

**LIFESTYLE DELIVERY SYSTEMS INC.**

Suite 1980, 1075 West Georgia Street  
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Telephone: 604 417-6400 / Fax: 778 329-9361

**INFORMATION CIRCULAR**

as at June 18, 2015 *(except as otherwise indicated)*

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Lifestyle Delivery Systems Inc. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on July 31, 2015 at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.**

In this Information Circular, references to the “Company”, “we” and “our” refer to Lifestyle Delivery Systems Inc. “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

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

**Appointment of Proxyholders**

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

**Voting by Proxyholder**

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

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

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

## Registered Shareholders

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

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

Whatever method a registered shareholder chooses to submit their proxy they must ensure that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof.

## Beneficial Shareholders

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

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

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

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("OBOs") object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("NOBOs") who do not object to the issuers of the securities they own knowing who they are.

The Company is taking advantage of the provisions of National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer ("NI 54-101") that permit the Company to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a Voting Instruction Form ("VIF") from our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

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

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your

proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

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

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

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

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

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

#### **Revocation of Proxies**

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Olympia Trust Company, or to the Company’s business office located at Suite 1980 – 1075 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3C9, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder’s Common Shares.

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

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

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

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

The board of directors (the "Board") of the Company has fixed the record date for the Meeting at the close of business on June 18, 2015 (the "Record Date") for the determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As of June 18, 2015, there were 24,802,811 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, and there are no cumulative or similar voting rights attached to the Common Shares.

As of June 18, 2015, there are 7,800,000 Common Shares held in escrow.

To the knowledge of the directors and executive officers of the Company, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at June 18, 2015.

The following documents filed with the securities commissions or similar regulatory authority in the Canadian Provinces of British Columbia, Alberta and Ontario are specifically incorporated by reference into this information circular.

- The audited financial statements of the Company for the two fiscal years ended December 31, 2014 and December 31, 2013, together with the report of the auditor thereon and related management discussion and analyses, which were filed on SEDAR on March 24, 2015, and March 26, 2014, respectively; and
- The Company's audit committee charter attached as Schedule "A" to the preliminary long form prospectus dated March 18, 2011 and filed on SEDAR on March 18, 2011.

Copies of documents incorporated herein by reference may be obtained by a Shareholder upon request without charge from the Company at Suite 1980 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9 telephone number: 604 417-6400. These documents are also available through the Internet on SEDAR, which can be accessed at [www.sedar.com](http://www.sedar.com).

## **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein.

If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

## FINANCIAL STATEMENTS

The audited financial statements of the Company for the fiscal years ended December 31, 2014 and December 31, 2013 as prepared by Davidson & Company LLP, Chartered Accountants, each respective report of the auditor (Davidson & Company LLP) thereon and each related management discussion and analysis will be placed before the Meeting. Additional information may be obtained upon request from the Company at Suite 1980 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9, tel: 604 417-6400 or fax: 778 329-9361. These documents and additional information are also available through the internet at [www.sedar.com](http://www.sedar.com).

## ELECTION OF DIRECTORS

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

The Board has determined that four persons will be elected director of the Company at the Meeting. The following table sets out the names of management's four (4) nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (including for the five preceding years for new director nominees), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this Information Circular.

<b>Name of Nominee; Current Position with the Company and Province and Country of Residence</b>	<b>Occupation, Business or Employment<sup>(1)</sup></b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
<b>Brad Eckenweiler</b> Director and Chief Executive Officer Washington, USA	Director and CEO of Poly Shield Technologies Inc. from September 2013 to May 2014 and CEO of Midastrade.com Inc. from June 2001 to January 2010.	Since May 1, 2015	Nil
<b>Savio Chiu</b> <sup>(2)</sup> Director British Columbia, Canada	Senior Manager, Corporate Finance at Baron Global Financial Canada Ltd. from June 2009 to present; Associate of TD Commercial Bank from November 2008 to May 2009; Senior Associate of Deloitte & Touche LLP from September 2005 to October	Since December 13, 2013	6,250
<b>David Velisek</b> <sup>(2)</sup> Director and Former Chief Executive Officer British Columbia, Canada	Manager, Corporate Development at Baron Global Financial Canada Ltd. from 2009 to present.	Since September 14, 2010	38,500 <sup>(3)</sup>
<b>Herrick Lau</b> <sup>(2)</sup> Director and Former Chief Executive Officer British Columbia, Canada	Managing Director of Baron Global Financial Canada Ltd. from August 2007 to present.	Since September 14, 2010	62,500 <sup>(4)</sup>

Notes:

- The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Common Shares beneficially owned, are voting securities beneficially owned, directly or indirectly, or over which the director nominee exercises control or direction.

2. Member of Audit Committee.
3. David Velisek holds options to purchase 25,000 Common Shares of the Company at an exercise price of \$0.80, expiring on August 15, 2021 and warrants to purchase 18,000 Common Shares at an exercise price of \$0.30 the first year and \$0.45 the second year, expiring on May 1, 2017. Mr. Velisek resigned as the CEO of the Company on May 22, 2015.
4. Herrick Lau holds options to purchase 25,000 Common Shares of the Company at an exercise price of \$0.80, expiring on August 15, 2021. Mr. Lau resigned as the CEO of the Company on February 28, 2012.

