

**HARRYS MANUFACTURING INC.**  
Suite 1518, 800 West Pender Street, Vancouver, B.C. V6C 2V6  
Telephone: 604-565-5100 Fax: 604-909-2679

**INFORMATION CIRCULAR**  
as at November 21, 2018 (*except as otherwise indicated*)

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Harrys Manufacturing Inc. for use at the annual general meeting (the “Meeting”) of its shareholders to be held on December 28, 2018 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to “the Company”, “Harrys”, “we” and “our” refer to Harrys Manufacturing Inc. “Common Shares” means common shares in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

**Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the “Proxy”) are officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

**Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

## Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by choosing one of the following methods:

- (a) complete, date and sign the enclosed form of proxy and return it to the Company's transfer agent, Computershare Trust Company of Canada ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery to the 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or
- (b) use a touch-tone phone to transmit voting choices to the toll-free number given in the proxy. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the proxy access number; or
- (c) log onto Computershare's website at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the holder's account number and the proxy access number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company's board of directors (the "Board") at its discretion without notice. **Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the Scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the Scrutineer before the Meeting and inform them that your previously submitted proxy is revoked and that you personally will vote your Common Shares at the Meeting.**

## Beneficial Shareholders

**The following information is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States of America (the "U.S." or the "United States") the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called "OBOs" for "*Objecting Beneficial Owners*") and those who do

not object to the issuers of the securities they own knowing who they are (called “NOBOs” for “*Non-Objecting Beneficial Owners*”).

The Company is taking advantage of the provisions of National Instrument 54-101 “Communication with Beneficial Owners of Securities of a Reporting Issuer” that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“VIF”) from our transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”) in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting or to have an alternate representative duly appointed to attend the Meeting and to vote your Common Shares at the Meeting.**

#### **Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure 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 Company is incorporated under the *Business Corporations Act* (British Columbia), as amended, certain 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.

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or duly authorized attorney, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

## **FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the fiscal years ended July 31, 2018 and July 31, 2017, with related management's discussion and analysis and related reports of the auditor, will be tabled at the Meeting and will be available at the Meeting. These documents are also available on the Company's SEDAR website at [www.sedar.com](http://www.sedar.com).

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein.

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

The Board has fixed November 21, 2018 as the record date (the "Record Date") for determining persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is listed on the Canadian Securities Exchange (the "CSE") and is authorized to issue an unlimited number of Common Shares. As of November 21, 2018, there were 77,916,358 Common Shares without par value issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to

the Common Shares. The Company is also authorized to issue an unlimited number of Preferred Shares. There were no Preferred Shares issued and outstanding as at November 21, 2018.

To the knowledge of the directors and executive officers of the Company, the only persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at November 21, 2018 are:

Shareholder Name	Number of Common Shares Held <sup>(1)</sup>	Percentage of Issued Common Shares
Harinder Singh Dhesi	8,166,700	10.48%
Ashley Francis Harry	8,166,699	10.48%
Kevin Kohanik	8,166,699	10.48%

Notes:

- (1) This information was obtained from SEDI.

The following documents filed with the securities commissions or similar regulatory authority in British Columbia, Alberta and Ontario are specifically incorporated by reference into, and form an integral part of, this information circular:

- July 31, 2018 year-end financial statements, report of the auditor and related management discussion and analysis as filed on [www.sedar.com](http://www.sedar.com).
- July 31, 2017 year-end financial statements, report of the auditor and related management discussion and analysis as filed on [www.sedar.com](http://www.sedar.com).

Copies of documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company at Suite 1518, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6, telephone no. (604) 565-5100 or fax no. (604) 909-2679. These documents are also available via the internet at [www.sedar.com](http://www.sedar.com).

Certain corporate actions made since July 31, 2018 year-end and current to the date of this Information Circular:

#### **From July 31, 2018 to present**

On October 4, 2018, the Company completed its acquisition of Harrys International Manufacturing Inc. (“HIMI”). The Company acquired all of the issued and outstanding shares of HIMI from the shareholders of HIMI (the “Acquisition”) by way of share exchange agreement. Pursuant to the Acquisition, the Company issued 28,500,100 common shares of the Company to shareholders of HIMI at a deemed price of \$0.35 per share. Immediately prior to closing the Acquisition, the Company changed its name from Westridge Resources Inc. to Harrys Manufacturing Inc.

Michael Young was both an officer and director of Harrys and a shareholder of HIMI prior to the Acquisition, therefore, the Acquisition was a Related Party Transaction. The Issuer had scrutinized such Acquisition, in accordance with the provisions of the BCBCA and MI 61-101 and confirmed that the Acquisition is exempt from the provisions of MI 61-101. The Board of Directors, excluding Mr. Young who abstained from voting on the matter, unanimously approved the Acquisition

Upon closing of the Acquisition, Christopher Cooper resigned as CFO and director and Michael Young resigned as CEO. Kevin Kohanik assumed the role of CEO and Michael Young assumed the role of CFO. Upon closing of the Acquisition, the board of directors consisted of Kevin Kohanik, Michael Young, Harinder Dhesi, William Radvak and Henry Chow.

## VOTES NECESSARY TO PASS RESOLUTIONS

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

## ELECTION OF DIRECTORS

The size of the Company's Board is currently set at five. The Board proposes that the number of directors remain at five. At the Meeting shareholders will be asked to approve an ordinary resolution to set the number of directors to be elected to the Board at five (5).

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the British Columbia *Business Corporations Act* ("BCA"), each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

### *Advance Notice Policy*

On December 6, 2013, the Board adopted an advance notice policy (the "Advance Notice Policy") with immediate effect. The shareholders of the Company ratified, confirmed and approved the Advance Notice Policy at the Company's annual general and special meeting held on February 11, 2014. The Advance Notice Policy provides for advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the Act or (ii) a shareholder proposal made pursuant to the provisions of the Act.

The Advance Notice Provisions provide shareholders, directors and management of the Company with a clear framework for nominating directors. Among other things, the Advance Notice Policy fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Policy also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice Policy, is not comprehensive, and is qualified by the full text of such policy, a copy of which is filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) on December 10, 2013.

The Company did not receive notice of a nomination in compliance with the Advance Notice Provision, and as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.**

## Management Director Nominees

The following table sets out the names of management’s nominees for election as director, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee’s current principal occupation, business or employment (for the five preceding years for each new nominee), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at November 21, 2018.

