



## INFORMATION CIRCULAR

(As at December 18, 2015, except as indicated)

Brabeia Inc. (the "**Company**") is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the Company to be held on January 21, 2016 and at any adjournments. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation. All amounts referred to as \$ or dollars means Canadian currency, unless otherwise indicated.

### APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

**A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.**

### VOTING BY PROXY

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

**If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M4J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## NON-REGISTERED HOLDERS

**Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "**Nominee**") and in the United States, under the name Cede & Co., as nominee for the Depository Trust Company (which acts as a brokerage depository for many U.S. firms and custodial banks). If you purchased your shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Voting Instruction Form ("**VIF**") or, less frequently, form of proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as "non-objecting beneficial owners" ("**NOBOs**"). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as "objecting beneficial owners" ("**OBOs**").

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") of the Canadian Securities Administrators, the Company has elected to send the Meeting materials directly to NOBOs.

If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

The Company is not sending the Meeting materials to shareholders using "notice-and-access", as defined under NI 54-101.

### **REVOCABILITY OF PROXY**

In addition to revocation in any other manner permitted by law, a shareholder, his attorney authorized in writing or, if the shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of common shares without par value (the "shares"), of which 45,605,383 shares are issued and outstanding. Persons who are registered shareholders at the close of business on December 18, 2015 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

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

### **NUMBER OF DIRECTORS**

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at five (5). The number of directors will be approved if the affirmative vote of the majority of common shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at five (5).

**Management recommends the approval of the resolution to set the number of directors of the Company at five (5).**

### **ELECTION OF DIRECTORS**

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal occupation, business or employment and, if not a previously elected Director, occupation, business or employment during the past 5 years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(3)</sup></i>
Tracy R. Wattie British Columbia, Canada President, Chief Executive and Director	Businesswoman, President and CEO	Director since August 21, 2015	6,528,071 <sup>(2)</sup>
Giovanni Gasbarro British Columbia, Canada Director <sup>(1)</sup>	Businessman	Director since September 26 2014	1,665,000
Bruno Gasbarro British Columbia, Canada Director, Chief Financial Officer	Businessman	Director since January 16, 2007	2,400,000
Guy Champagne British Columbia, Canada Director <sup>(1)</sup>	Businessman, Managing Partner and Senior Partner, BDC Consulting	Director since August 21, 2015	Nil
Tara Geissinger United States Director <sup>(1)</sup>	Vice President of Marketing, twenty years of relevant marketing experience	Director since September 22, 2015	Nil

(1) Member of the Audit Committee.

(2) Of the 6,258,071 shares, 5,875,264 shares (the “Performance Shares”) are subject to the terms of a performance escrow agreement among the Company, Tracy R. Wattie and certain of the performance escrow security holders. Under the terms of the performance escrow agreement, the Performance Shares do not carry any voting rights until such time as the performance escrow milestones are satisfied.

(5) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at December 18, 2015, based upon information furnished to the Company by individual directors. Unless otherwise indicated, such shares are held directly.

**Management recommends the approval of each of the nominees listed above for election as directors of the Company until the next annual general meeting.**

### **Cease Trade Orders**

No director or executive officer of the Company, is or has been, within the ten years preceding the date of this Information Circular, a director, chief executive officer, chief financial officer of any company that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of this Information Circular, an “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to an exemption under securities legislation, and such order was in effect for a period of more than 30 consecutive days.

## **Bankruptcies**

No director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or has been, with the ten years preceding the date of this Information Circular:

- (a) a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency; or
- (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 individual.

## **Penalties or Sanctions**

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

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for performance philosophy. This philosophy is linked to the Company's business strategy which includes increasing stakeholder value. In addition, the compensation programs aim for simplicity and responsiveness to market changes.

The following executive compensation principles guide the Company's overall compensation:

- Compensation levels should be sufficiently competitive to facilitate recruitment and retention of experienced high caliber executives in the competitive mining industry, while being fair and reasonable to shareholders;
- The compensation program should align executives' long-term financial interests with those of the Company's shareholders by providing equity-based incentives; and

- Compensation should be transparent so that both executives and shareholders understand the executive compensation program.

The Company has not retained a compensation consultant or advisor at any time since the Company's most recently completed financial year to assist the Board in determining compensation for any of the Company's directors or executive officers.

### **Elements of Executive Compensation**

Compensation is comprised of a negotiated salary, with bonuses and stock options potentially being paid and issued as incentive for performance.

#### *Salary*

The Company's view is that a competitive salary is a necessary element for attracting and retaining qualified executive officers. The Company also believes that attractive salaries can motivate and reward executives for their overall performance. The amount payable to a named executive officer may be based on several factors, including experience, past performance, anticipated future contributions and comparisons to salaries offered by other comparable companies. The Company reviews salaries at least once per year to ensure they remain at appropriate levels.

