

KR INVESTMENT LTD.
Suite 1601 - 1166 Alberni Street
Vancouver, BC V6E 3Z3

INFORMATION CIRCULAR

INFORMATION PROVIDED AS AT APRIL 2, 2013 FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 7, 2013 (THE "MEETING").

This Information Circular is furnished in connection with the solicitation of proxies by management of KR Investment Ltd. ("KR") for use at the Meeting (or any adjournment thereof), at the time and place and for the purposes set forth in the Notice of Meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally or by telephone by directors, officers or arms-length third parties appointed by KR. Management is unable at this time to accurately estimate what the cost of such solicitation may be.

All costs of this solicitation will be borne by KR.

KR will also pay the broker-dealers, banks or other nominee members of record of KR their reasonable expenses in mailing copies of the foregoing material to beneficial owners of shares.

All dollar amounts in this Information Circular are in Canadian currency unless otherwise specified.

RECORD DATE

KR's directors have set April 2, 2013 as the record date for determining which shareholders shall be entitled to receive notice of the Meeting. Only shareholders of record at the close of business on April 2, 2013, who either attend the meeting personally or complete and deliver the Form of Proxy in the manner and subject to the provisions discussed below, will be entitled to vote or to have their shares voted at the Meeting.

APPOINTMENT OF PROXYHOLDERS AND REVOCATION OF PROXIES

The persons named in the Form of Proxy as proxyholders are directors of KR. **A shareholder desiring to appoint some other person (who need not be a shareholder) to represent him or her at the Meeting may do so, either by striking out the printed names and inserting the desired person's name in the blank space provided in the Form of Proxy or by completing another proper form of proxy.** In either case, the completed proxy must be delivered to the office of Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding Saturdays and holidays) before the time fixed or any adjournment thereof at which the Proxy is to be used.

A shareholder who has given a proxy may revoke it by an instrument in writing, duly executed by the shareholder or where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation and delivered to KR's registered office, Suite 300 – 576 Seymour Street, Vancouver BC V6B 3K1, at any time up to and including the last business day that precedes the day of the Meeting or, if adjourned, the day that precedes any reconvening thereof, or to the Chairman of the Meeting, on the day

of the Meeting or, if adjourned, any reconvening thereof, or in any manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken before the revocation.

VOTING OF PROXIES

If the Form of Proxy is completed, signed and delivered as prescribed above, the persons named as proxyholders in the Form of Proxy will vote or withhold from voting the shares in respect of which they are appointed in accordance with the instructions of the shareholder appointing them. The Form of Proxy confers discretionary authority upon the proxyholders with respect to all other matters or variations to matters which may properly come before the Meeting or an adjournment thereof. As of the date of this Information Circular, KR knows of no such amendments, variations or other matters to come before the Meeting, other than matters referred to in the Notice of Meeting; however, if other matters should properly come before the Meeting, the Form of Proxy will be voted on such matters in accordance with the best judgement of the person or persons voting the Proxy.

If no choice is specified by a shareholder in the Form of Proxy with respect to a matter identified in the Form of Proxy or any amendment or variations to such matters, it is intended that the person designated by management in the Form of Proxy will vote the shares therein represented in favour of each matter identified on the Form of Proxy and for the nominees of management for directors and auditors.

BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many shareholders as a substantial number of shareholders do not hold common shares in their own name. Shareholders who do not hold their shares in their own name ("Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of KR 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 Beneficial Shareholder by a broker, then in almost all cases those common shares will not be registered in the Beneficial Shareholder's name on the records of KR. Such common shares will more likely be registered under the name 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). Common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholders. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

Applicable regulatory policies require 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. Often 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 KR. 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 Investor Communication Services ("Broadridge"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting

instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of common shares must be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted.**

This Information Circular and accompanying materials are being sent to both registered shareholders and 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 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.**

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at April 2, 2013, there were a total of 24,100,000 common shares outstanding. Each common share entitles the holder thereof to one vote.

To the knowledge of KR's directors and executive officers the only person or company who beneficially owns, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to KR's issued and outstanding common shares are as follows:

Name	No. of Common Shares Owned	Percent of Class⁽¹⁾
Chung Keung (Steve) Loo	4,400,000	18.26%

(1) The percentage is determined based on the number of outstanding common shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed in this Information Circular, no director, executive officer, proposed management nominee, or any associate or affiliate thereof has any material interest, direct or indirect, by way of beneficial ownership of shares of KR or otherwise in the matters to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

FIXING THE SIZE OF THE BOARD OF DIRECTORS

It is intended that the size of the board of directors be established at six (6). This requires the approval of the shareholders of KR by an ordinary resolution which approval will be sought at the Meeting.

APPOINTMENT OF AUDITORS

KR first appointed Manning Elliott LLP, Chartered Accountants, as auditors of KR on September 15, 2010. The persons named as proxyholders in the Form of Proxy intend to vote for the

continued appointment of Manning Elliott LLP, Chartered Accountants, as KR's auditors until the next annual general meeting at a remuneration to be fixed by the Board.

ELECTION OF DIRECTORS

At the Meeting, shareholders will be called upon to elect four (4) directors for the ensuing year or until their successors are duly elected or appointed, unless the director's office is earlier vacated in accordance with the Articles of KR, or unless he becomes disqualified to act as a director. While management does not contemplate that any of its nominees will be unable to serve as a director, if any management nominee should become unavailable, the Form of Proxy will be voted for substitute nominees as may be nominated by management. Set forth below is information regarding each management nominee for election at the Meeting as a director of KR:

Name and Present Position with KR and Residence	Principal Occupation or Employment and, if not an Elected Director, Occupation During the Past Five Years	Director Since	Approximate Number of Shares Beneficially Owned Directly or Indirectly as of April 2, 2012⁽²⁾
S. John Kim ⁽¹⁾ British Columbia Canada <i>Chief Executive Officer, Secretary and Director</i>	Chief Financial Officer of Mount Dakota Energy Corp.; Director of Global Key Investment Limited.	August 4, 2010	600,000
Chung Keung (Steve) Loo Hong Kong <i>Chief Financial Officer and Director</i>	General Manager of Global Key Investment Limited (Hong Kong) since 1996.	March 27, 2013	4,400,000
Vinod Kumar ⁽¹⁾ Ontario Canada <i>Director</i>	Professor at Eric Sprott School of Business, Carleton University.	March 27, 2013	200,000
Quinton Rafuse ⁽¹⁾ Alberta Canada <i>Director</i>	Managing Director of Agilis360, a technical advisory firm specializing in business development for oil and gas clients worldwide.	March 27, 2013	Nil

⁽¹⁾ Member of the audit committee.