<b>Nominee Position with the Company and Province or State and Country of Residence</b>	<b>Occupation, Business or Employment</b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
William Radvak <sup>(7)(8)(9)</sup> Chairman and Director British Columbia, Canada	President, CEO and Director of both Monitor Ventures Inc. (TSX-V NEX Board) and Regency Gold Corp. (TSX-V NEX Board). Executive Chairman of NervGen Pharma Corp.  <i>See Director Biographies below.</i>	Director since December 10, 2014	698,500 <sup>(2)</sup>
Kevin Kohanik <sup>(8)(9)</sup> President, Chief Executive Officer and Director <i>British Columbia Canada</i>	<i>See Director Biographies below.</i>	Director and Officer since October 4, 2018	8,166,699 <sup>(3)</sup>
Michael L. Young <sup>(7)</sup> Chief Financial Officer, Corporate Secretary and Director <i>British Columbia, Canada</i>	<i>See Director Biographies below.</i>	Director and Officer Since January 20, 2017	1,080,000 <sup>(4)</sup>
Henry Chow <sup>(7)(8)(9)</sup> Director <i>British Columbia, Canada</i>	<i>See Director Biographies below.</i>	Director since September 19, 2018	Nil <sup>(5)</sup>
Harinder Singh Dhese Vice President – Corporate Development and Director <i>British Columbia, Canada</i>	<i>See Director Biographies below.</i>	Director and Officer since October 4, 2018	8,166,700 <sup>(6)</sup>

### Notes:

- The information as to Common Shares beneficially owned or controlled and information as to principal occupation, business or employment is not necessarily within the knowledge of the management of the Company and has been furnished by the respective nominees.
- Mr. Radvak currently holds 100,000 stock options exercisable until January 27, 2022, at an exercise price of \$0.25 and 200,000 stock options exercisable until November 16, 2023, at an exercise price of \$0.30.
- Mr. Kohanik currently holds 750,000 stock options exercisable until November 16, 2023, at an exercise price of \$0.30.
- 1,080,000 common shares are registered to Gold Medal Performance Corp., a company controlled by Mr. Young. Mr. Young currently holds 175,000 stock options exercisable until January 16, 2022, at an exercise price of \$0.10, 175,000 stock options at an exercise price of \$0.35 until October 22, 2022 and 750,000 stock options exercisable until November 16, 2023, at an exercise price of \$0.30. Mr. Young also currently holds 40,000 warrants exercisable until December 19, 2019 at an exercise price of \$0.50.
- Mr. Chow currently holds 100,000 stock options exercisable until January 27, 2022, at an exercise price of \$0.35 and 200,000 stock options exercisable until November 16, 2023, at an exercise price of \$0.30.
- Mr. Dhese currently holds 750,000 stock options exercisable until November 16, 2023, at an exercise price of \$0.30.
- Member of the Audit Committee.

8. Member of the Compensation Committee.
9. Member of the Corporate Governance Committee.

### ***Director Biographies***

#### *William Radvak – Chairman and Director*

Mr. Radvak, BSc has been a Director of the Company since December, 2014. Mr. Radvak received a Mining and Mineral Process Engineering Degree (1986) from the University of British Columbia. Mr. Radvak is the President, CEO and a director of both Monitor Ventures Inc. (TSX-V NEX Board) and Regency Gold Corp. (TSX-V NEX Board). Mr. Radvak also founded and was a past CEO of Response Biomedical Corporation, a medical device company that manufactures rapid immunoassay diagnostic tests. In 2017, Mr. Radvak co-founded and became Executive Chairman of NervGen Pharma Corp.

#### *Kevin Kohanik – President and Chief Executive Officer and Director*

Mr. Kohanik brings over seven years of experience in the tobacco industry, having served as the President and Director of Operations of Harrys Tobacco since its formation in 2010. Over the past seven years, Harrys Tobacco had grown production to over 60,000 cases of cigarettes and revenues of approximately \$8.0 million (2016). Harrys Tobacco had its head office in Canada, but manufactured its cigarettes in Dubai and distributed throughout the UAE, Vietnam, Turkey, Costa Rica and several African nations.

#### *Michael L. Young – Chief Financial Officer, Corporate Secretary and Director*

Mr. Young was appointed a Director, President and Chief Executive Officer of the Company on January 20, 2017. On October 4, 2018, Mr. Young resigned as President and Chief Executive Officer, and accepted the positions of Chief Financial Officer and Corporate Secretary. Mr. Young has over 20 years of extensive business experience in all facets of corporate development, senior management, sales, marketing, finance and operations, in both the private and public sectors. His experience includes spearheading growth strategies, financial reporting, quarterly and annual budgets, overseeing corporate administration, while achieving company objectives and maintaining internal cost controls. Mr. Young is a Graduate of the Certified Financial Planning (CFP) Program and has been Chief Financial Officer and a director of Green 2 Blue Energy Corp. since August 2015, a renewable energy company focused on low-cost wood pellet production through the integration of biomass gasification technology. From 2011 to 2015, he was President, CFO & Director of DrafftTeam Fantasy Sports Inc., a digital entertainment company focused on daily fantasy sports and social gaming. The Company was acquired by Fantasy Aces Daily Fantasy Sports Corp. in 2015 a TSXV listed company.

#### *Henry Chow – Director*

Henry Chow brings extensive experience in the areas of financial management, public company accounting, financial reporting, compliance, risk management, and planning. He graduated from the University of British Columbia in 2000 with a Bachelor of Commerce degree. Mr. Chow articulated with Klynveld Peat Marwick Goerdeler (KPMG) LLP in Vancouver, Canada, and obtained his Chartered Professional Accountant (CPA, CA) designation in 2003. Since 2008, Mr. Chow has been a founding partner at Saturna Group Chartered Professional Accountants LLP, a public practice accounting firm specializing in audit, financial statement preparation, and consulting for public companies in Canada and the United States. He is also the Chief Financial Officer of Westcot Ventures Corp. since 2017, and an Executive Director with INCUB8, a Vancouver-based private company that provides professional and strategic management for start-up and emerging companies.



### *Harinder Singh Dhesi – Director*

Mr. Dhesi is an entrepreneur who brings to Harrys extensive experience in building and selling successful businesses. He is also one of the founders of Harrys Tobacco, where he assisted Harrys Tobacco in building distribution in the UAE through his personal and business connections.

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

No proposed director is, as at the date of this information circular, or has been, within ten (10) years before the date of this information circular, a director, chief executive officer or chief financial officer of any company (including the Company, in respect of which the information circular is being prepared) that:

- a. was subject to an order that was issued while the proposed director 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 proposed director 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; or
- c. is, as at the date of this information circular, or has been within ten (10) years before the date of this information circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- d. has, within the ten (10) years before the date of this information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **APPOINTMENT OF AUDITOR**

Management of the Company will nominate Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, of Suite 1500, 1140 West Pender Street, Vancouver, British Columbia, Canada V6E 4G1, at the Meeting for appointment as auditor of the Company to hold office until the close of the next annual general meeting of the Shareholders.