Amounts paid to an executive officer as base salary, including merit salary increases, are determined by reference to the individual's performance and salaries prevailing in the marketplace for comparable positions. The base salary of each executive officer is reviewed as required. Salary adjustments take into consideration the general level of salaries in the marketplace for comparable positions, the performance of the executive and the Company's performance.

#### *Bonuses*

Non-equity bonuses are intended to promote strong corporate management by providing annual financial incentives to meet or exceed short-term corporate target and goals. Bonuses are generally comprised of an annual cash bonus and such bonus is a variable component of executive compensation based both on individual performance as well as corporate performance. Bonuses may be paid annually, but are not guaranteed.

The Company has not granted any bonuses to executive management to date.

#### *Other Benefits*

NEOs (as defined below) are eligible to participate in employee benefit programs and plans that are generally available to all full-time employees (subject to fulfilling certain eligibility requirements). These include extended health and dental plans. In designing these benefits, the Company seeks to provide an overall level and mix of benefits that is competitive to those offered by other comparable companies.

Certain perquisites are also made available to NEOs. These may include payment of professional dues and further health benefits. These types of perquisites are common among executives in the Company's industry.

*Option-based Awards*

The Company operates in a competitive environment and that its performance depends on the quality of its employees. The Company's stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Compensation Committee takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the Canadian Stock Exchange, and closely align the interests of the executive officers with the interests of shareholders.

**Summary Compensation Table**

The following table (presented in accordance with National Instrument Form 51-102F6 *Statement of Executive Compensation*) sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company in respect of each of the individuals comprised of the Chief Executive Officer, the Chief Financial Officer and each of the three most highly compensated executive officers of the Company, or the three most highly compensated individuals acting in a similar capacity (other than the Chief Executive Officer and the Chief Financial Officer), at the end of the financial year ended May 31, 2015 whose total compensation was, individually, more than \$150,000 for that financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the financial year ended May 31, 2015 (collectively the "**Named Executive Officers**" or "**NEOs**"):

<i>NEO Name and Principal Position</i>	<i>Year</i>	<i>Salary</i>	<i>Share-Based Awards</i>	<i>Option-Based Awards</i>	<i>Non-Equity Incentive Plan Compensation</i>		<i>Pension Value</i>	<i>All Other Compensation</i>	<i>Total Compensation</i>
		<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>
					<i>Annual Incentive Plans</i>	<i>Long-term Incentive Plans</i>			
Tracy R. Wattie <sup>(1)</sup> CEO, Director	2015	162,000	Nil	Nil	Nil	Nil	Nil	Nil	162,000
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bruno Gasbarro CFO	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	15,000	15,000
Giovanni Gasbarro Former CEO	2015	Nil	Nil	Nil	Nil	Nil	Nil	50,000	50,000
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Salvatore Giantomaso, Former President and CEO	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Arndt Roehlig, Former CEO	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	15,000	15,000

Note:

- (1) Tracy Wattie was appointed CEO and Director of the Company on July 15, 2015. Pursuant to the terms of a management contract, Ms. Wattie is paid \$162,000 per annum for providing her services as Chief Executive Officer of the Company.





Note:

- (1) Tara Geissinger was appointed Vice-President of Marketing effective September 22, 2015. Pursuant to the terms of an employment agreement, Ms. Geissinger is paid \$60,000 per annum for providing her services as Vice-President of Marketing.

**Incentive Plan Awards for Directors**

The following table sets forth all outstanding share based and option based awards to the directors of the Company as at the fiscal year ended May 31, 2015.

<i>Director Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>		
	<i>Number of Securities Underlying Unexercised Options (#)</i>	<i>Option Exercise Price (\$)</i>	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options (\$) <sup>(1)</sup></i>	<i>Number of Shares Or Units Of Shares That Have Not Vested (#)</i>	<i>Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)</i>	<i>Market or Payout Value of Share-Based Awards That Have Not Vested (\$)</i>
Tara Geissinger <sup>(1)</sup>	Nil	Nil	Nil	Nil	N/A	N/A	N/A
Guy Champagne	Nil	Nil	Nil	Nil	N/A	N/A	N/A

Note:

- (1) On September 22, 2017, Tara Geissinger was granted options to purchase 50,000 shares of the Company at a price of \$0.345 per share until September 22, 2017.

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

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at May 31, 2015.

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i> <i>(a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i> <i>(b)</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i> <i>(c)</i>
<i>Equity compensation plans approved by securityholders</i>	Nil	N/A	1,672,723
<i>Equity compensation plans not approved by securityholders</i>	N/A	N/A	N/A

### **APPOINTMENT OF AUDITORS**

Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia are the auditors of the Company. Davidson & Company LLP, Chartered Accountants, were first appointed as auditors on January 16, 2007. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Davidson & Company LLP as the auditors of the Company to hold office for the ensuing year and to authorize the Board of Directors of the Company to fix the remuneration to be paid to the auditors.