⁽²⁾ Based upon information provided by the Directors.

KR does not have a compensation committee nor an executive committee of the Board.

STATEMENT OF CORPORATE GOVERNANCE

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all companies to provide certain annual disclosure of their 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 KR in adopting its corporate governance practices. KR's approach to corporate governance is set out below.

Board of Directors

As at April 2, 2013, KR's Board consists of four (4) directors: S. John Kim, Chung Keung (Steve) Loo, Vinod Kumar and Quinton Rafuse.

The Guidelines suggest that the board of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under section 1.4 of NI 52-110. A director is independent if the individual has no direct or indirect material relationship with KR which could, in the view of KR's Board, be reasonably expected to interfere with the exercise of a director's independent judgment whether on the Board or a committee of the Board. Notwithstanding the foregoing, an individual who is, or has been within the last three years, an employee or executive officer of KR is considered to have a material relationship with KR.

The following members of the Board are independent: Vinod Kumar and Quinton Rafuse. The following members are not independent: S. John Kim and Chung Keung (Steve) Loo as they are the Chief Executive Officer and Chief Financial Officer, respectively, of KR.

Directorships

The following table sets forth the directors of KR who currently serve as directors of other reporting issuers:

Name of Director	Other Reporting Issuers
S. John Kim	Global Key Investment Limited Mount Dakota Energy Corp.

Orientation and Continuing Education

KR does not have a formal orientation and education program for new directors; however, any new directors will be given the opportunity to familiarize themselves with KR's operations and the current directors and members of management. Directors are also encouraged and given the opportunity for continuing education.

Ethical Business Conduct

The Board has not yet adopted a formal written Code of Business Conduct and Ethics. In recruiting new board members, the Board considers only persons with a demonstrated record of ethical business conduct.

Nomination of Directors

The Board is responsible for selecting any new nominees to the Board, although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the Chief Executive Officer. The Board monitors, but does not formally assess, the performance of individual Board members or committee members or their contributions.

Compensation Committee

The Board has not, to date, constituted a compensation committee.

Other Board Committees

KR does not have any standing committees other than the Audit Committee. For details on the Audit Committee please refer to the “Audit Committee” section.

Assessments

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on KR’s size, stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The entire Board is responsible for selecting new directors and assessing current directors. A proposed director’s credentials are reviewed in advance of a Board meeting by one or more members of the Board prior to the proposed director’s nomination.

STATEMENT OF EXECUTIVE COMPENSATION

Other than as disclosed under the heading “Director Compensation” below, KR has not paid any compensation for services to any of the individuals serving as the Chief Executive Officer and the Chief Financial Officer (the “Named Executive Officers”) or to any other executive officers of KR for the year ended August 31, 2012. For the year ended August 31, 2012, KR’s Named Executive Officer was Ki Bong Cho, the former Chief Executive Officer and Chief Financial Officer of KR.

Compensation Discussion and Analysis

KR relies solely on board discussion to determine compensation paid to executives and directors, without any formal objectives, criteria or analysis.

The long-term incentive program is intended to align the interests of the Named Executive Officer, directors, consultants and employees with those of KR's shareholders over the longer term and to provide a retention incentive for each Named Executive Officer. This component of the compensation package consists of grants of options to purchase common shares (“Options”) as permitted under the Stock Option Plan and applicable stock exchange rules. Numerous factors are taken into consideration by the Board of Directors in determining grants of Options, including: a review of the previous grants (including value both at the current share prices and potential future prices), the remaining time to expiry, overall corporate performance, share price performance, the business environment and the role and performance of the individual in question.

During the year ended August 31, 2012, no stock options were granted to directors of KR.

Summary Compensation Table

The following table sets forth a summary of all compensation paid during the years ended August 31, 2011 and August 31, 2012 to the Named Executive Officer.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Ki Bong Cho, former CEO / CFO ⁽¹⁾	2012	Nil	Nil	\$Nil	Nil	Nil	Nil	Nil	\$Nil
	2011	Nil	Nil	\$18,301 ⁽²⁾	Nil	Nil	Nil	Nil	\$18,301

⁽¹⁾ Mr. Cho resigned as the CEO, CFO, Secretary and a director of KR on March 27, 2013. On March 27, 2013, S. John Kim was appointed CEO and Secretary and Chung Keung (Steve) Loo was appointed CFO.

⁽²⁾ The 2011 option-based awards dollar amount was calculated using the Black-Scholes model which included assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of KR's common shares and expected life of the options. During the financial year ended August 31, 2011, Mr. Cho was granted 200,000 stock options exercisable at a price of \$0.10 per share until March 29, 2021. During the financial year ended August 31, 2012, no stock options were granted to Mr. Cho.

Incentive Plan Awards

The following table sets forth information in respect of all outstanding share-based awards and option-based awards outstanding by KR to the Named Executive Officer at the end of KR's most recently completed financial year ended August 31, 2012.

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (m/d/y)	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (#)
Ki Bong Cho former CEO / CFO	200,000	\$0.10	03/29/21 ⁽²⁾	\$10,000	N/A	N/A

(1) The "Value of unexercised in-the-money options" is calculated on the basis of the difference between the closing price of KR's common shares on the TSX Venture Exchange on August 31, 2012 and the Exercise Price of the options. The closing price of KR's common shares on the TSX Venture Exchange on August 31, 2012, the last day of the fiscal year on which KR's shares traded was \$0.15.

(2) Mr. Cho resigned as a director and officer of KR on March 27, 2013 and, as a result, his options will expire in accordance with the terms of the Stock Option Plan.

Pension Plan Benefits

KR does not have a pension plan or provide any benefits following or in connection with retirement.

Termination and Change of Control Benefits

KR does not have any contracts, agreements, plans or arrangements that provides for payment to an NEO at, following or in connection with any termination, resignation, retirement, a change in control of KR or a change in an NEO's responsibilities.