Management does not contemplate that any of the nominees will be unable to serve as a director. However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion. **The persons named in the enclosed form of proxy intend to vote for the election of all of the nominees whose names are set forth above.**

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

### **Cease Trade Orders and Bankruptcies**

Within the last 10 years before the date of this Information Circular no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Information Circular is prepared) acted in that capacity for a company that was:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) subject to 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
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **APPOINTMENT OF AUDITOR**

Davidson & Company LLP, Chartered Accountants, Suite 1200, 609 Granville Street, Vancouver, British Columbia, will be nominated at the Meeting for reappointment as auditor of the Company. Davidson & Company LLP, Chartered Accountants, was first appointed auditor upon incorporation of the Company on September 14, 2010.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the reappointment of the firm of Davidson & Company LLP, Chartered Accountants, as auditor of the Company until the close of the next annual meeting of shareholders.**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE APPOINTMENT OF DAVIDSON & COMPANY LLP AS AUDITOR.**

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

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”), the Company is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company, and the Company is required to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. Such disclosure is set forth below:

### **Audit Committee Charter**

The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information, which will be provided to the shareholders and the public, the systems of corporate controls, which management and the Board have established, and overseeing the audit process. It has general responsibility to oversee internal controls, accounting and auditing activities and legal compliance of the Company. The Committee also is mandated to review and approve all material related party transactions. A copy of the Audit Committee Charter was filed on SEDAR as Schedule “A” to the Company’s preliminary long form prospectus dated March 18, 2011 was filed on SEDAR on March 18, 2011.

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

Effective May 19, 2015, the following persons were named members of the Company’s Audit Committee: Herrick Lau (Chair), Savio Chiu and David Velisek. All members of the Audit Committee are considered to be financially literate. David Velisek is not independent as Mr. Velisek is the former Chief Executive Officer (“CEO”) of the Company. Herrick Lau and Savio Chiu are independent.

For the financial year ended December 31, 2014, the Audit Committee was not compliant with respect to its member composition of independent directors. The Company had very limited operations, which the Board felt were suitably addressed by the members. The Company intends to continue to pursue its growth strategy through acquisitions and intends to appoint directors during the course of the year in order to satisfy independence requirements with a view to becoming compliant as operations expand.

### **Relevant Education and Experience**

Each member of the Audit Committee has:

- an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- 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 be reasonably expected to be raised by the issuer’s financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

The Company’s auditor, Davidson & Company LLP, has not provided any material non-audit services.

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

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### External Auditor Service Fees (By Category)

Fees incurred with the Company's Auditor for audit and non-audit services in the Company's last two fiscal years are outlined in the following table:

	<b>Fees Paid to Auditor in Fiscal Year Ended December 31, 2014.</b>	<b>Fees Paid to Auditor in Fiscal Year Ended December 31, 2013.</b>	<b>Fees Paid to Auditor in Fiscal Year Ended December 31, 2012.</b>
Audit Fees <sup>(1)</sup>	\$25,000	\$11,220	\$14,280
Audit-related Fees <sup>(2)</sup>	Nil	Nil	Nil
Tax Fees <sup>(3)</sup>	\$3,500	\$1,500	\$1,500
All Other Fees <sup>(4)</sup>	Nil	Nil	Nil
<b>Total</b>	<b>\$28,500</b>	<b>\$12,720</b>	<b>\$15,780</b>

Notes:

1. "Audit Fees" include fees necessary to perform the annual audit of the Company's consolidated financial statements and also fees incurred in relation to the performance of quarterly reviews. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
2. "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
3. "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
4. "All Other Fees" include all other non-audit services.

### Exemption

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

## CORPORATE GOVERNANCE

### General

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders of the Company. Corporate governance also takes into account the role of the individual members of management appointed by the Board who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

### Board of Directors

The Board is currently composed of four (4) directors. Savio Chiu and Herrick Lau are independent directors (as that term is defined in NI 52-110). Brad Eckenweiler and David Velisek are non-independent directors as; Mr. Eckenweiler is the CEO of the Company and Mr. Velisek is the former CEO of the Company.

The Board facilitates its exercise of supervision over Company's management through frequent Board meetings.

### Directorships

The following table sets forth the directors of the Company who currently hold directorships in other reporting issuers:

<b>Name of Director</b>		<b>Trading market</b>
Savio Chiu	Helius Medical Technologies, Inc.	CSE
Herrick Lau	Novo Resources Corp.	TSXV
	Lingxian Capital Inc.	TSXV
David Velisek	Confederation Minerals Ltd.	TSXV



### **Orientation and Continuing Education**

In order to orient new directors, the Board briefs all new directors with the policies of the Board, and other relevant corporate and business information.

