

# **KAIYUE INTERNATIONAL INC.**

c/o 150 – 6th Avenue Southwest  
Calgary, Alberta T2P 3Y7

## **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON SEPTEMBER 28, 2017**

**AND**

## **INFORMATION CIRCULAR**

*August 28, 2017*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisors.*

**KAIYUE INTERNATIONAL INC.**  
c/o 150 – 6th Avenue Southwest  
Calgary, Alberta T2P 3Y7  
Telephone: 403.294.7000  
Facsimile: 403.265.8263

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

TO THE SHAREHOLDERS OF KAIYUE INTERNATIONAL INC.:

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of shareholders of Kaiyue International Inc. (the “**Company**”) will be held at 15<sup>th</sup> floor, 850 – 2<sup>nd</sup> Street SW, Calgary, Alberta on Thursday, September 28, 2017, at 10:00 a.m. (Calgary time) for the following purposes:

1. to receive the audited financial statements of the Company for the financial periods ended December 31, 2016 and December 31, 2015, and accompanying report of the auditors;
2. to ratify the appointment of MNP LLP, Chartered Accountants, as the auditors of the Company for the fiscal period ended December 31, 2016;
3. to appoint MNP LLP, Chartered Accountants, as the auditors of the Company for the fiscal period ending December 31, 2017 and authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal period ending December 31, 2017;
4. to set the number of directors of the Company for the ensuing year at three (3);
5. to elect Hilda Sung, Yingting (Tony) Guo and Alex Ku as the directors of the Company to serve until the next annual general meeting of the shareholders;
6. to ratify and approve the continuation of the rolling incentive stock option plan for the Company;
7. to approve a share consolidation of the Company's issued and outstanding common shares based on a consolidation ratio of up to 2.5 existing common shares to 1 new common share, in such amount as determined by the directors of the Company (expected to be 2.1174 -to-1);
8. to approve a change of the Company's name from "Kaiyue International Inc." to "Canna Botana Holdings Inc." or such other name as determined by the directors of the Company;
9. to approve the continuation of the Company from Alberta to British Columbia; and
10. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Company's Board of Directors has fixed August 28, 2017 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement

thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company's transfer agent, TMX Equity Transfer Services, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1 by 5:00 p.m. (local time) at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of Alberta) before the time and date of the Meeting or any adjournment or postponement thereof.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the "**Intermediary**"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Calgary, Alberta, this 28th day of August, 2017.

By Order of the Board of Directors of

**KAIYUE INTERNATIONAL INC.**

/s/Hilda Sung

Hilda Sung  
President, Chief Executive Officer  
and Director

**PLEASE VOTE. YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED PROXY FORM AND PROMPTLY RETURN IT IN THE ENVELOPE PROVIDED IN ACCORDANCE WITH THE PROXY INSTRUCTIONS.**

**KAIYUE INTERNATIONAL INC.**  
c/o 150 – 6th Avenue Southwest  
Calgary, Alberta T2P 3Y6  
Telephone: 403.294.7000  
Facsimile: 403.265.8263

**INFORMATION CIRCULAR**

August 28, 2017

**INTRODUCTION**

This Information Circular accompanies the Notice of Annual General and Special Meeting of Shareholders (the “**Notice**”) and is furnished to the shareholders (the “**Shareholders**”) holding common shares (“**Common Shares**”) in the capital of Kaiyue International Inc. (the “**Company**”) in connection with the solicitation by the management of the Company of proxies to be voted at the Annual General and Special Meeting (the “**Meeting**”) of the Shareholders to be held at 10:00 a.m. (Calgary time) on Thursday, September 28, 2017, at 15<sup>th</sup> floor, 850 – 2<sup>nd</sup> Street SW, Calgary, Alberta or at any adjournment or postponement thereof.

**Date and Currency**

The date of this Information Circular is August 28, 2017. Unless otherwise stated, all amounts herein are in Canadian dollars.

**PROXIES AND VOTING RIGHTS**

**Management Solicitation**

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### **Appointment of Proxy**

Registered shareholders as of the record date are entitled to vote at the Meeting. A shareholder is entitled to one vote for each Common Share that such shareholder holds on the record date of August 28, 2017 (the “**Record Date**”) on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.**

**TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

In order to be voted, the completed form of proxy must be received by the Company’s registrar and transfer agent, TMX Equity Transfer Services (the “**Transfer Agent**”), 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, or by facsimile at (416) 595-9593, not later than 5:00 p.m. (Toronto time) on September 26, 2017. Alternatively, the completed form of proxy may be delivered to the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder’s attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

### **Revocation of Proxies**

A shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that shareholder or by that shareholder’s attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by the shareholder who has given the proxy, or (ii) submission of a subsequent proxy in

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

### **Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons**

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Common Shares represented will be voted or withheld from the vote on that matter accordingly. **The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF THE COMPANY'S BOARD OF DIRECTORS (THE "BOARD") FOR DIRECTORS AND AUDITOR.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

### **BENEFICIAL SHAREHOLDERS**

**The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.** 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 names of the shareholder's broker or an agent of that broker. In 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), and in Canada, 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). **Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Common Shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Common Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Common Shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its Common Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his or her Common Shares.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

This Information Circular and accompanying materials are being sent to both registered Shareholders and Beneficial Shareholders. The Company does not send proxy-related materials directly to Beneficial Shareholders and is not relying on the notice-and-access provisions of securities laws for delivery to either registered or Beneficial Shareholders. The Company will deliver proxy-related materials to nominees, custodians and fiduciaries and they will be asked to promptly forward them to Beneficial Shareholders. If you are a Beneficial Shareholder your nominee should send you a voting instruction form or proxy form along with this Information Circular. The Company has elected not to pay for the delivery of the proxy-related materials to objecting Beneficial Shareholders.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

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

The Company is authorized to issue an unlimited number of Common Shares without par value. As at the Record Date, determined by the Board to be the close of business on August 28, 2017, a total of 21,174,230 Common Shares were issued and outstanding. Each Common Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the Company's directors and executive officers, no person or company beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares of the Company, other than as set forth below:

<b>Name of Shareholder</b>	<b>Number of Common Shares</b>	<b>Percentage of Outstanding Common Shares<sup>(1)</sup></b>
Hilda Sung	5,275,000	24.91%

**Note:**

(1) Based on 21,174,230 Common Shares issued and outstanding as of August 28, 2017, on an undiluted basis.