Director Compensation

Other than incentive stock options granted from time to time, no compensation has been paid, awarded or granted by KR to the directors for their services as directors during the most recently completed financial year. From time to time, directors may be retained as consultants or experts to provide specific services to KR and will be compensated on a normal commercial basis for such services. Directors and officers have been and may be granted stock options from time to time. KR's management functions are substantially performed by KR's directors or senior officers (or private companies controlled by them, either directly or indirectly) and not by any other person with whom KR has contracted.

The following table sets forth all amounts of compensation provided to each of KR's directors other than the director who is also the Named Executive Officer, for the financial year ended August 31, 2012.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
S. John Kim	Nil	Nil	Nil	Nil	N/A	Nil	\$Nil
Tristin R. Lee ⁽¹⁾	Nil	Nil	Nil	Nil	N/A	Nil	\$Nil

⁽¹⁾ Ms. Lee resigned as a director on March 27, 2013.

The following table sets forth for each of KR's directors other than directors who are also Named Executive Officers, all option-based awards and share-based awards outstanding at the end of the year ended August 31, 2012.

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (m/d/y)	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (#)
S. John Kim	100,000	\$0.10	03/29/21	5,000	N/A	N/A
Tristin R. Lee ⁽²⁾	100,000	\$0.10	03/29/21	5,000	N/A	N/A

⁽¹⁾ The "Value of unexercised in-the-money options" is calculated on the basis of the difference between the closing price of KR's common shares on the TSX Venture Exchange on August 31, 2012 and the Exercise Price of the options. The closing price of KR's common shares on the TSX Venture Exchange on August 31, 2012, the last day of the fiscal year on which KR's shares traded was \$0.15.

- (2) Ms. Lee resigned as a director of KR on March 27, 2013 and, as a result, her options will expire in accordance with the terms of the Stock Option Plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which KR currently has in place is the stock option plan originally approved by the directors on September 15, 2010 (the “Stock Option Plan”) and re-confirmed by the shareholders at the annual general meeting held on February 9, 2012, a copy of which is attached hereto as Schedule “C”. See “Particulars Of Other Matters To Be Acted Upon – Stock Option Plan”. The following table sets out, as of the end of KR’s financial year ended August 31, 2012, all information required with respect to compensation plans under which equity securities of KR are authorized for issuance:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by securityholders	400,000 ⁽¹⁾	\$0.10	200,000 ⁽²⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	400,000	\$0.10	200,000

(1) Options outstanding which have been granted pursuant to KR’s Stock Option Plan.

(2) KR currently has a “rolling” Stock Option Plan. The aggregate number of common shares reserved for issuance is a maximum of 10% of the issued and outstanding share capital of KR as at the date of grant. As at August 31, 2012, 200,000 options remain available for issuance.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the executive officers, directors, employees and former executive officers, directors and employees of KR had amounts outstanding as at April 2, 2013 in connection with (a) a purchase of securities; and (b) all other indebtedness.

No person who is, or at any time during the most recently completed financial year was, a director or executive officer of KR, a proposed nominee for election as a director of KR, or an associate of any of the foregoing individuals, has been indebted to KR at any time since the commencement of KR’s last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein or in the Financial Statements, no informed person of KR, any proposed director of KR, or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction since the commencement of KR’s most recently completed

financial year or in any proposed transaction which has materially affected or would materially affect KR. An “informed person” means a director or executive officer of a reporting issuer; a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; any person or company who beneficially owns, directly or indirectly, voting shares of a reporting issuer or who exercises control or direction over shares of the reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer; and a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it hold any of its securities.

MANAGEMENT CONTRACTS

No management functions of KR are to any substantial degree performed by a person other than its directors or senior officers.

AUDIT COMMITTEE

The Audit Committee’s Charter

A copy of KR’s Audit Committee Charter is attached as Schedule “B” to this Information Circular.

Composition of the Audit Committee

The following individuals are currently the members of the Committee:

	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
S. John Kim	N	Y
Vinod Kumar	Y	Y
Quinton Rafuse	Y	Y

⁽¹⁾ As defined by National Instrument 52-110 (“NI 52-110”).

KR is relying on the exemption provided under Section 6.1 of NI 52–110 for venture issuers which exempts venture issuers from the requirements of Part 3 (Audit Committee Composition) and Part 5 (*Reporting Obligations*) of NI 52-110. Part 5 requires that if management of an issuer solicits proxies from the shareholders for the purpose of electing directors, the issuer must include a cross-reference to the issuer’s AIF that contains additional information about the qualifications of its directors. KR has not filed an AIF.

Relevant Education and Experience

Mr. Kim has been involved as a director and/or officer of reporting issuers since 1994. He has participated in initial public offerings, reverse takeovers and numerous public and private equity financings. In addition, he is a member of the audit committee of Mount Dakota Energy Corp., a company listed on the Exchange. Mr. Kim has attained financial literacy as a result of his extensive experience with reporting issuers and has gained a thorough understanding of financial statements and the audit process.

Mr. Kumar earned a Masters degree in Engineering from the University of California at Berkeley and a Ph.D from the University of Manitoba. Mr. Kumar is a professor of Technology and Operations Management at the Sprott School of Business at Carleton University and has provided consulting services

to various private and Canadian Crown corporations. Mr. Kumar is financially literate based upon his academic background and his experience as a private business consultant.

Mr. Rafuse is a petroleum geologist with over 15 years' experience in the oil and gas industry. He is currently Managing Director of Agilis360, a technical advisory firm specializing in business development for oil and gas entities worldwide. He has held technical and executive positions with various domestic and international oil and gas operators including, Encana Corporation, Ember Resources, East West Petroleum (formerly, Avere Energy) and Sonoro Energy. Mr. Rafuse earned a Bachelor of Science (Geology) degree from the University of Calgary. Mr. Rafuse is financially literate based upon his background and experience as a director and senior officer with other reporting issuers.