The Board resolved on March 26, 2018 that K.R. Margetson Ltd., Chartered Professional Accountant, not be proposed for appointment as the auditor of the Company, and following the resignation of K.R. Margetson Ltd., Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants were appointed as the auditor of the Company. As a result, Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants audited the Company's annual financial statements for the fiscal year ended July 31, 2018, while K.R. Margetson Ltd., Chartered Professional Accountant audited the Company's annual financial statements for the fiscal year ended July 31, 2017. The Notice of Change of Auditor together with letters from Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants and K.R. Margetson Ltd., Chartered Professional Accountant respecting the change of auditor were filed under the Company's SEDAR profile on May 17, 2018 (the "Reporting Package"). A copy of the Reporting Package is also attached to this information circular as Schedule "A".

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

The Company is a venture issuer as defined under National Instrument 52-110 – *Audit Committees* ("NI 52-110") and each venture issuer is required to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

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

The Audit Committee's Charter was attached to the Company's information circular dated May 17, 2017 and filed on SEDAR on May 23, 2017. A copy of the Audit Committee Charter is attached hereto as Schedule "B".

## **Composition of the Audit Committee**

The current members of the audit committee are Henry Chow, Michael Young and William Radvak. Henry Chow and William Radvak are independent. Michael Young is not independent as he is the Chief Financial Officer and Secretary of the Company. All members of the Audit Committee are financially literate as required by Section 1.6 of NI 52-110.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the Board's reasonable opinion, interfere with the exercise of a member's independent judgement.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements presenting a breadth and level of complexity of accounting issues generally comparable to the breadth and complexity of issues one can reasonably expect to be raised by the Company.

## **Relevant Education and Experience**

Each of the members of the Audit Committee have a general understanding of the accounting principles used by the Company to prepare its financial statements and will seek clarification from the Company's auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies and experience in preparing, auditing, analyzing or evaluating financial statements similar to those of the Company. The relevant education and/or experience of each of the members of the Audit Committee are described under *Director Biographies* above.

Each member of the Company's audit committee has adequate education and experience relevant to their performance as an audit committee member and, in particular, the requisite education and experience that provides the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

## **Audit Committee Oversight**

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than Dale Matheson Carr-Hilton LaBonte LLP.

## **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 National Instrument 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

## External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants to the Company to ensure auditor independence. Fees incurred with K.R. Margetson Ltd., Chartered Professional Accountants for fiscal year ended July 31, 2017 and with Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants for fiscal year ended July 31, 2018 for audit and non-audit services as outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended July 31, 2018 <sup>(5)</sup>	Fees Paid to Auditor in Year Ended July 31, 2017
Audit Fees <sup>(1)</sup>	See Note 5 below	\$7,500
Audit-Related Fees <sup>(2)</sup>	See Note 5 below	Nil
Tax Fees <sup>(3)</sup>	See Note 5 below	\$375
All Other Fees <sup>(4)</sup>	See Note 5 below	Nil
<b>Total</b>	See Note 5 below	<b>\$7,875</b>

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.
- (5) Audit Fees for the Year Ended July 31, 2018 will not be invoiced until mid-December 2018 so these figures are unavailable as at production of the Information Circular.

## Exemption

The Company is a "venture issuer" as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## CORPORATE GOVERNANCE

### General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. Effective June 30, 2005, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58-201") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose their corporate governance practices and NP 58-201 provides guidance on corporate governance practices. This

section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the company's shareholders. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

The current members of the Company's Corporate Governance Committee are Henry Chow, Kevin Kohanik, and William Radvak. Pursuant to the Corporate Governance Committee Charter adopted by the Company on September 22, 2009, in fulfilling its oversight responsibilities for the nominations to the Board, the committee shall: 1) establish criteria for selecting new directors which shall reflect, among other facts, a candidate's integrity and business ethics, strength of character, judgment, experience, and independence, as well as factors relating to the composition of the Board, including its size and structure, the relative strengths and experience of current board members and principles of diversity; 2) consider and recruit candidates to fill new positions on the Board; 3) review any candidate recommended by the shareholders of the Company; 4) be responsible for conducting appropriate inquiries to establish a candidate's compliance with the independent and other qualification requirements established by the Corporate Governance Committee; 5) assess the contributions of current directors in connection with the annual recommendation of a slate of nominees and at that time review the criteria for Board candidates in the context of the evaluation process and other perceived needs of the Board; and 6) recommend the director nominees for election by the shareholders.

### **Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the Board's opinion, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its independent supervision over management of the Company through frequent meetings of the Board.

At the date of this Information Circular, the Board is comprised of five (5) directors, of whom Henry Chow and William Radvak are independent for the purposes of NI 58-101. Kevin Kohanik, Michael L. Young, and Harinder Singh Dhesi are not independent since they serve as the President and Chief Executive Officer, the Chief Financial Officer and Corporate Secretary, and the Vice President of Corporate Development of the Company respectively.

### ***Directorships***

Directors currently serving on boards of other reporting companies (or equivalent) is set out below:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Exchange Listed</b>
William Radvak	Monitor Ventures Inc. (formerly American Vanadium Corp.)	TSXV
	Regency Gold Corp.	NEX
Michael L. Young	Green 2 Blue Energy Corp. (formerly Brigade Resource Corp.)	CSE

## **Orientation and Continuing Education**

If any new directors are appointed to the Board, then the existing directors will provide a brief orientation consisting of a telephone conference and a review of material transactions effected to-date by the Company, as well as the general nature and proceedings of the Company's Board. In addition, management of the Company makes itself available for discussion with all Board members.

Given the industry experience of the existing Board, the Company does not contemplate providing continuing education for directors at this time.

## **Ethical Business Conduct**

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

## **Nomination of Directors**

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

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

## **Compensation**

The current members of the Company's Compensation Committee are Henry Chow, Kevin Kohanik, and William Radvak. Pursuant to the Compensation Committee Charter adopted by the Company on September 22, 2009, in discharging its oversight responsibilities for executive compensation and Board compensation, the committee shall: 1) review and approve on an annual basis the corporate goals and objectives relevant to the CEO's compensation; 2) evaluate at least once a year the CEO's performance in light of established goals and objectives and, based on such evaluation, shall, together with all other independent members of the Board, determine and approve the CEO's annual compensation, including, as appropriate, salary, bonus, incentive, and equity compensation; 3) review and approve on an annual basis the evaluation process and compensation structure for the Company's executive officers, including parameters for salary adjustments (at the discretion of the CEO) for officers are established; and 4) review and make recommendations to the Board with respect to the adoption, amendment, and termination of the Company's management incentive-compensation and equity-compensation plans, oversee their administration and discharge any duties imposed on the Compensation Committee by any of those plans.

