⁽²⁾⁽³⁾ Ontario Canada	Director March 8, 2010	Mr. Bennett is a private investor and advisor to a number of companies. He recently participated as a principal investor, director and executive in the successful leveraged buyout and subsequent sale of a Canadian manufacturing company. Mr. Bennett's career includes six years in the renewable energy industry – first as a Vice President and Director of Helios Energy Inc., a developer of large-scale solar energy projects, and then as a consultant to a large infrastructure investment fund. Prior to his involvement in renewable energy, Mr. Bennett was Vice President of Investment Banking at Cormark Securities Inc., one of Canada's leading independent investment dealers.	7,500
Lewis T. Reford ⁽²⁾⁽³⁾ Ontario Canada	Interim President August 29, 2016 Director January 20, 2011	Chief Financial Officer of Schneider Power Inc., the wind and solar project development division of Quantum Technologies, a U.S. based alternative energy solutions company.	408,000
Miles F. Thompson Rio de Janeiro Brazil	Chairman of the Board February 2, 2007 Director February 2, 2007	Chairman of the Corporation; Chairman, President & CEO of Lara Exploration Ltd. (publicly traded mineral exploration company).	5,845,208
I. Patrick Trustram-Eve ⁽¹⁾⁽³⁾ Greater London England	Director February 2, 2007	Mr. Trustram-Eve is the Managing Director of ZigZag Global, an eCommerce logistics technology company and director of TranslateMedia, a leading independent languages services company. He is also a founding director of ITC Ventures, a venture capital investment group focused on small business opportunities in the media sector in South America. Prior to that, Mr. Trustram-Eve worked for five years as a financial analyst and treasury manager for Anglo American Corp.	12,500
Michael D. Winn ⁽¹⁾⁽²⁾ California United States of America	Director May 1, 2006	President of Seabord Capital Corp. (private consulting company providing analysis of mining and energy companies). President of Seabord Services Corp. (a private company providing management, administrative, and regulatory services to private and public mining companies).	2,883,833

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Corporate Governance Committee

(4) Includes occupations for preceding five years unless the director was elected at the previous Annual General Meeting and was shown as a nominee for election as a director in the Circular for that meeting.

(5) Number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at the Record Date. No director, together with the director's associates and affiliates beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Shares.

To the knowledge of the Corporation, except as disclosed below, no proposed director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued
 - (i) while the proposed director was acting as a director, chief executive officer or chief financial officer of that company, or
 - (ii) after the proposed director ceased to be a director, chief executive officer or chief financial officer of that company but resulted from an event that occurred while acting in such capacity;
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that while acting in that capacity or within a year of 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 the assets of the proposed director.
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets;
- (d) has entered into, at any time, a settlement agreement with a securities regulatory authority; or
- (e) has been subject, at any time, to any penalties or sanctions imposed by
 - (i) a court relating to securities legislation or a securities regulatory authority, or
 - (ii) a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for the proposed director.

5. Appointment and Remuneration of an Auditor

Davidson & Company LLP, Chartered Professional Accountants, of Suite 1200, 609 Granville Street, Vancouver, British Columbia, is the auditor of the Corporation and it is proposed that it be re-appointed at the Meeting.

The Board recommends that Shareholders vote in favour of the re-appointed of the proposed auditor. Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the re-appointment of Davidson & Company LLP, as the auditor of the Corporation for the ensuing year at a remuneration to be approved by the Board.

6. Ratification of Stock Option Plan

The Option Plan is described under ‘Executive Compensation – Stock Option Plan’.

The policies of the TSX-V require stock option plans which reserve for issuance up to 10% (instead of a fixed number) of a listed company’s shares be approved annually by its Shareholders. That approval is being sought at the Meeting by way of an ordinary resolution.

Following approval of the Option Plan by the Shareholders any options granted pursuant to the Option Plan will not require further Shareholder or TSX-V approval unless the exercise price is reduced or the expiry date is extended for an option held by an insider of the Corporation.

The Board recommends that Shareholders vote in favour of the proposed resolution. Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution approving the Option Plan.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, **it is intended that the Proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Shareholders may contact the Corporation by mail at Suite 501, 543 Granville Street, Vancouver, British Columbia V6C 1X8, Canada, telecopier at 1-604-688-1157, telephone at 1-604-662-8448 (collect calls accepted) or e-mail at kcasswell@seabordservices.com to request copies of the Corporation’s financial statements and Management’s Discussion & Analysis (MD&A).

DATED this 2nd day of May, 2018.

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) KIM C. CASSWELL
Secretary

**CHARTER
FOR
THE AUDIT COMMITTEE
OF
THE BOARD OF DIRECTORS
OF
RESERVOIR CAPITAL CORP.**

I. MANDATE

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Reservoir Capital Corp. (the “**Company**”) shall assist the Board in fulfilling its financial oversight responsibilities. The Committee’s primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company’s financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company’s independent external auditor (the “**Auditor**”); and
4. The performance of the Company’s internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members, the majority of which shall be independent.

B. Qualifications

Each member of the Committee must be a member of the Board.

A majority of the members of the Committee shall not be officers or employees of the Company or of an affiliate of the Company.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement.

C. Appointment and Removal

In accordance with the By-Laws of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Sub-Committees

The Committee may form and delegate authority to sub-committees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such sub-committee to grant a pre-approval shall be presented to the full Committee at its next scheduled meeting.

F. Meetings

The Committee shall meet at least once in each fiscal year, or more frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

- 1). Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company, consistent with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.
- 2). Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
- 3). Require the Auditor to report directly to the Committee.
- 4). Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

- 5). Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
- 6). Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor.

- 7). Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the Auditor unless such non-audit services:
 - (a) which are not pre-approved, are reasonably expected not to constitute, in the aggregate, more than 5% of the total amount of revenues paid by the Company to the Auditor during the fiscal year in which the non-audit services are provided;
 - (b) were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (c) are promptly brought to the attention of the Committee by Management and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Internal Financial Controls & Operations of the Company

- 8). Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

- 9). Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
- 10). Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
- 11). Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- 12). Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- 13). Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor or management.

- (b) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

- 14). Review the Company's annual and quarterly financial statements, management's discussion and analysis (MD&A) and press releases before the Board approves and the Company publicly discloses this information.
- 15). Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
- 16). Review any disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

- 17). Consult, to the extent it deems necessary or appropriate, with the Auditor but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- 18). Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
- 19). Have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other consultants to advise the Committee.
- 20). Meet, to the extent it deems necessary or appropriate, with management and the Auditor in separate executive sessions at least quarterly.
- 21). Make regular reports to the Board.
- 22). Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- 23). Annually review the Committee's own performance.
- 24). Provide an open avenue of communication among the Auditor to the Board.
- 25). Not delegate these responsibilities other than to one or more independent members of the Committee the authority to pre-approve, which the Committee must ratify at its next meeting, non-audit services to be provided by the Auditor.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or 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 and applicable rules and regulations. These are the responsibilities of management and the Auditor.