Each audit committee member has had extensive experience reviewing financial statements. Each member has an understanding of KR's business and has an appreciation for the relevant accounting principles for that business.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of KR's most recently completed financial year has KR 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 Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

External Auditor Service Fees (By Category)

The aggregate fees billed by KR's external auditors in the last fiscal year for audit service fees are as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees
August 31, 2012	\$7,500	\$Nil	\$4,500	Nil
August 31, 2011	\$11,500	\$5,000	Nil	Nil

(1) "Audit Fees" include fees necessary to perform the annual audit of KR's financial statements and fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit fees also include audit or other attest services required by legislation or regulation.

(2) The "audit related fees" were incurred for the auditor's review of KR's preliminary and final prospectus, as well as the preparation and issuance of various letters in connection with KR's initial public offering.

(3) "Tax fees" include preparation and filing of KR's corporation tax return for the financial year ended August 31, 2012.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Stock Option Plan

The purpose of KR's stock option plan (the "Stock Option Plan") is to encourage ownership of the common shares of KR by persons ("Eligible Persons") who are directors, senior officers and Employees of, as well as Consultants and employees of management companies providing services to, KR. Given the competitive environment in which KR operates its business, the Stock Option Plan will assist it to attract and retain valued directors, senior officers, Employees, Consultants and management company employees.

The aggregate number of KR's common shares reserved for issuance under the Stock Option Plan is a maximum of 10% of the issued and outstanding share capital at the date of grant. If any options granted under the Stock Option Plan expire or terminate for any reason without having been exercised in full, the unpurchased shares will again be available under the Stock Option Plan. As the Stock Option Plan is a "rolling plan", the policies of the Exchange provide that KR must seek shareholder approval of the Stock Option Plan annually.

The following summary is a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for shareholders review at the Meeting:

1. The maximum number of shares that may be issued upon the exercise of stock options previously granted and those granted under the Stock Option Plan will be a maximum of 10% of the issued and outstanding common shares at the time of the grant.
2. Stock options can be issued to persons who are directors, senior officers, employees, advisory board members and consultants of, or employees of management companies providing services to, KR.
3. The minimum exercise price of a stock option cannot be less than the Discounted Market Price of KR's common shares.
4. The number of options granted to any one individual may not exceed 5% of the outstanding listed shares in any 12 month period, unless KR obtains disinterested shareholder approval.
5. The number of options granted to any one Consultant may not exceed 2% of KR's outstanding listed shares in any 12 month period.
6. The number of options granted to any Employee conducting Investor Relations Activities in any 12 month period may not exceed 2% of KR's outstanding listed shares in any 12 month period.
7. All options granted under the Stock Option Plan may not have an expiry date exceeding ten years from the date on which the Board of Directors grant the option.
8. If the optionee is a director, senior officer, Employee, Consultant or management company employee and ceases to be (other than by reason of death) an Eligible Person, then the option granted shall expire within a reasonable period of time, as determined by the Board of Directors, following the date that the option holder ceases to be an Eligible Person, subject to the terms and conditions set out in the Stock Option Plan.

9. If an optionee ceases to be an Eligible Person by reason of death, an optionee's heirs or administrators shall have until the earlier of:
 - (a) one year from the death of the option holder; and
 - (b) the expiry date of the optionsin which to exercise any portion of options outstanding at the time of death of the optionee.
10. The Stock Option Plan will be administered by KR's Board of Directors who will have the full authority and sole discretion to grant options under the Stock Option Plan to any Eligible Person, including themselves.
11. The options are non-assignable and non-transferable.
12. The Board of Directors may from time to time, subject to regulatory approval, amend or revise the terms of the Stock Option Plan.

"Consultant", "Employee", "Eligible Person", "Investor Relations Activities" and "Discounted Market Price" all have the same definition as in the Policies of the Exchange.

Accordingly, Shareholders will be asked to consider, and if thought appropriate, to approve, with or without amendment, the Stock Option Plan Resolution set out in Schedule "A" to this Information Circular.

ADDITIONAL INFORMATION

Additional information concerning KR is available on SEDAR at www.sedar.com. Financial information concerning KR is provided in KR's comparative financial statements and Management Discussion and Analysis for the financial year ended August 31, 2012, which are also available on SEDAR.

MANAGEMENT KNOWS OF NO OTHER MATTERS TO COME BEFORE THE MEETING OF SHAREHOLDERS OTHER THAN THOSE REFERRED TO IN THE NOTICE OF MEETING; HOWEVER, SHOULD ANY OTHER MATTERS WHICH ARE NOT KNOWN TO MANAGEMENT PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE FORM OF PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGEMENT OF THE PERSONS VOTING THE SHARES REPRESENTED BY THE PROXY.

THIS INFORMATION CIRCULAR HAS BEEN APPROVED BY THE BOARD OF DIRECTORS OF KR.

BY ORDER OF THE BOARD OF DIRECTORS

"S. John Kim"

S. John Kim, Chief Executive Officer and Secretary

SCHEDULE "A"

SHAREHOLDERS' RESOLUTIONS

STOCK OPTION PLAN RESOLUTION

"BE IT RESOLVED that:

1. The Stock Option Plan as set forth in the Information Circular dated April 2, 2013 be approved and that the Board of Directors of KR be authorized in their absolute discretion to establish and administer the Stock Option Plan in accordance with its terms and conditions.
2. The Board of Directors be authorized on behalf of KR to make any amendments to the Stock Option Plan as may be required by regulatory authorities, without further approval of KR's Shareholders, in order to ensure adoption of the Stock Option Plan.
3. Any one director of KR be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary to desirable to give effect to this resolution, including making any amendments to the Stock Option Plan as may be required by regulatory authorities, without further approval of KR's Shareholders."

SCHEDULE "B"

KR INVESTMENT LTD.

(the "Company")

AUDIT COMMITTEE CHARTER

(Dated for Reference September 15, 2010)

MANDATE

The audit committee (the "Committee") will assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reporting process, the system of internal control and the audit process.

COMPOSITION

The Committee shall be comprised of at least three members. Each member must be a director of the Company. A majority of the members of the Committee shall not be officers or employees of the company or of an affiliate of the Company. At least one member of the Committee shall be financially literate. All members of the Committee who are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the term "financially literate" means 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.

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair shall be financially literate and an independent director as defined in Section 1.4 of National Instrument 52-110 *Audit Committees*.