**Management recommends shareholders to vote for the ratification of the appointment of Davidson & Company LLP, Chartered Accountants, as the Company's auditors until the next annual general meeting at a remuneration to be fixed by the Company's board of directors.**

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

No current or former director, executive officer or employee, proposed nominee for election to the board of directors, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

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

No person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

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

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries.

### **MANAGEMENT CONTRACTS**

No management functions of the Company or its subsidiaries are performed to any substantial degree by a person other than the Directors or executive officers of the Company or its subsidiaries.

### **AUDIT COMMITTEE DISCLOSURE**

Pursuant to National Instrument 52-110 – *Audit Committees*, the Company is required to disclose certain information concerning the constitution of its Audit Committee and its relationship with its independent auditors.

## **The Audit Committee's Charter**

The Company's audit committee charter is set forth below:

### **1.0 Purpose of the Committee**

1.1 The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries.

### **2.0 Members of the Committee**

2.1 The Audit Committee shall consist of no less than three Directors a majority of whom shall be "independent" as defined under National Instrument 52-110, while the Company is in the developmental stage of its business. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.

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

### **3.0 Meeting Requirements**

3.1 The Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically, and shall be at such times and places as the Committee determines. Without meeting, the Committee may act by unanimous written consent of all members which shall constitute a meeting for the purposes of this charter.

3.2 A majority of the members of the Committee shall constitute a quorum.

### **4.0 Duties and Responsibilities**

The Audit Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of the Company (the "auditors") who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee;
- (b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;

- (c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;
- (d) review and discuss with management and the auditors the Company's audited financial statements and accompanying Management's Discussion and Analysis of Financial Conditions ("MD&A"), including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;
- (e) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;
- (f) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;
- (g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;
- (h) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;
- (i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;
- (j) oversee and annually review the Company's Code of Business Conduct and Ethics;
- (k) approve material contracts where the Board of Directors determines that it has a conflict;
- (l) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;
- (m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;
- (n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;
- (o) review and monitor all related party transactions which may be entered into by the Company; and
- (p) periodically review the adequacy of its charter and recommending any changes thereto to the Board.

## 5.0 Miscellaneous

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

### Composition of the Audit Committee

The following are the members of the Committee:

Tara Geissinger	Not Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Giovanni Gasbarro	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Guy Champagne	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

<sup>(1)</sup> As defined by National Instrument 52-110 ("NI 52-110").

### Relevant Education and Experience

All members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements, and have an understanding of internal controls.

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his/her responsibilities as an Audit Committee member is as follows:

**Tara Geissinger.** Ms. Geissinger is the CEO of Boom Social.

**Giovanni Gasbarro.** Mr. Giovanni was the former President and Chief Executive Officer of the Company and a investment advisor for PI Financial.

**Guy Champagne** Mr. Champagne was managing partner and senior partner at BDC Consulting.

### Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

### Reliance on Certain Exemptions

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

### **Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under "Duties and Responsibilities".

### **External Auditors Service Fees (By Category)**

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

<i>Financial Year Ending</i>	<i>Audit Fees</i>	<i>Audit Related Fees</i>	<i>Tax Fees</i>	<i>All Other Fees</i>
May 31, 2015	\$9,180.00	\$Nil	\$1,500.00	\$Nil
May 31, 2014	\$9,639.00	\$Nil	\$1,575.00	\$Nil

### **CORPORATE GOVERNANCE DISCLOSURE**

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

#### **Board of Directors**

The Company's Board consists of five directors, two of whom are independent based upon the tests for independence set forth in NI 52-110. Guy Champagne and Giovanni Gasbarro are independent. Tracy Wattie is not independent as she is the President and CEO of the Company, Bruno Gasbarro is not independent as he is the Chief Financial Officer and Tara Geissinger is not independent as she is Vice-President of Marketing..

#### **Directorships**

None of the directors of the Company hold directorships on other reporting issuers.

#### **Orientation and Continuing Education**

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

1. information respecting the functioning of the Board of Directors, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company and the Company's internal financial information;
3. access to management, technical experts and consultants; and

4. a summary of significant corporate and securities responsibilities.

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

### **Ethical Business Conduct**

The Board of Directors has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Company.

Certain directors of the Company may also be directors and officers of other companies, and conflicts of interest may arise between their duties. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as applicable under the *Business Corporations Act* (British Columbia).

### **Nomination of Directors**

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among the Chairman and a majority of the non-executive directors.

### **Compensation**

The Board of Directors conducts reviews with regard to the compensation of the directors and the Chief Executive Officer once a year. To make its recommendations on such compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies.

### **Other Board Committees**

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

### **Assessments**

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

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com).

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

**OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 18th day of December, 2015.

APPROVED BY THE BOARD OF DIRECTORS

“Tracy Wattie”

Tracy Wattie, President, Chief Executive Officer and Director