#### **RECEIPT OF FINANCIAL STATEMENTS**

The directors will place before the Meeting the financial statements for the years ended December 31, 2016 and December 31, 2015 together with the auditors' reports thereon.

#### **NUMBER OF DIRECTORS**

The Articles of the Company provide for a board of directors of no fewer than one director and no greater than nine directors.

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at three (3). The number of directors will be approved if the affirmative vote of at least a majority of Common Shares present or represented by proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at three (3).

**Management recommends the approval of an ordinary resolution to set the number of directors of the Company at three (3).**



## ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal. The Company's current Board consists of Hilda Sung, Yingting (Tony) Guo and Alex Ku. In the absence of instructions to the contrary, the enclosed Form of Proxy will be voted for the nominees listed in the Form of Proxy.

Management of the Company proposes to nominate the individuals listed below, as further described in the table below, for election by the Shareholders as directors of the Company to hold office until the next annual meeting. Information concerning such persons, as furnished by the individual directors, is as follows:

Name, Province/State, Country of Residence and Position(s) with the Company	Principal Occupation Business or Employment for Last Five Years	Periods during which Nominee has Served as a Director	Number of Voting Securities of the Company Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
Hilda Sung <sup>(2)</sup> Central, Hong Kong  <i>Chief Executive Officer, President and Director</i>	Chief Executive Officer and a director of Yongsheng Capital Inc., a capital pool company listed on the TSX Venture Exchange (March 2011 to present); Managing Director of China High Growth Fund Management Limited (September 2009 to present); Managing Director of ZY Financial Investment Consultants (Shenzhen) Ltd.; Executive Director of China High Growth Fund Management Ltd.; Director of China Southern Futures Co. Ltd. (July 2005 to present); Director of New Territories General Chamber of Commerce of The Hong Kong Chamber of Medium Business Ltd. (2002 to present); Managing Director of Taifook Lexton Investment Consultants (Shenzhen) Ltd. (January 2008 to October 2009); and Director of Wealth Management of Taifook Lexton Consultants Limited. (July 2007 to September 2009).	December 9, 2009 to present	5,375,000 <sup>(3)</sup>
Yingting (Tony) Guo <sup>(2)</sup> British Columbia, Canada  <i>Director</i>	General Manager of Gansu Pacific Mining Company; Vice President of Behre Dolbear Group, Inc., a worldwide mineral industry advisory firm from 2001 to 2012; Exploration Manager of China Gold International Resources Corp., a mineral development company listed on the Toronto Stock Exchange, from 2006 to 2009.	November 12, 2012 to present	50,000 <sup>(4)</sup>
Alex Ku <sup>(2)</sup> Hong Kong, China  Director	Principal consultant of Manhattan Consulting Ltd. from January 2012 to May 2013; Director and consultant of Alliance Financial Intelligence Ltd. from January 2006 to December 2012.	July 22, 2013 to present	Nil

**Notes:**

(1) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, directly or indirectly, as at August 28, 2017.

(2) Denotes a member of the Audit Committee of the Company.

- (3) *Hilda Sung also holds options to purchase 100,000 Common Shares at \$0.13 per Common Share expiring on May 24, 2018.*
- (4) *Yingting (Tony) Guo holds options to purchase 50,000 Common Shares at \$0.13 per Common Share expiring on May 24, 2018.*

The term of office of those nominees set out above, who are presently directors, will expire as of the date of the Meeting. All of the directors who are elected at the Meeting will have their term of office expire at the next annual general meeting or at such time when their successors are duly elected or appointed in accordance with the Company's Articles, or with the provisions of applicable corporate legislation or until such director's earlier death, resignation or removal.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Common Shares represented by proxy for the election of any other persons as directors.

**Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.**

### **Orders**

To the best of management's knowledge, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company 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.

### **Bankruptcies**

To the best of management's knowledge, no proposed director of the Company has, within 10 years before the date of this Information Circular, been a director or an 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.

To the best of management's knowledge, no proposed director of the Company 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 became 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.

## Penalties or Sanctions

To the best of management's knowledge, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## STATEMENT OF EXECUTIVE COMPENSATION

### General

For the purpose of this Information Circular:

**"compensation securities"** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

**"NEO"** or **"named executive officer"** means:

- (a) each individual who served as chief executive officer ("**CEO**") of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer ("**CFO**") of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than 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 for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year;

**"plan"** includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

**"underlying securities"** means any securities issuable on conversion, exchange or exercise of compensation securities.

### Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company thereof to each NEO and each





### **Stock Option Plans and Other Incentive Plans**

Refer to the sections titled “Particulars of Matters to be Acted Upon” for a description of all plan based awards and their significant terms.