MEETINGS

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give Committee members 24 hours' advance notice of each meeting and the matters to be discussed at it. Notice may be given personally, by telephone, facsimile or e-mail.

The external auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at any other meeting. On request by the external auditor, the Chair shall call a meeting of the Committee to consider any matter that the external auditor believes should be brought to the attention of the Committee, the Board of Directors or the shareholders of the Company.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A member may participate in a meeting of the Committee by a communications medium other than telephone if all

members participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the external auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the external auditor and management annually to review the Company's financial statements.

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

RESPONSIBILITIES AND DUTIES

Financial Accounting and Reporting Process and Internal Controls

The Committee is responsible for reviewing the Company's financial accounting and reporting process and system of internal control. The Committee shall:

- (a) Review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable generally accepted accounting principles ("GAAP") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements.
- (b) With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors and have meetings with the Company's auditors without management present, as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- (c) Review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.
- (d) Review and satisfy itself 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, management's discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures.
- (e) Review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws, before the Company publicly discloses this information.
- (f) Meet no less frequently than annually with the external auditors and the Chief Financial Officer to review accounting practices, internal controls and such other matters as the Committee or Chief Financial Officer deem appropriate.

- (g) Inquire of management and the external auditors about significant financial risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
- (h) Review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
- (i) Establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

AUDIT

External Auditor

The Committee has primary responsibility for the selection, appointment, dismissal and compensation and oversight of the external auditors, subject to the overall approval of the Board of Directors. In carrying out this duty, the Committee shall:

- (a) Require the external auditor to report directly to the Committee.
- (b) Recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment as the external auditor for the ensuing year and the compensation for the external auditors, or, if applicable, the replacement of the external auditor.
- (c) Review, annually, the performance of the external auditor.
- (d) Review and confirm the independence of the external auditor.
- (e) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the external auditor and former independent external auditor of the Company.
- (f) Pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor.

Audit and Review Process and Results

The Committee is directly responsible for overseeing the work by the external auditor (including resolution of disagreements between management and the external auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit or review services for the Company. The Committee shall:

- (a) Review the external auditors' audit plan, including the scope, procedures and timing of the audit.
- (b) Review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.

- (c) Obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information with GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment.
- (d) Ensure that all material written communications between the Company and the external auditors are sent to the Committee.
- (e) Review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- (f) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.

OTHER

- (a) Perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation.
- (b) Report regularly and on a timely basis to the Board of Directors on matters coming before the Committee.
- (c) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

AUTHORITY

The Committee is authorized to:

- (a) to seek any information it requires from any employee of the Company in order to perform its duties;
- (b) to engage, at the Company's expense, independent legal counsel or other professional advisors on any matter within the scope of the role and duties of the Committee under this Charter;
- (c) to set and pay the compensation for any advisors engaged by the Committee; and
- (d) to communicate directly with the internal and external auditors of the Company.

SCHEDULE "C"
STOCK OPTION PLAN

KR INVESTMENT LTD.

2013 STOCK OPTION PLAN

Dated for reference May 7, 2013

**ARTICLE 1
PURPOSE**

- 1.1 The purpose of this stock option plan (the “Stock Option Plan”) is to authorize the grant to directors, officers, employees and other service providers of KR Investment Ltd. (“KR”) incentive stock options to purchase common shares in the capital of KR and thus benefit KR. This will allow KR to attract, retain and motivate service providers by providing them with the opportunity, through share purchase options, to acquire an increased proprietary interest in KR.

**ARTICLE 2
INTERPRETATION**

- 2.1 In this Stock Option Plan, in addition to terms which are parenthetically defined, the following terms shall have the following meanings respectively:
- (a) “Associate” has the meaning ascribed thereto in the *Securities Act* (British Columbia);
 - (b) “Board” means the board of directors of KR;
 - (c) “Cessation Date” means the date an Optionee ceases to be an Eligible Optionee;
 - (d) “Change of Control” includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
 - (i) any one Person holds a sufficient number of voting shares of KR or resulting company to affect materially the control of KR or resulting company, or,
 - (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold in total a sufficient number of voting shares of KR or its successor to affect materially the control of KR or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to affect materially control of KR or its successor. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of KR or its successor is deemed to materially affect the control of KR or its successor;

- (e) “Change of Management” means:
 - (i) a reconstitution of the board of directors of KR so that the majority of the board of directors is comprised of Persons who were not members of the board of directors before the reconstitution; or,
 - (ii) a reconstitution in both the senior management and the board of directors of KR so that the control and direction over KR’s business and affairs is predominantly in the hands of Persons who, before the reconstitution, were not senior officers or directors of KR;
- (f) “Common Shares” means common shares in the capital of KR;
- (g) “Consultant” means, in relation to KR or its Subsidiaries, an individual or Consultant Company, other than an Employee or a Director of KR, that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to KR or a Subsidiary of KR, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract between KR or a Subsidiary of KR and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of KR, spends or will spend a significant amount of time and attention on the affairs and business of KR or a Subsidiary of KR; and
 - (iv) has a relationship with KR or a Subsidiary of KR that enables the individual to be knowledgeable about the business and affairs of KR;
- (h) “Consultant Company” means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (i) “Director” means a director or senior officer of KR or its Subsidiaries;
- (j) “Eligible Optionee” means:
 - (i) a Director or Employee of KR or its Subsidiaries;
 - (ii) a Consultant; or
 - (iii) a Management Company Employee;provided that an exemption from the registration and prospectus requirements under the applicable securities legislation is available to KR;
- (k) “Employee” means:
 - (i) an individual who is considered an employee of KR or its Subsidiaries under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

