



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF  
SHAREHOLDERS  
TO BE HELD ON JANUARY 10, 2019**

**AND**

**INFORMATION CIRCULAR**

*December 11, 2018*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.*

**TRENCHANT CAPITAL CORP.**  
Suite 1790 - 1066 West Hastings Street  
Vancouver, BC V6E 3X1  
Telephone: 604.307.4274

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING**

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of shareholders of Trenchant Capital Corp. (the “**Company**”) will be held at the offices of Clark Wilson LLP, 900 - 885 West Georgia Street, Vancouver, British Columbia, on Thursday, January 10, 2019, at the hour of 1:00 p.m. (Vancouver time) for the following purposes:

- (1) to receive the audited financial statements of the Company for the fiscal years ended March 31, 2016, March 31, 2017 and March 31, 2018, and the accompanying reports of the auditors;
- (2) to ratify the setting of the number of directors at three (3) for the fiscal year ended March 31, 2016;
- (3) to ratify the setting of the number of directors at three (3) for the fiscal year ended March 31, 2017;
- (4) to set the number of directors of the Company at three (3);
- (5) to ratify the election of Eric Boehnke, John Legg and John Veltheer as directors of the Company for the fiscal year ended March 31, 2016;
- (6) to ratify the election of Eric Boehnke, John Legg and Thomas English as directors of the Company for the fiscal year ended March 31, 2017;
- (7) to elect Eric Boehnke, Thomas English and Jennie Choboter as directors of the Company;
- (8) to ratify, confirm and approve the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the auditors of the Company for the fiscal year ending March 31, 2017 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending March 31, 2017;
- (9) to ratify, confirm and approve the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the auditors of the Company for the fiscal year ending March 31, 2018 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending March 31, 2018;
- (10) to appoint Dale Matheson Carr-Hilton LaBonte LLP as the auditors of the Company for the fiscal year ending March 31, 2019 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending March 31, 2019;
- (11) to ratify the Company’s Stock Option Plan for the fiscal year ended March 31, 2016, as described in the accompanying information circular (the “**Information Circular**”);
- (12) to ratify the Company’s Stock Option Plan for the fiscal year ended March 31, 2017, as described in the accompanying Information Circular;

- (13) to consider and, if thought fit, to pass an ordinary resolution to ratify the Company's Stock Option Plan for the fiscal year ended March 31, 2018, as described in the accompanying Information Circular;
- (14) to consider and, if thought fit, to pass an ordinary resolution to ratify the holding of the annual general and special meeting for 2018 on January 10, 2019; and
- (15) 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 board of directors of the Company has fixed November 27, 2018 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 vote by proxy by following the instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) 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, or a trustee or administrator of a retirement savings plan, retirement income fund, education savings plan or other similar savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (each, an "**Intermediary**"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, this 11th day of December, 2018.

By Order of the Board of Directors of

**TRENCHANT CAPITAL CORP.**

"Eric Boehnke"  
Eric Boehnke  
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 FORM OF PROXY AND PROMPTLY RETURN IT IN THE ENVELOPE PROVIDED.**

**TRENCHANT CAPITAL CORP.**  
Suite 1790 - 1066 West Hastings Street  
Vancouver, BC V6E 3X1  
Telephone: 604.307.4274

**INFORMATION CIRCULAR**  
**December 11, 2018**

**INTRODUCTION**

This information circular (the “**Information Circular**”) accompanies the notice of annual general and special meeting of shareholders (the “**Notice**”) of Trenchant Capital Corp. (the “**Company**”) and is furnished to shareholders (each, a “**Shareholder**”) holding common shares (the “**Shares**”) of 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 1:00 p.m. (Vancouver time) on Thursday, January 10, 2019 at the offices of Clark Wilson LLP, 900 - 885 West Georgia Street, Vancouver, British Columbia, or at any adjournment or postponement thereof.

**Date and Currency**

The date of this Information Circular is December 11, 2018. 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 to any of 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 who are NOBOs (as defined below), 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 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 November 27, 2018 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) OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.**

**A SHAREHOLDER MAY EXERCISE THIS RIGHT BY INSERTING THE NAME OF SUCH OTHER PERSON IN THE BLANK SPACE PROVIDED ON 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.**

The Shareholder may vote by mail, by telephone or via the Internet by following instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. The Chairman of the Meeting, in his sole discretion, may accept completed forms of proxy 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 anytime 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, (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 a Shareholder, 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 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 on the proxy. **The 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 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 SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.**

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. 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 Shares of a Shareholder on any matter, the 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.