### **Employment, Consulting and Management Agreements**

Effective May 15, 2013, the Company entered into a consulting agreement with Hilda Sung, whereby Ms. Sung agreed to provide services as the Chief Executive Officer of the Company for a salary of \$60,000 per year. The agreement provided that the term will automatically be renewed on the anniversary dates of the agreement for additional 12 months unless, at least 90 days prior to the end of the then current term of the agreement, either party gives written notice to the other of its intention not to renew the agreement. The consulting agreement may be terminated at any time by Ms. Sung by giving at least 30 days’ notice to the Company. The consulting agreement may be terminated at any time by the Company, in the event of a breach of terms, by the payment of one month’s fees for each year that Ms. Sung has been providing services to the Company with a minimum of three months fees payment for any termination before the third anniversary of the commencement of the agreement. The agreement was later amended to provide that if Ms. Sung is terminated by the Company for any reasons, including as a result of a change of control of the Company, the Company shall pay Ms. Sung a minimum of 18 months fees payment. This new amended termination provision superseded the previous termination provision.

Effective May 15, 2013, the Company entered into a consulting agreement with Conscientia Consulting Inc., a private company wholly owned by Jin Kuang, whereby Ms. Kuang agreed to provide services as the Chief Financial Officer of the Company for a salary of \$2,500 per month. The agreement provided that the term will automatically be renewed on the anniversary dates of the agreement for additional 12 months unless, at least 90 days prior to the end of the then current term of the agreement, either party gives written notice to the other of its intention not to renew the agreement. The consulting agreement may be terminated at any time by Ms. Kuang by giving at least 30 days’ notice to the Company. The consulting agreement may be terminated at any time by the Company, in the event of a breach of terms, by the payment of one month’s fees for each year that Ms. Kuang has been providing services to the Company with a minimum of three months fees payment for any termination before the third anniversary of the commencement of the agreement. The agreement was later amended to provide that if Ms. Kuang is terminated by the Company for any reasons, including as a result of a change of control of the Company, the Company shall pay Conscientia Consulting Inc. a minimum of 12 months fees payment. This new amended termination provision superseded the previous termination provision.

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

The Company does not have in place a Compensation Committee or a Nominating Committee. All tasks related to developing and monitoring the Company’s approach to the compensation of NEOs of the Company and to developing and monitoring the Company’s approach to the nomination of directors to the Board are performed by the members of the Board. The compensation of the NEOs and the Company’s employees is reviewed, recommended and approved by the Board without reference to any specific formula or criteria.

The Company’s compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company’s business objectives of improving overall

corporate performance and creating long-term value for the Company's shareholders. The Company's current compensation program is comprised of base salary, short term incentives (discretionary bonuses) and long term incentives (stock options). The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives. At this time, the Board has not established any benchmark or performance goals that the NEOs must achieve in order to maintain their respective positions as NEOs with the Company. However, the NEOs are expected to carry out their duties in an effective and efficient manner and to advance the exploration goals of the Company. If the Board determines that these duties are not being met, the Board has the ability to replace such NEOs in its discretion.

In making compensation decisions, the Board strives to find a balance between short-term and long-term compensation and cash versus equity incentive compensation. Base salaries and discretionary cash bonuses primarily reward recent performance and incentive stock options encourage NEOs to continue to deliver results over a longer period of time and serve as a retention tool. The annual salary for each NEO is determined by the Board based on the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time. The NEOs' performances and salaries are to be reviewed periodically on the anniversary of their employment with the Company. Increases in salary are to be evaluated on an individual basis and are performance based. The amount and award of cash bonuses to key executives and senior management is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant.

The Company's compensation policies and practices are designed to provide certain executive officers incentives for the achievement of both short-term and long-term objectives without motivating them to take unnecessary or excessive risk. As part of this review, the Board noted the following factors which discourage the Company's executive officers from taking unnecessary or excessive risks:

- as a junior mineral exploration issuer with employment agreements with two NEOs there is limited opportunity for the small management team to undertake unnecessary or excessive risk to maximize compensation at the expense of the Company;
- as a junior mineral exploration issuer, there are limited opportunities for executive officers to artificially inflate financial and operating performance of the Company to increase the value of equity awards to such persons;
- all of the directors are regularly apprised of the Company's financial position throughout the year;
- executive compensation or salary for Hilda Sung and Jin Kuang is a set amount, with discretionary bonus as determined by the Board, which is tied to the overall results of the Company and not to the results of any one mineral property;
- with respect to Hilda Sung and Jin Kuang, there is an effective balance between cash and equity, near-term and long-term focus, corporate and individual performance, and financial and non-financial performance;

- with respect to Hilda Sung and Jin Kuang, the Company’s approach to performance evaluation and compensation provides greater rewards to Hilda Sung and Jin Kuang achieving both short-term and long-term objectives;
- incentive plan awards granted are not awarded upon the accomplishment of a task.

Based on this review, the Board believes that the compensation policies and practices do not encourage executive officers to take unnecessary or excessive risk.

Under the Company’s compensation policies and practices, NEOs and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

**Pension Plan Benefits**

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

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

**Equity Compensation Plan Information**

The following table sets forth details of the Company’s compensation plans under which equity securities of the Company are authorized for issuance at the end of the Company’s most recently completed financial year.

<b>Plan Category</b>	<b>(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights<sup>(1)</sup></b>	<b>(b) Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans previously approved by securityholders <sup>(1)</sup>	200,000	\$0.13	1,917,423
Equity compensation plans not previously approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>200,000</b>	<b>\$0.13</b>	<b>1,917,423</b>

**Note:**

(1) The Company does not have any warrants or rights outstanding under any equity compensation plans.

See “Particulars of Matters to be Acted Upon – Approval of Stock Option Plan” for a description of the material features of the Plan (as hereinafter defined).

A copy of the Plan is available for review at the registered offices of the Company, at 150 – 6th Avenue Southwest, Calgary, Alberta T2P 3Y6 during normal business hours up to and including the date of the Meeting.



### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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 had any material interest, direct or indirect, in any transaction since the beginning of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company.