- (ii) an individual who works full-time for KR or its Subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by KR over the details and methods of work as an employee of KR, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for KR or its Subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provide by an employee and who is subject to the same control and direction by KR over the details and methods of work as an employee of KR, but for whom income tax deductions are not made at source;
- (l) “Exchange” means the TSX Venture Exchange, provided that if the Common Shares are not at the relevant time listed and posted for trading on the TSX Venture Exchange, “Exchange” shall mean such stock exchange or quotation system on which the Common Shares are then listed or quoted as may be selected by the Board;
 - (m) “Exchange Policies” means the policies of the Exchange;
 - (n) “Existing Options” means stock options granted prior to the Shareholder Approval Date which have not been exercised or cancelled;
 - (o) “Expiry Date” of an Option means the day on which an Option lapses;
 - (p) “Insider” has the meaning ascribed thereto in the Exchange Policies;
 - (q) “Investor Relations Activities” has the meaning ascribed thereto in the Exchange Policies;
 - (r) “Management Company Employee” means an individual employed by a Person providing management services to KR or its Subsidiaries, which are required for the ongoing successful operation of the business enterprise of KR, but excluding a Person engaged in Investor Relations Activities;
 - (s) “Option” means a stock option granted pursuant to the Stock Option Plan;
 - (t) “Optionee” means an individual to whom an Option is granted by KR under this Stock Option Plan;
 - (u) “Outstanding Issue” means the number of Common Shares which are issued and outstanding as of a particular time, on a non-diluted basis;
 - (v) “Person” means a company or an individual;
 - (w) “Post Cessation Date Exercise Period” means the period after the Cessation Date during which an Optionee may continue to exercise its options;
 - (x) “Reserved for Issuance” at any particular time refers to Common Shares which may be issued in the future upon the exercise of Options and Existing Options which are outstanding at that time;

- (y) “Shareholder Approval Date” means the date shareholders approve this Stock Option Plan; and
- (z) “Subsidiary” has the meaning ascribed thereto in the *Business Corporations Act* (British Columbia).

ARTICLE 3 ADMINISTRATION OF THE PLAN

- 3.1 The Stock Option Plan shall be administered by the Board. Options to purchase unissued Common Shares may be granted from time to time under this Stock Option Plan by the Board only to Eligible Optionees.
- 3.2 Subject to the provisions hereof, the Board shall have full and final authority to determine whether and when Options are to be granted, to determine which Eligible Optionees are to be granted Options under the Stock Option Plan, the number of shares subject to each Option, and all other terms and conditions applicable to each Option.
- 3.3 For every grant of stock options to Employees, Consultants or Management Company Employees, KR shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee of KR or its Subsidiaries, as the case may be.

ARTICLE 4 SHARES SUBJECT TO PLAN

- 4.1 Subject to the requirements of the Exchange, the aggregate number of Common Shares that may be issuable pursuant to Options granted under the Stock Option Plan and Existing Options will not exceed 10% of the number of issued Common Shares of the Company at the time of the granting of Options under the Stock Option Plan.
- 4.2 If any Common Shares cannot be issued to any Optionee for whatever reason, the obligation of KR to issue such Common Shares shall terminate and any option exercise price paid to KR shall be returned to the Optionee. Common Shares in respect of which Options or Existing Options have expired unexercised shall be available for subsequent Options granted under the Stock Option Plan.
- 4.3 No fractional shares may be issued or purchased under the Stock Option Plan. If Options are surrendered, terminated or expire in accordance with the terms of the Stock Option Plan without being exercised, new Options may be granted covering Common Shares not purchased under such lapsed Options.
- 4.4 All Existing Options which are outstanding as of the date the Stock Option Plan becomes effective shall thereafter be governed by the Stock Option Plan.

**ARTICLE 5
GRANT LIMITATIONS**

- 5.1 Options granted under the Stock Option Plan will be subject to the following limitations:
- (a) the number of Options granted to any one Optionee within any 12 month period may not exceed, without disinterested shareholder approval, 5% of the Outstanding Issue at the time of such grant;
 - (b) the number of Options granted to any one Consultant in any 12 month period may not exceed 2% of the Outstanding Issue;
 - (c) the aggregate number of Options granted to persons employed to provide Investor Relations Activities in any 12 month period may not exceed 2% of the Outstanding Issue; and
 - (d) the aggregate number of Options granted to Insiders in any 12 month period cannot exceed 10% of the Outstanding Issue of KR at the date of the Option, unless KR has obtained disinterested shareholder approval to exceed such limit.

**ARTICLE 6
PRICE**

- 6.1 The option price of any Common Share in respect of which an Option may be granted under the Stock Option Plan shall be fixed by the Board but shall be not less than the minimum price permitted by the Exchange. The Board may determine that the option price per Common Share may escalate at a specified rate dependent upon the year in which any Option to purchase Common Shares may be exercised by the Optionee.
- 6.2 Disinterested Shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of KR at the time of the proposed amendment.

**ARTICLE 7
PERIOD OF OPTION , RIGHTS TO EXERCISE AND WITHHOLDING TAXES**

- 7.1 Subject to the provisions of this Article 7 and Articles 8, 9 and 10 below, Options will be exercisable in whole or in part, and from time to time, during the currency thereof. Options can be exercisable for a maximum of ten years from the date of grant. The Common Shares to be purchased upon the exercise of any Option (“Option Shares”) shall be paid for in full at the time of such exercise. Except as provided in Articles 9 and 10 below, no Option may be exercised unless the Optionee is at the time of exercise an Eligible Optionee.
- 7.2 Should the expiry date of an Option fall within a Black Out Period or within nine business days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Plan. The ten business day period referred to in this paragraph may not be extended by the Board. “Black Out Period” means the period during which the relevant Optionee is prohibited from exercising an Option due to trading

restrictions imposed by KR pursuant to any policy of KR respecting restrictions on trading that is in effect at that time.