### **ADVICE TO 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 Shares can be recognized and acted upon at the Meeting.** If Shares are listed in an account statement provided by a broker, then in almost all cases those Shares will not be registered in the Beneficial Shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the Beneficial Shareholder's broker or an agent of that broker. In the United States, the vast majority of such 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 Shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to names of all 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 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 Shares to be voted at the Meeting. If Beneficial Shareholders receive the voting instruction forms from Broadridge, they are requested to complete and return the voting instruction forms 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 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 Shares directly at the**

**Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the applicable Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his, her or its broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their 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, her or its broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his, her or its Shares.

Beneficial Shareholders consist of non-objecting beneficial owners and objecting beneficial owners. A non-objecting beneficial owner is a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators. An objecting beneficial owner means a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101.

The Company is sending proxy-related materials directly to non-objecting beneficial owners of the Shares. The Company will not pay for the delivery of proxy-related materials to objecting beneficial owners of the Shares. The objecting beneficial owners of the Shares will not receive the materials unless their intermediary assumes the costs of delivery.

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

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

The Company is authorized to issue an unlimited number of Shares without par value. As of the record date, determined by the board of directors of the Company (the "**Board**") to be the close of business on November 27, 2018, a total of 11,638,107 Shares were issued and outstanding. Each 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 directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares of the Company, other than as set forth below:

Name of Shareholder	Number of Shares Owned	Percentage of Outstanding Shares <sup>(1)</sup>
Erick Boehnke	4,958,293	42.60%
HCG5 Investment Limited Partnership	2,000,000	17.18%
Thomas English	2,047,500 <sup>(2)</sup>	17.59%

<sup>(1)</sup> Based on 11,638,107 Shares issued and outstanding as of November 27, 2018.

<sup>(2)</sup> 1,200,000 of these Shares are held in the name of PI Financial Corp. ITF Tom English

**RATIFICATION OF THE NUMBER OF DIRECTORS  
FOR THE FISCAL YEAR ENDED MARCH 31 2016**

At the Meeting, Shareholders will be asked to vote for the ratification of the setting of the number of directors of the Company at three (3) for the fiscal year ended March 31, 2016. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management recommends Shareholders vote for the ratification of the setting of the number of directors at three (3) for the fiscal year ended March 31, 2016.**

**RATIFICATION OF THE NUMBER OF DIRECTORS  
FOR THE FISCAL YEAR ENDED MARCH 31 2017**

At the Meeting, Shareholders will be asked to vote for the ratification of the setting of the number of directors of the Company at three (3) for the fiscal year ended March 31, 2017. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management recommends Shareholders vote for the ratification of the setting of the number of directors at three (3) for the fiscal year ended March 31, 2017.**

**NUMBER OF DIRECTORS**

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at three (3). An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management recommends the approval of setting the number of directors of the Company at three (3).**

**RATIFICATION OF THE ELECTION OF DIRECTORS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2016**

At the Meeting, Shareholders will be asked to vote for the ratification of the election of Eric Boehnke, John Legg and John Veltheer as directors of the Company for the fiscal year ended March 31, 2016. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management recommends Shareholders vote for the ratification of the election of Eric Boehnke, John Legg and John Veltheer as directors of the Company for the fiscal year ended March 31, 2016.**



**RATIFICATION OF THE ELECTION OF DIRECTORS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2017**

At the Meeting, Shareholders will be asked to vote for the ratification of the election of Eric Boehnke, John Legg and Thomas English as directors of the Company for the fiscal year ended March 31, 2017. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management recommends Shareholders vote for the ratification of the election of Eric Boehnke, John Legg and Thomas English as directors of the Company for the fiscal year ended March 31, 2017.**