"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 percent of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution of it; and
- (d) the Company has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

### APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to vote to ratify the appointment of MNP LLP, Chartered Accountants, as auditor of the Company for the Company's fiscal year ended December 31, 2016.

**Management recommends that Shareholders vote in favour of the ratification of the appointment of MNP LLP, as the Company's auditor for the Company's fiscal year ended December 31, 2016.**

At the Meeting, Shareholders will also be asked to vote to appoint MNP LLP, Chartered Accountants, as the auditors of the Company for the fiscal period ending December 31, 2017 and authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal period ending December 31, 2017.

**Management recommends that Shareholders vote in favour of the appointment of MNP LLP, as the Company's auditor for the Company's fiscal year ending December 31, 2017 at a remuneration to be fixed by the Board.**

## MANAGEMENT CONTRACTS

Since the start of the Company's most recently completed financial year, no management functions of the Company have been, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

## AUDIT COMMITTEE DISCLOSURE

### Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have the ability to consider and discuss governance and audit issues with parties not directly responsible for operations. Applicable securities laws require the Company, as a venture issuer, to disclose certain information relating to the Company's audit committee and its relationship with the Company's independent auditors.

### Audit Committee Charter

The Company's Audit Committee Charter was adopted by the Board and Audit Committee on January 6, 2010. A copy of the Company's Audit Committee Charter is attached hereto as Schedule "A".

### Composition of Audit Committee

The members of the Company's Audit Committee are:

Name	Independence <sup>(1)</sup>	Financial Literacy <sup>(2)</sup>
Hilda Sung	Not Independent	Financially literate
Yingting (Tony) Guo	Independent	Financially literate
Alex Ku	Independent	Financially literate

#### Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Hilda Sung is not independent, as she is the CEO and President of the Company.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

### Relevant Education and Experience

#### Hilda Sung

Ms. Sung has served as a director, President and CEO of the Company since December 2009. Ms. Sung is currently the Chief Executive Officer and director of Yongsheng Capital Inc., a capital pool company listed on the TSX Venture Exchange since March 3, 2011 and the Managing Director of China High Growth Fund Management Limited since September 2009. Ms. Sung is also presently the Managing Director of ZY Financial Investment Consultants (Shenzhen) Ltd. and Executive Director of China High Growth Fund Management Ltd. as well as the Independent Director of China Southern Futures Co. Ltd since July 2005 and Director, New Territories General Chamber of Commerce of The Hong Kong Chamber of Medium Business Ltd. since 2002. From January 2008 to October 2009, Ms. Sung was the

Managing Director of Taifook Lexton Investment Consultants (Shenzhen) Ltd. Ms. Sung has been the Marketing Director of Hantec International Finance Group Limited from May 2005 to September 2007. From July 2007 to September 2009, Ms. Sung was the Director of Wealth Management of Taifook Lexton Consultants Limited. Ms. Sung obtained a Master of Business Administration from the University of South Australia in 2002 and a Bachelor of Laws from Tsing Hua University in 2007.

*Yingting (Tony) Guo*

Mr. Guo currently also serves as General Manager of Gansu Pacific Mining Company. He worked as Vice President of Behre Dolbear Group, Inc., a worldwide mineral industry advisory firm from 2001 to 2012. He was the Exploration Manager of China Gold International Resources Corp., a mineral development company listed on the Toronto Stock Exchange, from 2006 to 2009.

*Alex Ku*

Mr. Ku was the principal consultant of Manhattan Consulting Ltd. from January 2012 to May 2013. He also served as a director and consultant of Alliance Financial Intelligence Ltd. from January 2006 to December 2012.

**Audit Committee Oversight**

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

**Reliance on Certain Exemptions**

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

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company. A copy of the Company's Audit Committee Charter is attached hereto as Schedule "A".

**External Auditor Service Fees**

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

The aggregate fees billed by the Company's external auditor in the last two fiscal years ended December 31, 2016 and December 31, 2015 by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2016	\$10,200	Nil	Nil	Nil
December 31, 2015	\$14,300	Nil	Nil	Nil

### Exemption

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

### CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company’s approach to corporate governance is set out below.

### Board of Directors

The Board facilitates its exercise of independent supervision over the Company’s management through frequent meetings or unanimous consent resolutions of the Board. The Board is currently comprised of three directors consisting of Hilda Sung, Yingting (Tony) Guo and Alex Ku. The Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

Hilda Sung is not independent as she is the President and CEO of the Company. Yingting (Tony) Guo and Alex Ku are “independent” in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director’s ability to act with the best interests of the Company, other than the interests and relationships arising from shareholders.

### Directorships

Name of Director	Names of Other Reporting Issuers
Hilda Sung	Yongsheng Capital Corp. <sup>(1)</sup> MDream Inworld Limited <sup>(2)</sup>
Yingting (Tony) Guo	CaNickel Mining Company <sup>(1)</sup> Minco Base Metals Corporation <sup>(1)</sup> Nickel North Exploration Corp. <sup>(1)</sup>
Alex Ku	Nil

**Notes:**

(1) TSX Venture Exchange

(2) Hong Kong Stock Exchange

### **Orientation and Continuing Education**

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

### **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 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 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 required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

### **Compensation**

The Board conducts reviews with regard to the compensation of the directors, CEO and CFO once a year. For additional information please see the discussion in the section entitled "Executive Compensation".

### **Other Board Committees**

The Board has no committees other than the Audit Committee.