## **Other Board Committees**

At this time, the Board does not have any standing committees other than the Audit Committee, Compensation Committee and the Corporate Governance Committee.

## **Assessments**

Pursuant to the Corporate Governance Committee Charter adopted by the Company on September 22, 2009, in discharging its oversight responsibilities for the performance review of the Board, committees, and directors, the Corporate Governance Committee shall: 1) evaluate the performance of the Board on an annual basis; 2) solicit comments from all directors and report annually to the Board on its assessment of the Board's

performance; and 3) evaluate the performance of individual directors and committees of the Board on a periodic basis.

## STATEMENT OF EXECUTIVE COMPENSATION

### Named Executive Officer

In this section “Named Executive Officer” (“NEO”) means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

### Director and NEO Compensation

During the financial year ended July 31, 2018, based on the definition above, the NEOs of the Company were: Michael L. Young, Former President, CEO and director, and Christopher Cooper, Former CFO and director and former President and CEO. The directors of the Company who were not NEOs during the financial year ended July 31, 2018 were William Radvak and Henry Chow.

During the financial year ended July 31, 2017, based on the definition above, the NEOs of the Company were: Michael L. Young, Former President, CEO and director, and Christopher Cooper, Former CFO, director and former President and CEO. The directors of the Company who were not NEOs during the financial year ended July 31, 2017 were William Radvak and Brad Nichol.

*All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.*

Table of Compensation Excluding Compensation Securities								
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Option Based Awards (\$)	Value of all other compensation (\$)	Total compensation (\$)
Michael Young <sup>(1)</sup> Former President and CEO and Director	2018	\$126,000	\$30,000	\$0	\$0	\$49,974	\$	\$156,000
	2017	\$65,000	\$Nil	\$Nil	\$Nil	\$38,008	\$Nil	\$103,008
Christopher Cooper <sup>(2)</sup> Former CFO, President, CEO, Secretary	2018	\$0	\$0	\$	\$	\$	\$	\$0
	2017	\$16,910	\$Nil	\$Nil	\$Nil	\$15,263	\$Nil	\$32,173
William Radvak <sup>(3)</sup> Chairman and Director	2018	\$0	\$0	\$0	\$	\$	\$	\$0
	2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table of Compensation Excluding Compensation Securities								
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Option Based Awards (\$)	Value of all other compensation (\$)	Total compensation (\$)
Henry Chow <sup>(4)</sup> Director	2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2017	\$0	\$	\$	\$	\$	\$	\$0

**Notes:**

- (1) Mr. Young was appointed a Director, and the President and Chief Executive Officer of the Company on January 20, 2017 and resigned as President and CEO on October 4, 2018.
- (2) Mr. Cooper served as President from June 14, 2007 to August 23, 2011 and served as CEO from August 12, 2008 to September 27, 2011. Mr. Cooper served as Chief Financial Officer of the Company from September 14, 2014 until October 4, 2018 and as Secretary from June 15, 2017 until October 4, 2018. Mr. Cooper also served as President and Chief Executive Officer from November 3, 2015 to January 20, 2017.
- (3) Mr. Radvak was appointed to the board of directors on October 12, 2014.
- (4) Mr. Chow was appointed to the board of directors on September 19, 2017.
- (5) Mr. Nichol served as a director from January 18, 2013 until January 20, 2017.

**Stock Options and Other Compensation Securities**

The Company's authorized share structure is an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at November 21, 2018 there were 77,916,358 Common Shares of the Company issued and outstanding; and no Preferred Shares outstanding. The Company has a 10% rolling stock option plan allowing it to grant options to a maximum of 10% of the issued and outstanding Common Shares, from time to time. At July 31, 2018, there were 2,490,000 options outstanding under the Plan.

The following table discloses all compensation securities granted or issued to each director and NEO by the Company, or a subsidiary of the Company, in the year ended July 31, 2018.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, underlying securities and percentage of class (#) <sup>(1)</sup>	Date of Grant or Issue (mm/dd/yy)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (07/31/18) (\$)	Expiry Date (mm/dd/yy)
Michael Young <sup>(1)</sup> Former President and CEO and director	Options	175,000	10/20/17	\$0.35	\$0.29	\$0.60	10/20/22
Christopher Cooper <sup>(2)</sup> Former CFO, President, CEO, Secretary	Options	Nil	N/A	N/A	N/A	N/A	N/A
William Radvak <sup>(3)</sup> Chairman and Director	Options	Nil	N/A	N/A	N/A	N/A	N/A
Henry Chow <sup>(4)</sup> Director	Options	100,000	10/20/17	\$0.35	\$0.29	\$0.60	10/20/22
Brad Nichol <sup>(5)</sup> Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

**Note:**

- (1) Percentage of class represents % of compensation securities granted over the total number of compensation securities of the Issuer outstanding as of July 31, 2018.

The following table discloses all compensation securities granted or issued to each director and NEO by the Company, or a subsidiary of the Company, in the year ended July 31, 2017.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, underlying securities and percentage of class (#) <sup>(1)</sup>	Date of Grant or Issue (mm/dd/yy)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (07/31/17) (\$)	Expiry Date (mm/dd/yy)
Michael Young <sup>(1)</sup> Former President and CEO and director	Options	275,000	01/16/17	\$0.10	\$.08	\$0.60	01/16/22
Christopher Cooper <sup>(2)</sup> Former CFO, President, CEO, Secretary	Options	100,000	01/27/17	\$0.25	\$.24	\$0.60	01/27/22
William Radvak <sup>(3)</sup> Chairman and Director	Options	100,000	01/27/17	\$0.25	\$.24	\$0.60	01/27/22
Henry Chow <sup>(4)</sup> Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Brad Nichol <sup>(5)</sup> Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

**Notes:**

- (1) Percentage of class represents % of compensation securities granted over the total number of compensation securities of the Issuer outstanding as of July 31, 2018.

Subsequent to July 31, 2018 and up to November 23, 2018, the Company issued 4,525,000 options. 375,000 options were granted on October 20, 2017 at an exercise price of \$0.35 per option, expiring October 20, 2022, 100,000 options were granted December 4, 2017 at an exercise price of \$0.43 per option, expiring December 4, 2022, and 4,525,000 options were granted on November 16, 2018, 2018 at an exercise price of \$0.30 per option, expiring November 16, 2023. Share price of the Company stock on November 16, 2018 was \$0.23 per share.