**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.

Management of the Company proposes to nominate all of the current directors of the Company, as set out in the table below, for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>	Director Since	Number of Shares Owned <sup>(1)</sup>
Eric Boehnke <sup>(2)</sup> British Columbia, Canada  <i>Chief Executive Officer and Director</i>	Chief executive officer of the Company since May 26, 2014; President of Big Sky Management Ltd., a private company providing corporate finance and administrative management services, since 1996 and executive vice-chairman of Terrace Energy Corp., an oil and gas exploration company, since October 2013.	May 26, 2014	4,958,293
Thomas English <sup>(2)</sup> Ontario, Canada  <i>Director</i>	Director of the Company since May 25, 2016; president and chief executive officer of AC Group since February 2015; and co-head of institutional equity sales at Salman Partners from 2001 to February 2015.	May 25, 2016	2,047,500
Jennie Choboter British Columbia, Canada  <i>Director</i>	Chief Financial Officer of the Company since May 2014; and Chief Financial Officer of the British Columbia Innovation Council since December 2012.	December 10, 2018	Nil

<sup>(1)</sup> Information has been furnished by the respective nominees individually.

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

<sup>(3)</sup> Held by spouse.

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 Shares represented by proxies for the election of any other persons as directors.

**Management recommends the election of each of the nominees listed above as a director of the Company.**

### *Orders*

Except as disclosed below, 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 a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, 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.

In August 2015, when Eric Boehnke and Jennie Choboter were directors and/or officers of the Company, the British Columbia Securities Commission (the "BCSC") issued a cease trade order against the Company for failure to file its annual audited financial statements and management discussion and analysis for the year ended March 31, 2015, and trading in the Shares was halted by the TSX Venture Exchange (the "TSXV"). In January 2016, the BCSC issued a partial revocation order in respect of the cease trade order, pursuant to which the Company was permitted to undertake a \$600,000 private placement, in order to enable the Company to complete its delinquent filings. The BCSC revoked the cease trade order on April 25, 2016, when the outstanding filings were completed, and the TSXV reinstated trading in the Shares on the NEX board of the TSXV on May 3, 2016.

### *Bankruptcies*

To the best of management's knowledge, no proposed director of the Company is, or within ten (10) years before the date of this Information Circular, has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

### *Penalties and 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 Statement of Executive Compensation:

“**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, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, 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 or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof for each of the two most recently completed financial years, other than stock options and other compensation securities:

<b>Name and Position</b>	<b>Year</b>	<b>Salary, Consulting Fee, Retainer or Commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or Meeting Fees (\$)</b>	<b>Value of Perquisites<sup>(1)</sup> (\$)</b>	<b>Value of All Other Compensation (\$)</b>	<b>Total Compensation (\$)</b>
Eric Boehnke <sup>(2)</sup> <i>CEO and Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Jennie Choboter <sup>(3)</sup> <i>Secretary and CFO</i>	2018 2017	6,000 6,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	6,000 6,000
John Legg <sup>(4)</sup> <i>Director</i>	2018 2017	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Thomas English <sup>(5)</sup> <i>Director</i>	2018 2017	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

- (1) “Perquisites” include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director’s total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director’s salary for the financial year if the NEO or director’s total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director’s total salary for the financial year is \$500,000 or greater.
- (2) Eric Boehnke has been the CEO and a director of the Company since May 26, 2014.
- (3) Jennie Choboter has been the CFO and Secretary of the Company since May 26, 2014 and a director of the Company since December 10, 2018.
- (4) John Legg has been a director of the Company since May 26, 2014.
- (5) Thomas English has been a director of the Company since May 25, 2016.

### Stock Options and Other Compensation Securities

The Company did not grant or issue any compensation securities to any director or NEO in the financial year ended March 31, 2018. As at March 31, 2018 none of the NEOs and directors owned any compensation securities.

### Stock Option Plans and Other Incentive Plans

The Company’s current stock option plan (the “**Plan**”), which it adopted in 2010, is a “rolling” stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. The Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase Shares. As at November 27, 2018, there were no options outstanding under the Plan. The Shareholders ratified the Plan at the Company’s annual general and special meeting held on February 24, 2016.

For additional details regarding the terms of the Plan, see below under the heading “Ratification of Stock Option Plan”.

### Employment, Consulting and Management Agreements

The Company is not party to any formal employment, consulting or management agreements with respect to any NEOs or directors.

### Oversight and Description of Director and NEO Compensation

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for performance philosophy.

Compensation for this financial year and prior financial years has historically been based upon a negotiated salary, with stock options and bonuses potentially being issued and paid as an incentive for performance.

As the Company does not have a compensation committee, the Board has the responsibility to administer compensation policies related to the executive management, being the CEO, the CFO and the Secretary, including the grant of compensation securities.