### **Assessments**

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

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

Except as otherwise disclosed herein, no director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, or no associate or affiliate of any such directors, executive officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of securities of the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors, the appointment of auditors or the approval of the Plan. Directors and executive officers of the Company and the nominees, if elected, are eligible to be granted incentive stock options pursuant to the Plan.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Ratification of Stock Option Plan

Shareholders will be asked to approve an ordinary resolution set forth below in this Circular (the “**Plan Resolution**”) ratifying the Company’s existing stock option plan (the “**Plan**”), which is considered a “rolling” stock option plan, which reserves a maximum of 10% of the Company’s total outstanding Common Shares at the time of grant for issuance pursuant to the Plan. Any previous granted options are governed by the Plan, and if options granted expire or terminate for any reason without having been exercised, the unpurchased Common Shares will again be available under the Plan. The policies of the TSX Venture Exchange (the “**Exchange**”) provide that, where a Company has a rolling stock option plan in place, it must seek Shareholder approval for such plan annually.

A full copy of the Plan will be available for inspection at the Meeting. See “*Share-based and Option-based Awards*” for further information on the Plan.

In order for the resolution approving and ratifying the Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting.

*“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:*

- 1. The Plan of the Company is hereby ratified and shall continue and remain in effect until further ratification is required pursuant to the rules of the Exchange or other applicable regulatory requirements.*
- 2. Any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution.”*

**The Board believes that the Plan is in the best interests of the Company and unanimously recommends that shareholders vote FOR the Plan. In the absence of a contrary instruction, the person(s) designated by management of the Company in the enclosed form of proxy intend to vote FOR the Plan Resolution ratifying the Plan.**

### Authorization for Share Consolidation and Name Change

On August 3, 2017, the Company announced that it has signed a binding letter of intent with Potanicals Green Growers Inc. (“**Potanicals**”) whereby the parties will complete a business combination by way of a transaction that will constitute a reverse takeover of the Company by Potanicals (the “**Transaction**”). See the Company’s news release filed under its SEDAR profile at [www.sedar.com](http://www.sedar.com) on August 3, 2017 for more information about the proposed Transaction. Pursuant to the Transaction, all of the issued and outstanding common shares of Potanical will be exchanged for Common Shares, which will result in Potanicals becoming a wholly-owned subsidiary of the Company or otherwise combining its corporate existence with a wholly-owned subsidiary of the Company. As a condition of closing of the Transaction, the Company agreed to seek shareholder approval of a consolidation of all the Company’s issued and outstanding Common Shares based on a consolidation ratio of up to 2.5 existing common shares to 1 new common share, in such amount as determined by the directors of the Company (expected to be

2.1174 -to-1) that will result in the reduction of the Company's issued and outstanding Common Shares to not more than 10,000,000 shares on a non-diluted basis (the "**Consolidation**"). In conjunction with the Transaction and the Consolidation, the Company will also seek shareholder of a change of the Company's name to "Canna Botana Holdings Inc." or such other name as determined by the directors of the Company and acceptable to management of Potanicals and all applicable regulatory authorities (the "**Name Change**").

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to pass a special resolution approving the Consolidation and the Name Change, and to amend the Company's Articles accordingly.

Unless all other conditions for closing of the Transaction have been satisfied or waived, the Company will not implement the Consolidation or the Name Change. The Board, in its sole discretion, may revoke the special resolution and abandon the Consolidation and/or Name Change without further approval of or action by or prior notice to Shareholders.

As of the Record Date, there were approximately 21,174,230 Common Shares issued and outstanding in the share capital of the Company.

#### ***Effect of Consolidation***

The proposed Consolidation will not change in any way any Shareholder's proportionate share of the total votes entitled to vote at meetings of Shareholders; however, if the special resolution is passed, the total number of votes that a shareholder may cast at any future annual general or annual general and special meeting of the Company will be reduced.

The number of Common Shares reserved for issuance under the Plan will be reduced proportionately based on the Consolidation ratio and the exercise or conversion price and/or the number of Common Shares issuable under the Company's outstanding stock options will also be proportionately adjusted upon the Consolidation with any fractional options to acquire Common Shares rounded down to the nearest whole number.

If the Company implements the Consolidation, the Company will send letters of transmittal to Shareholders for use in delivering their share certificates to the Transfer Agent in exchange for new share certificates of the Company.

#### ***Special Resolution***

In accordance with the provisions of the *Business Corporations Act* of Alberta (the "**ABCA**"), a security consolidation requires a special resolution approved by the Shareholders of the Company at the Meeting. Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought fit, to pass a special resolution as set forth below authorizing the Consolidation and the Name Change. The special resolution must be passed by a majority of not less than two-thirds of the votes cast by the Shareholders who voted in respect of the resolution at the Meeting, subject to such amendments, variations or additions as may be approved at the Meeting.

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. subject to satisfaction or waiver of all conditions of closing of the transaction with Potanicals Green Growers Inc. ("**Potanicals**") and the acceptance by the applicable stock exchange, the Company is hereby authorized to consolidate the issued and outstanding common shares in the capital of the Company based on a consolidation ratio of up to 2.5 existing common shares to 1 new common share, in such amount as determined by the directors of the Company (expected to be 2.1174 -to-1, the "**Consolidation**");
2. subject to satisfaction or waiver of all conditions of closing of the Transaction (as defined in the Information Circular of the Company dated August 28, 2017) and the acceptance by the applicable stock exchange, the Company is hereby authorized to change its name to "Canna Botana Holdings Inc." or such other name as determined by the directors of the Company and acceptable to management of Potanicals (the "**Name Change**");
3. the Shareholders hereby authorize whatever adjustments may be made to their shareholdings in order to avoid the issuance of fractional Common Shares incidental to the Consolidation;
4. any one director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts and things as such director may determine to be necessary or advisable in connection with the Consolidation and Name Change including the execution and delivery to the Registrar of Corporations of Articles of Amendment for such purpose, the execution of any such document or the doing of any such other act or thing by any one director or officer of the Company being conclusive of such determination; and
5. Notwithstanding the foregoing, the directors of the Company are hereby authorized, without further approval of or action by or prior notice to the Shareholders of the Company, to revoke this special resolution at any time."