- 7.3 The exercise of an Option will be subject to the policies, procedures and conditions adopted by the Board from time to time to comply with KR's obligations imposed under any law or regulation of any governmental authority whatsoever, including, without limitation, KR's withholding, remittance and other funding liabilities under applicable tax law.
- 7.4 KR shall have the authority to deduct and withhold, or require the Optionee to remit to KR, the amount of any taxes or other required source deductions which KR is required by law or regulation of any governmental authority whatsoever to remit in connection with any issuance of shares upon the exercise of options (the "Tax Obligation"), which amount will be determined by KR in its sole discretion. Without limiting the generality of the foregoing, and unless otherwise prohibited by the Board or by applicable law, KR may fund the Tax Obligation by any of the following methods or by a combination of such methods as determined by KR in its sole discretion:
- (a) require, as a condition of the issuance of Option Shares to an Optionee, that the Optionee make, in addition to the exercise price for the Options, a cash payment to KR equal to the Tax Obligation and KR, in its sole discretion, may withhold the issuance or delivery of Option Shares until the Optionee makes such payment;
 - (b) elect, in its sole discretion, to withhold from the Option Shares being issued upon exercise of the Options such number of Option Shares as KR determines are required to be sold by KR, as trustee, to satisfy the Tax Obligation (net of selling costs). The Optionee consents to such sale and grants to KR an irrevocable power of attorney to effect the sale of such Option Shares and acknowledges and agrees that KR does not accept responsibility for the price obtained on the sale of such Option Shares;
 - (c) withhold from any cash payment otherwise due by KR to the Optionee, including salaries, directors fees, consulting fees and any other forms of remuneration, such amount of cash as is required to pay and satisfy the Tax Obligation; or
 - (d) make such other arrangements satisfactory to the Optionee and KR.
- 7.5 The Optionee (or their beneficiaries) shall be responsible for any taxes or other required source deductions which KR is required by law or regulation of any governmental authority whatsoever with respect to any Options granted or exercised under the Plan.
- 7.6 Neither the Board nor KR makes any representations or warranties of any nature or kind whatsoever to any person regarding the tax treatment of Options or payments on account of the Tax Obligation made under the Plan and none of the Board, KR, nor any of its employees or representatives shall have any liability to an Optionee (or its beneficiaries) with respect thereto.

ARTICLE 8 VESTING RESTRICTIONS

- 8.1 Except as otherwise provided for in this section, vesting restrictions, if any, for all Options granted pursuant to this Stock Option Plan will be determined at the discretion of the Board at the time of the grant in accordance with the policies of the Exchange. Vesting restrictions shall be

required in the case of options issued to Consultants performing Investor Relations Activities; the vesting period must be at least 12 months with no more than 1/4 of the options vesting in any three month period.

8.2 If the Board wishes to alter the vesting periods of any particular Option granted to an Optionee, it may fix the vesting of that Option before or after its grant in such manner as it determines in its sole discretion, provided such alterations are in compliance with Exchange Policies.

8.3 If a *bona fide* offer (an "Offer"):

- (a) is made to all shareholders of KR for Common Shares, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of KR, within the meaning of subsection 1(1) of the *Securities Act* (British Columbia);
- (b) is made for all or substantially all of the assets of KR (as such concept is interpreted under the *Business Corporations Act* (British Columbia)); or
- (c) is made for a proposed transaction which a majority of the Board determines is reasonably likely to have a similar effect as either of the transactions referred to in subparagraph (a) or (b) above;

then KR shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer. Subject to Exchange approval, any Options that may not be fully vested shall become vested on the date of Exchange approval. Such Options may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender or to vote, as applicable, the Option Shares received upon such exercise, pursuant to the Offer. If:

- (d) the Offer is not completed within the time specified therein;
- (e) the Optionee does not tender the Option Shares pursuant to the Offer, if applicable;
- (f) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof; or
- (g) the sale or reorganization does not close in accordance with its terms,

then the Option Shares received upon such exercise, or in the case of clause (f) above, the Option Shares that are not taken up and paid for, shall be returned by the Optionee to KR and reinstated as authorized but unissued Common Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become vested pursuant to paragraph 8.1 shall be reinstated. If any Option Shares are returned to KR under this paragraph 8.3, KR shall immediately refund the exercise price to the Optionee for such Option Shares. In no event shall the Optionee be entitled to sell the Option Shares otherwise than pursuant to the Offer (in the case of an Offer pursuant to paragraph 8.3(a) hereof) or to sell the Option Shares prior to the closing of any transaction (in the case of an Offer pursuant to paragraph 8.3(b) or (c) hereof).

ARTICLE 9
CESSATION OF SERVICES

- 9.1 If an Optionee ceases to be an Eligible Optionee for any reason (except as provided in sections 9.2, 9.4, 9.5 or 9.6 of this Article or in Article 10), the Options held by the Optionee will expire within a reasonable period following the Cessation Date (the “Post Cessation Date Exercise Period”), which period shall be determined by the Board but, in any event, shall not exceed twelve (12) months following the Cessation Date. The Optionee shall only be entitled to exercise Options which have vested at the Cessation Date. If a Post Cessation Date Exercise Period is not set out in an option agreement, the Board shall determine the Post Cessation Date Exercise Period and KR shall provide notice to the Optionee of the Post Cessation Date Exercise Period within five (5) business days of the Cessation Date. Notwithstanding the foregoing, in no event shall an Optionee be entitled to exercise any Options beyond the Expiry Date of the Optionee’s Option.
- 9.2 If an Optionee ceases to be an Eligible Optionee for cause, no Option held by such Optionee may be exercised following the Cessation Date.
- 9.3 An Optionee ceases to be an Eligible Optionee if the Optionee’s employment has been terminated by KR or a Subsidiary of KR:
- (a) other than for cause, either:
 - (i) on the day specified by KR or such Subsidiary in writing to the Eligible Optionee as being the last day on which the Eligible Optionee is to report for work for KR or a Subsidiary of KR; or
 - (ii) if such Eligible Optionee is given pay in lieu of advance notice of a pending effective date of termination, on the day on which such notice of termination is given in writing by KR or such Subsidiary to the Eligible Optionee and
 - (b) for cause, on the day on which the notice of termination was given.
- 9.4 If an Optionee ceases to be an Eligible Optionee by reason of death of the Optionee during the currency of the Optionee’s Option, the Optionee’s legal personal representative may, within the period of one year after the Cessation Date and in no event after the expiry date of the Option, exercise any Options vested at the Cessation Date. Before expiry of an Option under this paragraph 9.4, KR shall notify the Optionee’s legal personal representative in writing of such expiry.
- 9.5 If an Optionee conducting Investor Relations Activities ceases to be an Eligible Optionee, Option held by such Optionee that were vested at the Cessation Date may be exercised for a period of 30 days following the Cessation Date.
- 9.6 Notwithstanding the provisions set out in paragraph 9.1, if a Change of Control or Change of Management occurs and if an Optionee ceases to be an Eligible Optionee as a result of the Change of Control or Change of Management, the Optionee may, within the period of ninety days after the Cessation Date and in no event after the Expiry Date of the Optionee’s Option, exercise any Options which were vested at the Cessation Date. Notwithstanding Article 8 and any vesting provisions set out in any agreement relating to the Option, subject to regulatory approval, all

Options held by the Optionee shall immediately become vested on the Cessation Date and shall become fully exercisable.