In the future, the Company may grant stock options under the Plan. A determination to make such a grant may take into account the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of the Company, as well as the number of stock options, if any, previously granted to each executive officer, and the exercise price of any outstanding stock options, to ensure that such grants are in accordance with the policies of the TSXV, and to align the interests of the executive officers with the interests of the Shareholders.

The Board has not adopted any specific policies or practices to determine the compensation for the Company's directors and officers, other than as disclosed above. Given the Company's current stage of development, the Company has not established a compensation committee.

### 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

The following table sets forth details of the Plan, being the Company's only equity compensation plan, as of March 31, 2018. The Plan was most recently ratified and approved by the Shareholders at its last annual general and special meeting on February 24, 2016.

Plan Category	Number of shares to be issued upon exercise of outstanding options <sup>(1)</sup>	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(2)</sup>
Equity compensation plans approved by Shareholders	Nil <sup>(2)</sup>	\$Nil	1,153,588
Equity compensation plans not approved by Shareholders	Nil	N/A	N/A
<b>Total</b>	<b>Nil</b>	<b>\$Nil</b>	<b>1,153,588</b>

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

<sup>(2)</sup> The Plan is a rolling stock option plan under which the Company can issue such number of options as is equal to 10% of the Company's issued and outstanding Shares from time to time. As of November 27, 2018, there were 11,638,107 Shares outstanding and the Company could issue up to 1,163,810 options to acquire Shares on such date.

A copy of the Plan is attached as Schedule "A" to the Company's management information circular dated August 8, 2011, which was filed under the Company's profile on SEDAR on August 15, 2011 and is available at [www.sedar.com](http://www.sedar.com). A copy of the Plan is also available for review at the office of the Company,

Suite 1790 – 1066 West Hastings Street, Vancouver, BC V6E 3X1, during normal business hours up to and including the date of the Meeting.

See “Particulars Of Matters To Be Acted Upon – Ratification of Stock Option Plan”, below.

#### **RATIFICATION OF APPOINTMENT OF AUDITOR**

##### **Ratification of Appointment of Auditor for the year ended March 31, 2017**

At the Meeting, Shareholders will be asked to vote for the ratification of the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, to serve as auditor of the Company for the Company’s fiscal year ended March 31, 2017, at a remuneration to be fixed by the Board.

**Management recommends Shareholders vote for the ratification of the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the Company’s auditors for the Company’s fiscal year ended March 31, 2017 at a remuneration to be fixed by the Board.**

##### **Ratification of Appointment of Auditor for the year ended March 31, 2018**

At the Meeting, Shareholders will be asked to vote for the ratification of the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, to serve as auditor of the Company for the Company’s fiscal year ended March 31, 2018, at a remuneration to be fixed by the Board.

**Management recommends Shareholders vote for the ratification of the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the Company’s auditors for the Company’s fiscal year ended March 31, 2018 at a remuneration to be fixed by the Board.**

#### **APPOINTMENT OF AUDITOR**

At the Meeting, Shareholders will be asked to pass an ordinary resolution to appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants as auditors of the Company for the fiscal year ending March 31, 2019, and to authorize the directors of the Company to fix the remuneration to be to be paid to the auditors for the fiscal year ending March 31, 2019. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management recommends that Shareholders vote for the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants as the Company’s auditors for the Company’s fiscal year ending March 31, 2019 and the authorization of the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending March 31, 2019.**

#### **AUDIT COMMITTEE DISCLOSURE**

Under National Instrument 52-110 *Audit Committees* (“NI 52-110”), a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to its audit committee (the “**Audit Committee**”):

## **The Audit Committee Charter**

The full text of the Company's audit committee charter (the "**Audit Committee Charter**") is as follows:

### **1. MANDATE**

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

### **2. COMPOSITION**

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

#### *2.1 Independence*

A majority of the members of the audit committee must be "independent" (as defined in Sec. 1.4 of National Instrument 52-110 (Audit Committees)) ("**NI 52-110**").

#### *2.2 Expertise of Committee Members*

A majority of the members of the audit committee must be "financially literate" (as defined in Sec. 1.6 of NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise.

### **3. MEETINGS**

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

### **4. ROLES AND RESPONSIBILITIES**

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

#### *4.1 External Audit*

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

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Company;

- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors;
- (e) review and confirm the independence of the external auditors by reviewing the nonaudit services provided and the external auditors' assertion of their independence in accordance with professional standards; and
- (f) review and approve the Company's hiring policies regarding partners and employees, and former partners and employees, of the present and former external auditor of the Company.