**The Board of Directors recommends the shareholders APPROVE the Consolidation and the Name Change. Unless otherwise instructed, the management proxy nominees named in the accompanying form of proxy intend to vote the Common Shares represented thereby in respect of the Meeting "FOR" the approval of the proposed Consolidation and the Name Change.**

#### **Authorization of Continuation to British Columbia**

The Company was incorporated under the ABCA on November 23, 2009. The Company wishes to continue its corporate existence from the jurisdiction of Alberta into the jurisdiction of British Columbia (the "**Continuation**") in connection with the proposed Transaction (as defined herein) announced on August 3, 2017 because British Columbia will be the most common jurisdiction of residence among the directors, the offices of the Company will be located in British Columbia and the Company will have no real nexus to Alberta. See the Company's August 3, 2017 news release filed under its SEDAR profile at [www.sedar.com](http://www.sedar.com) for more information about the proposed Transaction. Accordingly, management is seeking Shareholder approval for the Continuation subject to satisfaction or waiver of all conditions for closing of the Transaction and receipt of all regulatory approvals.



The following is a summary comparison of the provisions of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") and the ABCA which pertain to the rights of Shareholders. This summary is not intended to be exhaustive and Shareholders should consult their legal advisors regarding all of the implications of the Continuation.

### ***Sale of the Property of a Corporation***

The ABCA requires approval of the holders of two-thirds of the shares of a corporation represented at a duly called meeting to approve a sale, lease or exchange of all or substantially all of the property of a corporation. Each share of the corporation carries the right to vote in respect of a sale, lease or exchange of all or substantially all of the property of a corporation whether or not it otherwise carries the right to vote. Holders of shares of a class or series can vote separately only if that class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series.

Under the BCBCA, the directors of a corporation may dispose of all or substantially all of the business or undertaking of the corporation only if it is in the ordinary course of the corporation's business or with shareholder approval authorized by a special resolution. Under the BCBCA a special resolution will need to be approved by a "special majority", which means the majority specified in a corporation's articles. The new articles, upon continuation of the Company into the jurisdiction of British Columbia, will provide that a special resolution will be two-thirds of the votes cast by those shareholders voting in person or by proxy at a general meeting of the corporation.

### ***Amendments to the Charter Documents of a Corporation***

Under the ABCA substantive changes to the charter documents of a corporation require a resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the alteration and, where certain specified rights of the holders of a class of shares are affected differently by the alteration than the rights of the holders of other classes of shares, a resolution passed by not less than two-thirds of the votes cast by the holders of all of the shares of a corporation, whether or not they carry the right to vote, and a special resolution of each class, or series, as the case may be, even if such class or series is not otherwise entitled to vote. A resolution to amalgamate an ABCA corporation requires a special resolution passed by the holders of each class of shares or series of shares, whether or not such shares otherwise carry the right to vote, if such class or series of shares are affected differently.

Changes to the articles of a corporation under the BCBCA will be effected by the type of resolution specified in the articles of a corporation, which, for many alterations, including change of name or alterations to the articles, could provide for approval solely by a resolution of the directors. In the absence of anything in the articles, most corporate alterations will require a special resolution. Alteration of the special rights and restrictions attached to issued shares requires, in addition to any resolution provided for by the articles, consent by a special resolution of the holders of the class or series of shares affected. A proposed amalgamation or continuation of a corporation out of the jurisdiction requires a special resolution as described above.

### ***Rights of Dissent and Appraisal***

The BCBCA provides that shareholders, including beneficial holders, who dissent to certain actions being taken by a corporation, may exercise a right of dissent and require the corporation to purchase the

shares held by such shareholder at the fair value of such shares. The dissent right is applicable where the corporation proposes to:

- (i) continue out of the jurisdiction;
- (ii) sell the whole or substantially the whole of the corporation's undertaking or business;
- (iii) enter into a statutory amalgamation other than with an affiliated corporation;
- (iv) amend its articles to add, change or remove any restriction on the business or businesses that the corporation may carry on.

The ABCA contains a similar dissent remedy. The ABCA does not provide for a right to dissent if a corporation provides financial assistance to a person for the purchase of shares in the corporation. The procedure for exercising this remedy is different than that contained in the BCBCA.

### ***Oppression Remedies***

Under the ABCA a shareholder, former shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a Court, is a proper person to seek an oppression remedy may apply to a court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates, any act or omission of a corporation or its affiliates effects a result, the business or affairs of a corporation or its affiliates are or have been exercised in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of, any security holder, creditor, director or officer.

Under the BCBCA, a shareholder, including a beneficial shareholder or a director of a corporation may, with leave of the court, bring an action in the name and on behalf of the corporation to enforce an obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such an obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against a corporation.

### ***Shareholder Derivative Actions***

Under the BCBCA, a shareholder, including a beneficial shareholder or a director of a corporation may, with leave of the court, bring an action in the name and on behalf of the corporation to enforce an obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such an obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against a corporation.

A broader right to bring a derivative action is contained in the ABCA and this right extends to officers, former shareholders, directors or officers of a corporation or its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the ABCA permits derivative actions to be commenced in the name and on behalf of a corporation or any of its subsidiaries.

### ***Requisition of Meetings***

The ABCA permits the holders of not less than 5% of the issued shares that carry the right to vote at a meeting sought to be held to require the directors to call and hold a meeting of the shareholders of the corporation for the purposes stated in the requisition. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

The BCBCA provides that one or more shareholders of a corporation holding not less than 5% of the issued voting shares of the corporation may give notice to the directors requiring them to call and hold a general meeting which meeting must be held within 4 months. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

### ***Form of Proxy and Information Circular***

The BCBCA requires a reporting corporation, such as the Company, to provide with notice of a general meeting a form of proxy for use by every shareholder entitled to vote at such meeting as well as an information circular containing prescribed information regarding the matter to be dealt with at the meeting.