**Exercise of Compensation Securities by Directors and NEOs**

Financial Year Ended July 31, 2018

There were no option-based securities exercised by NEOs or directors of the Corporation during the financial year ended July 31, 2018.

Financial Year Ended July 31, 2017

During the financial years ended July 31, 2017, the following options were exercised by an NEO or a director of the Company:



Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Michael Young <sup>(1)</sup> Former President and CEO and director	Stock Options	25,000	\$0.10	September 7, 2017	\$0.23	\$0.13	\$3,250
	Stock Options	50,000	\$0.10	December 11, 2017	\$0.49	\$0.29	\$14,500
Christopher Cooper <sup>(2)</sup> Former CFO, President, CEO, Secretary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
William Radvak <sup>(3)</sup> Chairman and Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Henry Chow <sup>(4)</sup> Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brad Nichol <sup>(5)</sup> Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### Stock Option Plans and Other Incentive Plans

The Company has a share option plan in place dated for reference October 27, 2017 (the “Current Plan”), wherein an aggregate of 10% of the issued and outstanding Common Shares at the time an option is granted, less any outstanding options, are available for issuance to eligible optionees. The share option plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the board of directors based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the board of directors. The stock option plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary the Company. See “*Securities Authorized for Issuance under Equity Compensation Plans*” below for further details concerning the Current Plan.

### Employment, Consulting and Management Agreements

#### Employment Agreement with Kevin Kohanik

On October 4, 2018, the Company entered into an employment agreement with Kevin Kohanik. Pursuant to the terms of this agreement, Mr. Kohanik will act as the Company’s Chief Executive Officer and President, reporting to the Board with such powers and duties in the conduct of such offices as are normally associated with such positions, and to perform such duties ordinarily associated with those offices.

In consideration of his employment, Mr. Kohanik is to receive a base salary of \$142,200 per annum, paid in monthly instalments of \$11,850, plus all reasonable travel and other out-of-pocket expenses incurred by Mr. Kohanik directly related to his work for the Company, and performance bonuses from time-to-time at the sole discretion of the Board.

The employment agreement between the Company and Mr. Kohanik may be terminated as follows:

- (a) automatically, without notice or payment in lieu thereof, upon the death of Mr. Kohanik;
- (b) by the Company summarily, without notice or payment in lieu thereof, for any act, omission, behaviour, conduct or circumstance of Mr. Kohanik that constitutes just cause for dismissal at law;
- (c) by Mr. Kohanik for any reason at any time upon fifteen (15) days' written notice to the Company, which the Company may bridge or waive in its sole discretion, and if such notice of termination is given by Mr. Kohanik within six (6) months after a Change of Control, the Company will pay to Mr. Kohanik a termination fee equivalent to twelve (12) months' base salary; or
- (d) by the Company, in circumstances where (b) above does not apply, upon payment by the Company to Mr. Kohanik of a termination fee equivalent to the greater of the remaining monthly salary for the year or the minimum amount permitted under applicable employment laws, or in the event that such termination occurs within six (6) months after a Change of Control, a termination fee equivalent to twelve (12) months' base salary.

Employment Agreement with Harinder Singh Desi

On October 4, 2018, the Company entered into an employment agreement with Harinder Singh Desi. Pursuant to the terms of this agreement, Mr. Desi's will act as the Company's Vice President of Corporate Development, reporting to the Board with such powers and duties in the conduct of such offices as are normally associated with such positions, and to perform such duties ordinarily associated with those offices.

In consideration of his employment, Mr. Desi is to receive a base salary of \$142,200 per annum, paid in monthly instalments of \$11,850, plus all reasonable travel and other out-of-pocket expenses incurred by Mr. Desi directly related to his work for the Company, and performance bonuses from time-to-time at the sole discretion of the Board.

The employment agreement between the Company and Mr. Desi may be terminated as follows:

- (a) automatically, without notice or payment in lieu thereof, upon the death of Mr. Desi;
- (b) by the Company summarily, without notice or payment in lieu thereof, for any act, omission, behaviour, conduct or circumstance of Mr. Desi that constitutes just cause for dismissal at law;
- (c) by Mr. Kohanik for any reason at any time upon fifteen (15) days' written notice to the Company, which the Company may bridge or waive in its sole discretion, and if such notice of termination is given by Mr. Desi within six (6) months after a Change of Control, the Company will pay to Mr. Desi a termination fee equivalent to twelve (12) months' base salary; or
- (d) by the Company, in circumstances where (b) above does not apply, upon payment by the Company to Mr. Desi of a termination fee equivalent to the greater of the remaining monthly salary for the year or the minimum amount permitted under applicable employment laws, or in the event that such termination occurs within six (6) months after a Change of Control, a termination fee equivalent to twelve (12) months' base salary.

Consulting Agreement with Gold Medal Performance Corp. and Michael Young

On October 4, 2018, the Company entered into a consulting agreement with Gold Medal Performance Corp. and Michael Young. Pursuant to the terms of the agreement, Mr. Young will act as the Company's Chief Financial Officer for a period of three years, commencing on October 4, 2018 and continuing, subject to the terms of the agreement, until October 4, 2021, which term of engagement will automatically renew for consecutive periods of one year unless the Company or Mr. Young, through Gold Medal Performance Corp., give the other party 30-days written notice of non-renewal prior to the expiry of the term of engagement.

In consideration of these services, Mr. Young, through Gold Medal Performance Corp., is to receive a base salary of \$142,200 per annum, paid in monthly instalments of \$11,850, plus all reasonable travel and other out-of-pocket expenses incurred by Mr. Young directly related to his work for the Company, and incentive bonuses from time-to-time at the sole discretion of the Board.

The consulting agreement between the Company, Gold Medal Performance Corp. and Michael Young may be terminated as follows:

*By the Company*

For Cause – The Company may at any time during the term of engagement terminate the consulting agreement for cause, without notice and without liability for any claim, action or demand upon the happening of one or more of the following events:

- (a) if Mr. Young fails or refuses, repeatedly, to comply in any material respect with the reasonable policies, standards or regulations of the Company established from time to time in writing and in accordance with the consulting agreement;
- (b) if the Mr. Young fails to perform in any material respect, his duties as determined by the Company in accordance with the consulting agreement and consistent with the customary duties of Mr. Young's engagement;
- (c) if the Mr. Young conducts himself in a wilfully dishonest, or an unethical or fraudulent manner that materially discredits the Company or is materially detrimental to the reputation, character or standing of the Company; or
- (d) if the Mr. Young conducts any unlawful or criminal activity, which activity materially discredits the Company or is materially detrimental to the reputation, character or standing of the Company.