#### 4.2 *Internal Control*

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

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

#### 4.3 *Financial Reporting*

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

##### *General*

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

##### *Annual Financial Statements*

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



*Interim Financial Statements*

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

*Release of Financial Information*

- (a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public. An audit committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and must periodically assess the adequacy of those procedures.

4.4 *Non-Audit Services*

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

*Delegation of Authority*

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

*De-Minimis Non-Audit Services*

- (a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
  - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

*Pre-Approval Policies and Procedures*

- (a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;

- (ii) the audit committee is informed of each non-audit service; and
- (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

#### 4.5 *Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

#### 4.6 *Reporting Responsibilities*

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

### **5. RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE**

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

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

### **6. GUIDANCE - ROLES & RESPONSIBILITIES**

The audit committee should consider undertaking the actions described in the following guidance, which is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

## 6.1 *Internal Control*

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

## 6.2 *Financial Reporting*

### *General*

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

### *Annual Financial Statements*

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

### *Interim Financial Statements*

- (a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and

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

### 6.3 *Compliance with Laws and Regulations*

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

### 6.4 *Other Responsibilities*

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

### **Composition of the Audit Committee**

The Company's Audit Committee is comprised of three directors consisting of Eric Boehnke, John Legg and Thomas English. As defined in NI 52-110, Mr. Boehnke, the Company's CEO, is not "independent", as he is an executive officer of the Company, and Messrs. Legg and English are independent. All of the Audit Committee members are "financially literate", as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right, at all times, to inspect all the books and financial records of the Company and any subsidiaries and

to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

### **Relevant Education and Experience**

The following sets out the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member and that provides each member with: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting:

Eric Boehnke is the Executive Vice-Chairman, director and former CEO of Terrace Energy Corp., a TSXV listed oil and gas exploration and production company with projects in the United States. He has served as director and on the audit committees of a number of Toronto Stock Exchange and TSXV listed companies. Mr. Boehnke is also the President and a director of Big Sky Management Ltd., a private company principally involved with providing corporate finance services to private and public companies.

John Legg has over 20 years' experience with public resource companies. Mr. Legg began his career as a securities lawyer in private practice, advising companies in natural resources, securities and corporate finance law. From 2007 to 2009, Mr. Legg served as Executive Vice-President of Zacoro Metals Corp., a private mining company operating in Mexico, and from 2009 to 2012 he serviced as President of Golden Predator Corp., a Toronto Stock Exchange listed gold exploration and development company with assets in the United States, Canada and Mexico. Mr. Legg has also served as a director and audit committee member of a number of Toronto Stock Exchange and TSXV listed companies, including Silver Predator Corp., Wolfpack Gold Corp. (formerly Tigris Uranium Corp.) and Redtail Metals Corp. Mr. Legg holds a BA from the University of British Columbia and a JD from Dalhousie Law School.

Mr. English has over 20 years of experience in the financial industry and has held numerous senior roles at investment banks including CIBC and Salman Partners. Mr. English has provided financial solutions for both small and large cap companies across all business sectors. During his career, he has been involved in various capital transactions, including financings (debt, equity, IPO) and mergers and acquisition advisory assignments in Canada, South America and the United States. Mr. English holds a Bachelor of Arts from the University of Western Ontario.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-

approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Company's Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of National Instrument 52-110 in whole or in part.

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

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case-by-case basis.

### **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, by category, are as follows:

<b>Year Ended March 31</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2018	\$20,400	\$Nil	\$3,350	\$17,500
2017	\$8,000	\$Nil	\$1,500	\$Nil

### **Exemption**

The Company is relying on the exemption provided by section 6.1 of National Instrument 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 National Instrument 52-110.

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

No current or former director, executive officer, proposed nominee for election to the Board, or associate of such persons is, or at any time since the beginning of the Company's most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

No indebtedness of current or former director, executive officer, proposed nominee for election to the Board, or associate of such person is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both, carrying more than ten percent of the voting rights attached to the Shares outstanding (an “**Insider**”); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Shares.

## MANAGEMENT CONTRACTS

There were no management functions of the Company, which were, to any substantial degree, performed by a person other than the directors or executive officers of the Company, except as otherwise described in this Information Circular.

## CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices as follows:

### **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 four directors, consisting of Eric Boehnke, John Legg, Thomas English and Jennie Choboter. 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. The majority of the Board members are independent. Eric Boehnke is not independent as he is the CEO of the Company.

The Company has not developed written position descriptions for the chair and the chair of each board committee. The Board and CEO have not developed a written position description for the CEO. The directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The independent directors are able to meet at any time without any members of management including the non-independent directors being present. The Board expects management to operate the business of the Company with a high level of integrity. Management is expected to execute the Company’s business plan and to meet performance goals and objectives.

### **Directorships**

Certain directors of the Company are currently also directors of other reporting issuers, as described in the table below:

Name of Director of the Company	Names of Other Reporting Issuers
Eric Boehnke	Terrace Energy Corp. (TSXV)
Thomas English	Vogogo Inc. (TSXV)

### **Orientation and Continuing Education**

New directors to the Board are provided with access to recent publicly filed documents of the Company, all reports and the Company's internal financial information, access to management, experts and consultants, and a summary of significant corporate and securities responsibilities.

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

### **Ethical Business Conduct**

The Board 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 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.

### **Compensation**

Members of the Board are not currently compensated for their services as directors. In the event that such compensation is to be paid, it is expected that the Board as a whole will be responsible for determining compensation and that individual directors will abstain from voting in respect of compensation proposed to be paid to themselves.

### **Other Board Committees**

The Board has no other 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 disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, nor any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors and the grant of options which may be granted to such persons upon the approval of the Plan, as further discussed below.

Directors, executive officers, proposed nominees for election as director of the Company may be interested in the approval of the Plan, pursuant to which they may be granted stock options. See "Particulars of Matters to be Acted Upon - Ratification of Stock Option Plan", below, for more information.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Ratification of Stock Option Plan

The Plan is a "rolling" stock option plan, whereby the maximum number of Shares that may be reserved for issuance pursuant to the exercise of options is 10% of the issued shares of the Company and, as such, will increase with the issue of additional shares of the Company. The TSXV requires listed companies that have a "rolling" stock option plan in place to receive shareholder approval of such plan on a yearly basis at the company's annual meeting. Accordingly, Shareholders of the Company will be asked at the Meeting to ratify and approve the Plan. The Plan complies with the current policies of TSXV for Tier 2 issuers.

The purpose of the Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company to acquire Shares, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of their affairs. The Company has no equity incentive plans other than the Plan at this time. The size of stock option grants to is dependent on each option holder's level of responsibility, authority and importance to the Company and the degree to which such person's long-term contribution to the Company will be significant to its long-term success.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan, which is attached as Schedule "A" to the Company's management information circular dated August 8, 2011, which was filed under the Company's profile on SEDAR on August 15, 2011 and is available at [www.sedar.com](http://www.sedar.com):

- (1) The maximum number of shares that may be issued upon the exercise of stock options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Company at the time of grant.
- (2) The exercise price of any stock options granted under the Plan, as determined by the Board in its sole discretion, shall be not less than the closing price of the Company's common shares traded through the facilities of the TSXV on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the TSXV or, if the shares are no longer listed for trading on the TSXV, then such other exchange or quotation system on which the shares are listed or quoted for trading.

- (3) The Board shall not grant options to any one person in any 12 month period which will, when exercised, exceed 5% of the number of issued and outstanding shares of the Company unless the Company has obtained the requisite disinterested shareholder approval to the grant.
- (4) The Board shall not grant options in any 12 month period to any one consultant, or to those persons employed by the Company who perform investor relations services, which will, when exercised, exceed or 2% of the number of issued and outstanding shares of the Company.
- (5) If any stock option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares in respect of which such stock option expired or terminated shall again be available for grant under the Plan.
- (6) All options granted under the Plan may not have an expiry date exceeding five years from the date on which the board of directors grant and announce the granting of the option.
- (7) If an option holder ceases to be a director, employee or consultant of the Company other than by reason of death, then the exercisable options held by such option holders shall expire on the 90th day following the date the option holder ceases to provide services to the Company, except that, in the case of an option holder who is engaged in investor relations activities on behalf of the Company, this 90 day period will be shortened to 30 days.
- (8) The expiry date of options granted under the Plan may not to exceed the maximum period permitted by any stock exchange on which the Shares are then listed or other regulatory body having jurisdiction, which maximum expiry period is presently 10 years from the date the option is granted.
- (9) If an option holder dies, the option holder's lawful personal representatives, heirs or executors may exercise any option granted to the option holder that had vested and was exercisable on the date of death until the earlier of the expiry date and one year after the date of death of the option holder.
- (10) Options granted under the Plan shall not be assignable or transferable by an option holder.
- (11) The Board may from time to time, subject to regulatory or Shareholder approval if required, amend or revise the terms of the Plan.