The ABCA contains provisions which likewise require the mandatory solicitation of proxies and delivery of a management proxy circular.

### ***Place of Meetings***

The ABCA provides that meetings of shareholders may be held outside Alberta where the Articles so provide.

The BCBCA requires all meetings of shareholders to be held in British Columbia unless a location outside the Province is provided for in the Articles, approved by an ordinary resolution before the meeting or approved in writing by the Registrar.

### ***Directors***

The ABCA requires that at least one-quarter of the directors be resident Canadians and requires that for distributing corporations at least two of the directors not be officers or employees of the corporation or its affiliates.

The BCBCA provides that a public corporation must have at least 3 directors and also does not have any residency requirements.

### ***Classes of Shares***

Pursuant to the ABCA all classes of shares must have attached thereto special rights and restrictions. The BCBCA does not have this requirement. A copy of the proposed new form of Articles will be available for inspection at the registered offices of the Company, at 150 – 6th Avenue Southwest, Calgary, Alberta T2P 3Y6 during normal business hours up to and including the date of the Meeting and at the Meeting or from the President of the Company before the Meeting.

### ***Special Resolution***

In order to effect the Continuation, Shareholders will be asked to consider and, if thought fit to pass a special resolution (being a resolution passed by a majority of not less than two-thirds of the votes cast by those Shareholders of the Company who, being entitled to do so, vote in person or by proxy at the Meeting) in substantially the following form:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Continuation of the Company into British Columbia as more particularly described in the Information Circular of the Company dated as at August 28, 2017, is hereby authorized and approved subject to the right of the directors to abandon the application without further approval of the Shareholders;
2. subject to such Continuation and the issue of a Certificate of Discontinuance from the Province of Alberta, the Company adopt a form of Articles in compliance with the *Business Corporations Act* (British Columbia) in substitution for the by-laws of the Company;
3. the Continuation Application and Notice of Articles as tabled at the Meeting, with such nonmaterial amendments as the directors may approve, be filed with the Registrar of Companies for British Columbia;
4. the new Articles in the form to be tabled at the Meeting, be adopted with such non-material amendments as the directors may approve, and that such new form of Articles not take effect until the Continuation Application and Notice of Articles are filed with the Registrar of Companies for British Columbia;
5. any one director or officer of the Company is hereby authorized and instructed to take all such acts and proceedings and to execute and deliver all such applications, authorizations, certificates, documents and instruments, as in his or her opinion may be reasonably necessary or desirable for the implementation of this resolution; and
6. notwithstanding that the foregoing resolutions have been duly passed by the Shareholders of the Company, the directors of the Company are hereby authorized and empowered, without further approval or authorization of the Shareholders of the Company, to revoke any or all of the resolutions at any time prior to their being acted upon."

**The Board of Directors recommends the shareholders APPROVE the Continuation. Unless otherwise instructed, the management proxy nominees named in the accompanying form of proxy intend to vote the Common Shares represented thereby in respect of the Meeting "FOR" the approval of the proposed Consolidation and the Name Change.**

### ***Shareholder's Right to Dissent***

Pursuant to section 191 of the ABCA, a Shareholder of the Company may, at or prior to the meeting at which the special resolution to approve the Continuation is proposed to be passed, give the Company a notice of dissent by registered mail or by delivery addressed to the Company at c/o 150 – 6th Avenue Southwest, Calgary, Alberta T2P 3Y6, Attention: Chief Executive Officer. As a result of giving a notice of

dissent, a Shareholder may, on receiving a notice of intention to act from the Company in accordance with section 191 of the ABCA, require that the Company purchase the Common Shares of such Shareholder in respect of which the notice of dissent was given for their fair value as of the day before the date on which the proposed continuation resolution is passed.

The following is a brief summary of Section 191 of the ABCA:

A dissenting shareholder who is a registered shareholder is required to send a written objection to the resolution approving the Continuation to the Company at or prior to the meeting. A vote against the resolution approving the Continuation or an abstention does not constitute a written objection. If the resolution approving the Continuation is adopted, the Company or dissenting shareholder, where the dissenting shareholder has sent the required written objection, may apply to a Court to fix the fair value of the dissenting shareholder's Common Shares. If the application is made, the Company is required to send to each dissenting shareholder a written offer to pay such shareholder an amount considered by the directors of the Company to be the fair value of the dissenting shareholder's Common Shares. If such offer is not made or is not accepted, the court shall fix the fair value of the Common Shares. There is no obligation on the Company to apply to the Court. If an application is made by either party, the dissenting shareholder will be entitled to be paid the amount fixed by the Court for the Common Shares in respect of which the dissenting shareholder dissented. The rights of dissent under Section 191 of the ABCA are exercisable by registered shareholders only.

The foregoing summary is not exhaustive of the provisions of the ABCA. Section 191 of the ABCA requires strict adherence to the procedures set forth therein and failure to do so may result in loss of all of the dissent rights. Accordingly, each shareholder who might desire to exercise dissent rights should carefully consider and comply with the provisions of that section and consult his legal advisor. The exercise of dissent rights can be a complex, time-sensitive and expensive procedure and may result in the Company abandoning the continuance.

A copy of the full text of the ABCA is available on the internet at [www.qp.gov.ab.ca](http://www.qp.gov.ab.ca) by clicking through to "*Business Corporations Act*".

#### **ADDITIONAL INFORMATION**

Additional information about the Company can be obtained under its SEDAR profile, free of charge, at [www.sedar.com](http://www.sedar.com).