For other than Cause – Notwithstanding the above, the Company may at any time during the term of engagement terminate this Agreement by paying to Mr. Young a lump sum amount equal to the portion of the consulting fee remaining for the rest of the period under the term of engagement, and by providing to Mr. Young the amount of the bonus to which Mr. Young would have been entitled or becomes entitled as part of his compensation.

*Termination after Change of Control*

In the event that a change in the voting control of the shares of the Company occurs during the Term of Engagement and the Consultant is terminated during the Term of Engagement of such change of control then the Consultant will receive a lump sum payment equal to the portion of the Consulting Fee remaining for the rest of the period under the Term of Engagement.

*Termination by Mr. Young*

Mr. Young may terminate this Agreement at any time by providing 30-days written notice to the Company. Any consulting fee or bonus to which Mr. Young would have been entitled or becomes entitled as part of his compensation will cease on the date of termination.

**Oversight and Description of Director and NEO Compensation**

*Elements of the Compensation Program*

The current members of the Company's Compensation Committee are: Henry Chow, Kevin Kohanik, and William Radvak.

The Company's compensation policies and programs are designed to be competitive with similar companies and to recognize and reward executive performance consistent with the success of the Company's business. These policies and programs are intended to attract and retain capable and experienced people. The Compensation Committee's role and philosophy is to ensure that the Company's compensation goals and objectives, as applied to the actual compensation paid to the Company's CEO and other executive officers, are aligned with the Company's overall business objectives and with shareholder interests.

In addition to industry comparables, the Compensation Committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of Harrys and its shareholders, overall financial and operating performance of Harrys and the Compensation Committee's assessment of each executive's individual performance and contribution toward meeting corporate objectives.

The function of the Compensation Committee is to assist the Board in fulfilling its responsibilities relating to the compensation practices of the executive officers of the Compensation Committee. The Compensation Committee has been empowered to review the compensation levels of the executive officers of Harrys and to report thereon to the Board to review the strategic objectives of the share option plan and other stock-based compensation plans of Harrys and to set stock based compensation; and to consider any other matters which, in the Committee's judgment, should be taken into account in reaching the recommendation to the Board concerning the compensation levels of Harrys' executive officers.

The Compensation Committee has assessed Harrys' compensation plans and programs for its executive officers to ensure alignment with Harrys' business plan and to evaluate the potential risks associated with those plans and programs. The Compensation Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on Harrys. The Compensation Committee considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

Harrys has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of Harrys, none of the executive officers or directors have purchased such financial instruments.

### **Base Salary or Consulting Fees**

Base salary ranges for executive officers were initially determined upon a review of companies within the tobacco and manufacturing industry, which were of the same size as Harrys, at the same stage of development as Harrys and considered comparable to Harrys.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) The particular responsibilities related to the position;
- (b) Salaries paid by other companies in the manufacturing industry which were similar in size as Harrys;
- (c) The experience level of the executive officer;
- (d) The amount of time and commitment which the executive officer devotes to Harrys; and
- (e) The executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

### **Bonus Incentive Compensation**

Harrys' objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon Harrys meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Compensation Committee. Such recommendations are generally based on information provided by issuers that are similar in size and scope to Harrys' operations.

### **Equity Participation**

Harrys believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through Harrys' share option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the Compensation Committee. Due to Harrys' limited financial resources, Harrys emphasises the provisions of option grants to maintain executive motivation.

## Actions, Decisions or Policy Changes

Given the evolving nature of Harrys' business, the Board continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

## Pension Disclosure

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

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

See heading "PARTICULARS OF MATTERS TO BE ACTED UPON – APPROVAL OF THE SHARE OPTION PLAN" below for disclosure on the only equity compensation plan which the Company has in place at the date hereof.

The following table sets out equity compensation plan information as at the end of the financial year ended July 31, 2018.

### Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - (the Share Plan)	N/A	N/A	N/A
Equity compensation plans not approved by securityholders (the Current Plan) <sup>(1)</sup>	2,490,000	\$0.265	2,441,626
Total			

#### Notes:

- (1) A new plan was adopted since the last Annual General Meeting and the new plan is to be approved at this Annual General Meeting.

The following table sets out equity compensation plan information as at the end of the financial year ended July 31, 2017.

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - (the Share Plan)	2,790,000	0.23	759,902
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	2,790,000		759,902

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as at the Company's most recently completed financial years of July 31, 2018 and July 31, 2017, or as at the date hereof.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, to the knowledge of management of the Company, no informed person of the Company, proposed director of the Company, or any associate or affiliate of any informed person or proposed director of the Company has any material interest, direct or indirect, in any transaction since the commencement of the Company's financial years ended July 31, 2017 and July 31, 2018 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

**"Informed Person"** means:

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

### During the Company's financial year ended July 31, 2018

- (a) On October 4, 2018, in connection with the Acquisition of HIMI, the Company issued 8,166,699 common shares to Harinder Singh Dhesi, a director of the Company, pursuant to the terms of a share exchange agreement among the Company, HIMI and the shareholders of HIMI;
- (b) On October 4, 2018, in connection with the Acquisition of HIMI, the Company issued 8,166,700 common shares to Kevin Kohanik, a director of the Company, pursuant to the terms of a share exchange agreement among the Company, HIMI and the shareholders of HIMI; and
- (c) On October 4, 2018, in connection with the Acquisition of HIMI, Company issued 1,000,000 common shares to Gold Medal Performance Corp., a company controlled by Michael Young, a director of the Company, pursuant to the terms of a share exchange agreement among the Company, HIMI and the shareholders of HIMI.

## MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Continuation of Share Option Plan

On October 27, 2017, the board of directors approved the adoption a new form of 10% rolling option plan (the "Current Plan") to replace its former plan dated September 7, 2011 (the "Former Plan"). The Former

Plan complied with the policies of the TSX Venture Exchange, but following the Company's delisting from the TSX-V and listing on the CSE the board of directors determined it in the best interests of the Company to adopt a new form of plan to comply with the policies of the CSE.

Like the Former Plan, under the Current Plan, an aggregate of 10% of the issued and outstanding Common Shares at the time an option is granted, less any outstanding options, are available for issuance to eligible optionees.