The Plan provides that other terms and conditions may be attached to a particular stock option grant at the discretion of the Board.

As of November 27, 2018, there were no stock options outstanding.

Upon request, the Company will promptly provide a copy of the Plan free of charge to a Shareholder. A Shareholder may contact the Company at its office at Suite 1790 - 1066 West Hastings Street, Vancouver, BC V6E 3X1, to request a copy.

### **Ratification of Stock Option Plan for Fiscal Year Ended March 31, 2016**

At the Meeting, Shareholders will be asked to vote for the ratification of the approval of the Plan for the fiscal year ended March 31, 2016.

**Management recommends Shareholders vote for the ratification of the Plan for the fiscal year ended March 31, 2016.**

### **Ratification of Stock Option Plan for Fiscal Year Ended March 31, 2017**

At the Meeting, Shareholders will be asked to vote for the ratification of the approval of the Plan for the fiscal year ended March 31, 2017.

**Management recommends Shareholders vote for the ratification of the Plan for the fiscal year ended March 31, 2017.**

### **Ratification of Stock Option Plan for Fiscal Year Ended March 31, 2018**

At the Meeting, Shareholders will be asked to approve the following ordinary resolution (the "**Plan Resolution**"), which must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the Plan Resolution:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION THAT:

1. The Company's Stock Option Plan (the "**Plan**") described in the Company's information circular dated November 27, 2018, including the reservation for issuance under the Plan at any time of a maximum of 10% of the issued common shares of the Company, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Plan by the TSX Venture Exchange (the "**Exchange**");
2. The Board be authorized in its absolute discretion to administer the Plan and amend or modify the Plan in accordance with its terms and conditions and with the policies of the Exchange; and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Plan."

The form of the Plan Resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the Plan Resolution.

**Management of the Company recommends that Shareholders vote in favour of the Plan Resolution at the Meeting.**

### **Ratification of holding of 2018 Meeting outside the required time**

Pursuant to the Business Corporations Act (*British Columbia*) (the "**BCABC**"), a company is required to hold its annual general meeting not more than 15 months after the date of its last annual general meeting

and at least once in each calendar year. The Company failed to hold an annual general meeting for 2016 and 2017 and obtained an Order Made After Application on December 12, 2017, stating that the consequences in law of the failure of the Company to waive or hold annual general meetings for 2016 and 2017 be negated and the need for such annual general meetings be dispensed with. The Company is asking for ratification of the appointment of auditors, the setting of the number of director, the election of directors and the ratification of the Plan for 2016 and 2017 at the Meeting.

Pursuant to the BCABC, the Company was required to hold its annual general meeting for 2018 on or before December 31, 2018. The Company was unable to hold its annual general meeting for 2018. As a result, at the Meeting, Shareholders will be asked to vote for the ratification of the holding of the Meeting on January 10, 2019, which is outside the required time limit.

**Management recommends Shareholders vote for the ratification of the holding of the Meeting on January 10, 2019.**

#### **ADDITIONAL INFORMATION**

Shareholders may contact the Company at its office by mail at Suite 1790 - 1066 West Hastings Street, Vancouver, BC V6E 3X1, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "MD&A"). Financial information is provided in the Company's audited financial statements and MD&A for the most recently completed financial year and in the financial statements and MD&A for subsequent financial periods, which are available on SEDAR.

#### **OTHER MATTERS**

Other than the above, management of the Company know of no other matters to come before the Meeting other than those referred to in the Notice. If any other matters that are not currently known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the Designated Persons named therein to vote on such matters in accordance with their best judgment.

#### **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 Vancouver, British Columbia this 11<sup>th</sup> day of December, 2018.

**ON BEHALF OF THE BOARD OF DIRECTORS OF**

**TRENCHANT CAPITAL CORP.**

*"Eric Boehnke"*

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Eric Boehnke  
Chief Executive Officer and Director