**ARTICLE 10
EXTENSION OF OPTION**

- 10.1 Notwithstanding the provisions of Article 9, the Board may extend the period of time within which an Option held by an Optionee who has ceased to be an Eligible Optionee may be exercised but, in any event, such an extension shall not be granted beyond the earlier of the original Expiry Date of the Option or twelve (12) months following the date that the Optionee ceases to be an Eligible Optionee. Any extensions of Options granted under this Stock Option Plan are subject to applicable regulatory approval.

**ARTICLE 11
GRANT OF MULTIPLE OPTIONS**

- 11.1 The grant of an Option to any Eligible Optionee shall not prevent the Board from granting further Options to the same Eligible Optionee and any such further grant of an Option shall, for the purposes of Article 3, be treated as a separate Option.

**ARTICLE 12
NON-TRANSFERABILITY OF OPTIONS**

- 12.1 No Option granted under the Stock Option Plan shall be transferable or assignable by an Optionee, or subject to any other alienation, sale, pledge or encumbrance, otherwise than by will or by the laws of descent and distribution, and, therefore, such Option shall be exercisable, during an Optionee's lifetime, only by the Optionee.

**ARTICLE 13
ADJUSTMENTS IN SHARES SUBJECT TO PLAN**

- 13.1 Following the date an Option is granted, the exercise price for and the number of Option Shares which are subject to an Option will be adjusted, with respect to the then unexercised portion thereof, in the events and in accordance with the provisions and rules set out in this Article 13, with the intent that the rights of Optionees under their Options are, to the extent possible, preserved notwithstanding the occurrence of such events. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Board, and any such determination will be binding on KR, the Optionee and all other affected parties.
- 13.2 If the outstanding Common Shares are changed into or exchanged for a different number of shares or into or for other securities of KR or securities of another company or entity, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then on each exercise of the Option which occurs following such events, for each Option Share for which the Option is exercised, the Optionee shall instead receive the number and kind of shares or other securities of KR or other company into which such Option Share would have been changed or for which such Option Share would

have been exchanged if it had been outstanding on the date of such event and the exercise price will be similarly adjusted so that the aggregate price to exercise the Option is preserved.

- 13.3 If the outstanding Common Shares are changed into or exchanged for a different number of shares or into or for other securities of KR or securities of another company or entity, in a manner other than as specified in paragraph 13.2, then the Board, in its sole discretion, may make such adjustment to the securities to be issued pursuant to any exercise of the Option and the exercise price to be paid for each such security following such event as the Board in its sole and absolute discretion determines to be equitable to give effect to the principle described in paragraph 13.1, and such adjustments shall be effective and binding upon KR and the Optionee for all purposes.

ARTICLE 14 AMENDMENT OF THE PLAN

- 14.1 The Board of Directors may amend or terminate this Stock Option Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of KR or any Optionee whose Option is amended or terminated, in order to conform this Stock Option Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.
- 14.2 The Board of Directors may amend or terminate this Stock Option Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in paragraph 14.1 hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of KR if required by the Exchange or such regulatory authority. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.
- 14.3 The Stock Option Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.
- 14.4 Subject to the prior approval of the Exchange and/or any other applicable regulatory authority, the Board may at any time supersede and replace the Stock Option Plan with a new stock option plan (a "New Plan"). If a New Plan is adopted in place of the Stock Option Plan, such New Plan may provide that all Options granted under the Stock Option Plan which are outstanding as of the date of adoption of the New Plan shall thereafter be governed by the New Plan; provided, however, that no amendment of the Stock Option Plan, or termination of the Stock Option Plan and adoption of a New Plan, may adversely affect the rights under any Option granted prior to such action without the consent of the Optionee.

ARTICLE 15 EVIDENCE OF OPTIONS

- 15.1 A written agreement will be entered into between KR and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to Option, the exercise price, provisions as to vesting (if any) and the expiry date, and any other

terms approved by the Board, all in accordance with the provisions of this Stock Option Plan. The agreement will be in such form as the Board may from time to time approve, or authorize the officers of KR to enter into, and may contain such terms as may be considered necessary in order that the Option will comply with this Stock Option Plan and any regulatory body having jurisdiction over KR.

**ARTICLE 16
EXERCISE OF OPTION**

- 16.1 Subject to the provisions of the Stock Option Plan and the particular Option, an Option may be exercised from time to time by delivering to KR at its registered office a written notice of exercise specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment for the full amount of the purchase price of the Common Shares then being purchased.
- 16.2 The full purchase price of Common Shares purchased under the Option must be paid in lawful money of Canada or by certified cheque made payable to KR.
- 16.3 Subject to the provisions of the Stock Option Plan and the particular Option, upon receipt of a treasury order of an authorized officer directing the issue of Common Shares purchased under the Stock Option Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the Option Shares in the name of such Optionee or the Optionee's legal personal representative or as may be directed in writing by the Optionee's legal personal representative.

**ARTICLE 17
RIGHTS PRIOR TO EXERCISE**

- 17.1 An Optionee shall have no rights whatsoever as a shareholder in respect of any of the Option Shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of Option Shares in respect of which the optionee shall have exercised the Option to purchase hereunder and which the Optionee shall have actually taken up and paid for.

**ARTICLE 18
GOVERNING LAW**

- 18.1 This Stock Option Plan shall be construed in accordance with and be governed by the laws of the Province of British Columbia and shall be deemed to have been made in said Province, and shall be in accordance with all applicable securities laws.

**ARTICLE 19
EXPIRY OF OPTION**

- 19.1 On the expiry date of any Option granted under the Stock Option Plan, and subject to any extension of such expiry date permitted in accordance with the Stock Option Plan, such Option shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Option Shares in respect of which the Option has not been exercised.

ARTICLE 20
EFFECTIVE DATE OF THE PLAN

- 20.1 This Stock Option Plan shall become effective as of and from, and the effective date of the Stock Option Plan shall be May 7, 2013, upon receipt of all necessary shareholder and regulatory approvals.