### ***Material Terms of the Current Plan***

As the Company is now listed on the CSE, pursuant to CSE policies covering option grants, namely CSE Policy 6.5, the Company must:

- (a) not grant options with an exercise price lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the options;
- (b) comply with the provisions of National Instrument 45-106 – *Prospectus Exempt Distributions* (“**NI45-106**”), under which the Company is deemed to be an “unlisted issuer” for the purposes of Division 4 of NI45-106;
- (c) post notice of option grants or amendments in CSE Form 11 immediately following each grant of options by the Company;
- (d) upon first grant of options under the Option Plan, the Company must provide the CSE with an opinion of counsel that all the securities issuable under the option plan will be duly issued and be outstanding as fully paid and non-assessable shares;
- (e) terms of an option granted under the Current Plan may not be amended once issued. If an option is cancelled prior to its expiry date, the company must post notice of the cancellation and shall not grant new options to the same person until 30 days have elapsed from cancellation of the previous options.

The following is a summary of the material terms of the Current Plan.

### ***Eligible Optionees***

To be eligible to receive a grant of options under the Current Plan an Optionee must be an executive, or an employee, or a consultant of the Company providing services to the Company or a subsidiary at the time the option is granted.

### ***Restrictions***

The Current Plan is subject to the following restrictions:

- (a) The maximum number of Options granted to any one Option Holder within any 12 month period shall be 5% of the Outstanding Common Shares issued, unless the company has obtained disinterested shareholder approval if required under regulations, to do so;
- (b) If required under regulations to do so, the Company must obtain disinterested shareholder approval, in order to grant to Insiders under the Current Plan within a 12 month period, a number of Options which, when added to the number of outstanding Options granted to Insiders within the previous 12 months, will exceed 10% of the issued Common Shares;
- (c) The maximum number of Options which may be granted to any one Consultant within any 12 month period must not exceed 2% of the issued Common Shares;
- (d) The maximum number of Options that may be granted within any 12 month period to Employees or Consultants engaged in investor relations activities must not exceed 2% of the issued Common Shares, and such Options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period, and such limitation will not be an amendment to the Current Plan requirement the Option Holders consent.

*Administration and Terms of the Current Plan:*

- (a) The Current Plan is administered by the Board or its appointed committee.
- (b) The expiry date of an Option shall be no later than the tenth anniversary of the date of grant of the Option.
- (c) Grant and expiry dates, the exercise price, the vesting schedule and the number of Common Shares which may be purchased pursuant to an Option shall be fixed by the Board or its committee appointed to grant options.
- (d) The Company may implement such procedures and conditions as the Board or its committee deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.
- (e) All options granted under the Current Plan expire on a date not later than 10 years after the issuance of such options. However, should the expiry date for an option fall within a trading Blackout (as defined in the Current Plan, generally meaning circumstances where sensitive negotiations or other like information is not yet public), options may not be exercised during a Black-Out unless the Board or its appointed Committee determines otherwise.
- (f) An Option granted to any Option Holder will continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days (or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract.) If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the 91<sup>st</sup> day of such leave.
- (g) An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder, who may exercise an Option in whole or in part at any time and from time to time following vesting and up to the expiry of the Option by delivering the required notice and payment pursuant to the terms of the Current Plan. Options may not be exercised during a Black-Out unless the Board or its appointed committee determines otherwise.
- (h) The Board reserves the right, subject to regulatory requirements, in its absolute discretion to amend, suspend, terminate or discontinue the Current Plan with respect to all Plan shares in respect of options which have not yet been granted under the Current Plan. Where any amendment relates to an existing Option, if the amendment would:
  - materially decrease the rights or benefits accruing to an Option Holder; or
  - materially increase the obligations of an Option Holder;then, unless otherwise excepted out by the Current Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the exercise price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the option at the reduced exercise price until the reduction in exercise price has been approved by the disinterested shareholders of the Company, if such disinterested shareholder approval is required by the Exchange.
- (i) A copy of any amendment to the Current Plan shall be promptly provided by the Administrator to each Option Holder.

A copy of the Current Plan is available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

At the Meeting, shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution to ratify, confirm and approve the adoption of the Company's Current Plan.

An "*ordinary resolution*" is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.



A copy of the Plan will be available for inspection at the Meeting.

### ***Shareholder Approval***

At the Meeting, Shareholders will be asked to consider and vote on an ordinary resolution to ratify, confirm and approve the Current Plan, with or without variation, as follows:

***“RESOLVED*** as an ordinary resolution, that:

- (a) the Current Share Option Plan dated for reference October 27, 2017 (the “Current Plan”) be ratified, confirmed and approved;*
- (b) the number of Common Shares of the Company reserved for issuance under the Current Plan shall not exceed 10% of the Company’s issued and outstanding share capital at the time any stock option is granted and all outstanding options be rolled into the Current Option Plan.*
- (c) Any one or more of the directors or officers of the Company be authorized to perform all such acts, deeds and things and execute all such documents that may be required to give effect to this resolution.”*

### **ADDITIONAL INFORMATION**

Financial information is provided in the Company’s audited financial statements for the years ended July 31, 2018 and July 31, 2017, the report of the auditor and the related management discussion and analysis (the “Financial Statements”). The Financial Statements will be placed before the Meeting.

Additional information relating to the Company and a copy of the Financial Statements may be obtained from SEDAR at [www.sedar.com](http://www.sedar.com) or may be obtained by a Shareholder upon request without charge from the Company located at Suite 1518, 800 West Pender Street, Vancouver, British Columbia, Canada. The Company may require the payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this information circular.

The contents of this information circular and its distribution to shareholders have been approved by the Board of the Company.

**DATED** at Vancouver, British Columbia this 28<sup>st</sup> day of November, 2018.

**BY ORDER OF THE BOARD**

***“Kevin Kohanik”***

**Kevin Kohanik**  
**President and Chief Executive Officer**

**SCHEDULE "A"**

**CHANGE OF AUDITOR REPORTING PACKAGE**

# K. R. MARGETSON LTD.

Keith Margetson CPA, CA  
Direct Line: 604.398.5392  
Cell: 604.220.7704  
Fax: 1.855.603.3228  
Email: keith@krmargetson.com

*Chartered Professional Accountant*

#210, 905 West Pender Street  
Vancouver BC  
V6C 1L6

March 27, 2018

British Columbia Securities Commission  
P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, B.C. V7Y 1L2

Alberta Securities Commission  
Suite 600, 250-5th St. SW  
Calgary, Alberta, T2P 0R4

Ontario Securities Commission  
Suite 1903, Box 55  
20 Queen Street West  
Toronto, Ontario M5H 3S8

Dear Sirs:

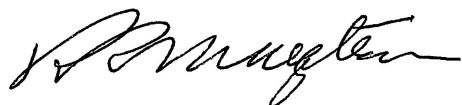
## **Change of Auditor of Westridge Resources Inc. (the “Company”)**

We acknowledge receipt of a Notice of Change of Auditor (the “**Notice**”) dated March 26, 2018 given by the Company to ourselves and Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountant.