Shareholders may also contact Hilda Sung, President, Chief Executive Officer and Director of the Company by mail at c/o 150 – 6th Avenue Southwest, Calgary, Alberta T2P 3Y6 or by telephone at (604) 687-5700 to request copies of the Company's financial statements and the related Management's Discussion and Analysis (the "**MD&A**"). Financial information is provided in the Company's comparative financial statements and MD&A for its financial year ended December 31, 2016 and comparisons thereto.

**APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular have been approved, and the delivery of it to each Shareholder of the Company entitled thereto and to the appropriate regulatory agencies, has been authorized by the Board.

Dated at Calgary, Alberta, the 28th day of August, 2017.

**ON BEHALF OF THE BOARD**

**KAIYUE INTERNATIONAL INC.**

*"Hilda Sung"*

\_\_\_\_\_  
Hilda Sung  
Chief Executive Officer, President  
and Director

**SCHEDULE "A"**

**AUDIT COMMITTEE CHARTER**

## **1. Introduction**

The Audit Committee (the “Committee” or the “Audit Committee”) of Kaiyue International Inc. (“Kaiyue” or the “Company”) is a committee of the Board of Directors (the “Board”). The Committee shall oversee the accounting and financial reporting practices of the Company and the audits of the Company’s financial statements and exercise the responsibilities and duties set out in this Mandate.

## **2. Membership**

### *Number of Members*

The Committee shall be composed of three or more members of the Board.

### *Independence of Members*

Each member of the Committee must be independent. “Independent” shall have the meaning, as the context requires, given to it in National Instrument 52-110 *Audit Committees*, as may be amended from time to time.

### *Chair*

At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee’s compliance with this Mandate, work with management to develop the Audit Committee’s annual work-plan and provide reports of the Audit Committee to the Board.

### *Financial Literacy of Members*

At the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

### *Term of Members*

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

## **3. Meetings**

### *Number of Meetings*

The Committee may meet as many times per year as necessary to carry out its responsibilities.



#### *Quorum*

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

#### *Calling of Meetings*

The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

#### *Minutes; Reporting to the Board*

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

#### *Attendance of Non-Members*

The external auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with the internal auditor and management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

#### *Meetings without Management*

The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present.

#### *Procedure*

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

#### *Access to Management*

The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

#### **4. Duties and Responsibilities**

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "Applicable Requirements").

## *Financial Reports*

### (a) General

The Audit Committee is responsible for overseeing the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The auditors are responsible for auditing the Company's annual consolidated financial statements and for reviewing the Company's unaudited interim financial statements.

### (b) Review of Annual Financial Reports

The Audit Committee shall review the annual consolidated audited financial statements of the Company, the auditors' report thereon and the related management's discussion and analysis of the Company's financial condition and results of operation ("MD&A"). After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

### (c) Review of Interim Financial Reports

The Audit Committee shall review the interim consolidated financial statements of the Company, the auditors' review report thereon and the related MD&A. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the interim financial statements and the related MD&A.

### (d) Review Considerations

In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

- (i) meet with management and the auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report prepared by the auditors;
- (iv) discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
- (v) review the accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
- (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under IFRS;

- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review the factors identified by management as factors that may affect future financial results;
- (x) review results of the Company's audit committee whistleblower hotline program; and
- (xi) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements.

(e) Approval of Other Financial Disclosures

The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing, or based upon, financial results of the Company and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated.

*Auditors*

(a) General

The Audit Committee shall be responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.

(b) Nomination and Compensation

The Audit Committee shall review and, if advisable, select and recommend for Board approval the external auditors to be nominated and the compensation of such external auditor. The Audit Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan.

(c) Resolution of Disagreements

The Audit Committee shall resolve any disagreements between management and the auditors as to financial reporting matters brought to its attention.

(d) Discussions with Auditors

At least annually, the Audit Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

(e) Audit Plan

At least annually, the Audit Committee shall review a summary of the auditors' annual audit plan. The Audit Committee shall consider and review with the auditors any material changes to the scope of the plan.

(f) Quarterly Review Report

The Audit Committee shall review a report prepared by the auditors in respect of each of the interim financial statements of the Company.

(g) Independence of Auditors

At least annually, and before the auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Company; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the auditors.

(h) Evaluation and Rotation of Lead Partner

At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

(i) Requirement for Pre-Approval of Non-Audit Services

The Audit Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the Company that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

(j) Approval of Hiring Policies

The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(k) Communication with Internal Auditor

The internal auditor shall report regularly to the Committee. The Committee shall review with the internal auditor any problem or difficulty the internal auditor may have encountered including, without limitation, any restrictions on the scope of activities or access to required information, and any significant reports to management prepared by the internal auditing department and management's responses thereto.

The Committee shall periodically review and approve the mandate, plan, budget and staffing of the internal audit department. The Committee shall direct management to make changes it deems advisable in respect of the internal audit function.

The Committee shall review the appointment, performance and replacement of the senior internal auditing executive and the activities, organization structure and qualifications of the persons responsible for the internal audit function.

(l) Financial Executives

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

*Internal Controls*

(a) General

The Audit Committee shall review the Company's system of internal controls.

(b) Establishment, Review and Approval

The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
- (iv) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
- (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

#### *Compliance with Legal and Regulatory Requirements*

The Audit Committee shall review reports from the Company's Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the Company; the effectiveness of the Company's compliance policies; and any material communications received from regulators. The Audit Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

#### *Audit Committee Hotline Whistleblower Procedures*

The Audit Committee shall establish for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

#### *Audit Committee Disclosure*

The Audit Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Company's disclosure documents.

#### *Delegation*

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

### **5. No Rights Created**

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee, functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

### **6. Mandate Review**

The Committee shall review and update this Mandate annually and present it to the Board for approval.