Based on our knowledge of the information as of this date, we agree with the statements set out in the Notice.

Yours truly,

**K.R. MARGETSON LTD.**



Keith Margetson, CPA, CA



**DALE MATHESON CARR-HILTON LABONTE LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

**VANCOUVER**  
1500 – 1140 W. Pender Street  
Vancouver, BC V6E 4G1  
TEL 604.687.4747 | FAX 604.689.2778

**TRI-CITIES**  
700 – 2755 Lougheed Hwy.  
Port Coquitlam, BC V3B 5Y9  
TEL 604.941.8266 | FAX 604.941.0971

**WHITE ROCK**  
301 – 1656 Martin Drive  
White Rock, BC V4A 6E7  
TEL 604.531.1154 | FAX 604.538.2613

[WWW.DMCL.CA](http://WWW.DMCL.CA)

March 27, 2018

**British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre  
9<sup>TH</sup> Floor – 701 West Georgia Street  
Vancouver, B.C. V7Y 1L2

**TSX Venture Exchange**

P.O. Box 11633  
Suite 2700 – 650 West Georgia Street  
Vancouver, B.C. V6B 4N9

**Alberta Securities Commission**

Suite 600, 250 – 5<sup>th</sup> Street S.W.  
Calgary, Alberta T2P 0R4

**Ontario Securities Commission**

20 Queen Street West, 22nd Floor  
Toronto, ON M5H 3S8

Dear Sirs:

**Re: Westridge Resource Inc. (the "Company")**  
**Notice Pursuant to National Instrument 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated March 26, 2018 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

**DALE MATHESON CARR-HILTON LABONTE LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

**PARTNERSHIP OF:**

**VANCOUVER** Bradley G. Allen Inc. Robert J. Burkart, Inc. Kenneth P. Chong Inc. Alvin F. Dale Ltd. Donald L. Furney, Ltd. David J. Goertz, Inc. Matthew G. Gosden, Inc. Barry S. Hartley, Inc. Cherry H. Ho, Inc. Robert J. Matheson, Inc. Rakesh I. Patel Inc. Lorraine W. Rinfret, Inc. Brad A. Robin Inc.  
**SURREY** Michael K. Braun Inc. Peter J. Donaldson, Inc. Harjit S. Sandhu, Inc. **TRI-CITIES** Isomura Services Corp. Brian M. Legge Inc. Fraser G. Ross, Ltd. Brian A. Shaw Inc.

**Westridge Resources Inc.**  
**Suite 1518 – 800 West Pender Street**  
**Vancouver, B.C. V6C 2V6**  
**(The "Company")**

**NOTICE OF CHANGE OF AUDITOR**  
**(The "Notice")**

**To: K.R. Margetson Ltd. Chartered Professional Accountant**  
**And To: Dale Matheson Carr-Hilton LaBonte LLP Chartered Professional Accountant**

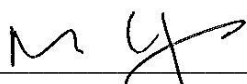
1. The directors of the Company do not propose to re-appoint K.R. Margetson Ltd. Chartered Professional Accountant, as auditors for the Company; and
2. The directors of the Company propose to appoint Dale Matheson Carr-Hilton LaBonte LLP Chartered Professional Accountant, as auditors of the Company, effective March 26, 2018, to hold office until the next annual meeting of the Company.

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"), the Company confirms that:

1. K.R. Margetson Ltd. Chartered Professional Accountant was asked to resign as auditor of the Company, effective March 26, 2018, to facilitate the appointment of Dale Matheson Carr-Hilton LaBonte LLP Chartered Professional Accountant AT Suite 1500 – 1140 West Pender Street, Vancouver, B.C. V6E 4G1
2. K.R. Margetson Ltd. Chartered Professional Accountant has not expressed any reservation in its reports for the two most recently completed fiscal years of the Company, nor for the period from the most recently completed period for which K.R. Margetson Ltd. Chartered Professional Accountant issued an audit report in respect of the Company and the date of this Notice;
3. In the opinion of the Board of Directors of the Company, no "reportable event" as defined in NI 51-102 has occurred in connection with the audits of the two most recently completed fiscal years of the Company nor any period from the most recently completed for which K.R. Margetson Ltd. Chartered Professional Accountant issued an audit report in respect of the Company and the date of this Notice; and
4. The Notice and Auditor's letters have been reviewed by the Audit Committee and the Board of Directors.

Dated as of the 26<sup>th</sup> day of March, 2018.

**Westridge Resources Inc.**



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Michael Young, President & CEO

## **SCHEDULE “B”**

### **AUDIT COMMITTEE CHARTER**

#### **1. Mandate**

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

#### **2. Composition**

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

##### *2.1 Independence*

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

##### *2.2 Expertise of Committee Members*

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the audit committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

#### **3. Meetings**

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

#### **4. Roles and Responsibilities**

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

##### *4.1 External Audit*

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

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors’ proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;

- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

#### 4.2 *Internal Control*

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

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

#### 4.3 *Financial Reporting*

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

##### *General*

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

##### *Annual Financial Statements*

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

##### *Interim Financial Statements*

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

##### *Release of Financial Information*

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

#### 4.4 *Non-Audit Services*

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

#### *Delegation of Authority*

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

#### *De-Minimis Non-Audit Services*

(a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:

(i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or

(ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

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

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

(i) the pre-approval policies and procedures are detailed as to the particular service;

(ii) the audit committee is informed of each non-audit service; and

(iii) the procedures do not include delegation of the audit committee's responsibilities to management.

#### **4.5** *Other Responsibilities*

The audit committee shall:

(a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;

(b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;

(c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;

(d) review the policies and procedures in effect for considering officers' expenses and perquisites;

(e) perform other oversight functions as requested by the Board; and

(f) review and update this Charter and receive approval of changes to this Charter from the Board.

#### **4.6** *Reporting Responsibilities*

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

### **5. Resources and Authority of the Audit Committee**

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

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;



- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

## **6. Guidance – Roles & Responsibilities**

The following guidance is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

### *6.1 Internal Control*

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

### *6.2 Financial Reporting*

#### *General*

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

#### *Annual Financial Statements*

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

#### *Interim Financial Statements*

- (a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:

- (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
- (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are consistent with changes in the company's operations and financing practices;
- (iii) generally accepted accounting principles have been consistently applied;
- (iv) there are any actual or proposed changes in accounting or financial reporting practices;
- (v) there are any significant or unusual events or transactions;
- (vi) the Company's financial and operating controls are functioning effectively;
- (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
- (viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 *Compliance with Laws and Regulations*

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

6.4 *Other Responsibilities*

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