### **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. Further, the Company's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

Under applicable corporate legislation, a director is required to act honestly and in good faith with a view to the best interest of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction is a director or officer (or an individual acting in a similar capacity) of a party to the contract or voting on the contract or transaction, unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

### **Nomination of Directors**

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

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

### **Compensation**

The Board as a whole conducts reviews with regard to the directors' and the CEO's compensation once a year. To make its recommendation on directors' and the CEO's compensation, the Board takes into account the types of compensation and the amounts paid to directors and the CEO of comparable publicly traded Canadian companies. Members of the Board do not currently receive any remuneration for acting in such capacity.

### **Other Board Committees**

The Board has no committees other than the Audit Committee.

### **Assessments**

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

## STATEMENT OF EXECUTIVE COMPENSATION

In this section “Named Executive Officer” (“NEO”) means the Chief Executive Officer (the “CEO”), the Chief Financial Officer (the “CFO”) and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the most recently completed fiscal year end.

For each of the financial years ended December 31, 2013 and December 31, 2014 the NEOs of the Company were: David Velisek, CEO, Denise Lok, CFO, Joel Dumaresq, former CEO, Nicholas Miller, former CEO and Herrick Lau, former CEO.

### Compensation Discussion and Analysis

As the Company does not have a compensation committee, the Board has the responsibility to administer compensation policies related to executive management.

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 fiscal year and prior fiscal years is based upon a negotiated salary, with option-based awards and bonuses potentially being issued and paid as an incentive for performance.

The Board has not considered the implications of the risks associated with the Company’s compensation program. In 2015, the Company intends to further formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Company’s compensation program and how it might mitigate those risks.

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

### Compensation Review Process

The Board is responsible for the compensation policies and guidelines for the Company and for implementing and overseeing compensation policies.

The Board reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer, including the NEOs. The Board makes decisions with respect to basic salary and participation in share compensation arrangements for each executive officer. In considering executive officers other than the CEO, the Board shall take into account the recommendation of the CEO.

The Company does not have a formal compensation program with set benchmarks, however, the Company does have a compensation program which seeks to reward an executive officer's current and future expected performance. Individual performance in connection with the achievement of corporate milestones and objectives is also reviewed for all executive officers.

### Elements of Executive Compensation Program

The Company’s compensation program consists of the following elements:

- (a) base salary or consulting fees;
- (b) bonus payments; and
- (c) equity participation through the Company’s stock option plan.

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

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

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

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

### **Bonus Payments**

Each of the executive officers, as well as all employees, is eligible for an annual bonus, payable in cash or through stock-based compensation. The amount paid is based on the Board's assessment of the Company's performance for the year. Factors considered in determining bonus amounts include individual performance, financial criteria (such as cash flow and share price performance) and operational criteria (such as significant mineral property acquisitions, resource growth and the attainment of corporate milestones).

The Company did not award any bonuses during the financial years ended December 31, 2013 and December 31, 2014.

### **Equity Participation**

Equity participation is accomplished through the Company's stock option plan.

### **Option-based Awards**

The Board is responsible for administering compensation policies related to the Company's executive management, including with respect to option-based awards.

The Board approved a stock option plan dated April 21, 2011 (the "2011 Plan") pursuant to which the Board may grant stock options to directors, officers, employees, management and others who provide services to the Company. The 2011 Plan provides compensation to participants and additional incentive to work toward long-term Company performance.

The 2011 Plan was implemented to grant stock options in consideration of the level of responsibility as well as optionee impact and/or contribution to the longer-term operating performance of the Company. In determining the number of share options to be granted, the Company's Board takes into account the number of share options, if any, previously granted, and the exercise price of any outstanding stock options to ensure that such grants are in accordance with the policies of the CSE, and closely align the interests of the executive officers with the interests of the Company's shareholders.

**Summary Compensation Table  
For Financial Year Ended December 31, 2014**

The compensation paid to the NEO during the Company's three most recently completed financial years ended December 31<sup>st</sup> is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and principal position	Year	Salary <sup>(1)</sup> (\$)	Share-based awards <sup>(2)</sup> (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation <sup>(3)</sup> (\$)
					Annual incentive plans	Long-term incentive plans			
David Velisek <sup>(4)</sup> Director and CEO	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Denise Lok <sup>(5)</sup> CFO and Corporate Secretary	2014	Nil	Nil	Nil	Nil	Nil	Nil	142,500	142,500
	2013	Nil	Nil	Nil	Nil	Nil	Nil	120,270	120,270
	2012	Nil	Nil	Nil	Nil	Nil	Nil	180,000	180,000
Joel Dumaresq <sup>(6)</sup> Former CEO and Former Director	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	22,500	22,500
	2012	Nil	97,500	50,888	Nil	Nil	Nil	75,000	223,388
Herrick Lau <sup>(7)</sup> Former CEO and Director	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nicholas Miller <sup>(8)</sup> Former CEO and Former Director	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	35,000	35,000
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- Includes the dollar value of cash and non-cash based salary earned during a financial year covered.
- The value of the option based award was determined using the Black-Scholes option-pricing model.
- These amounts include all amounts set out in this table for each NEO and executive officer.
- David Velisek was appointed as CEO of the Company on December 31, 2013 and resigned on May 22, 2015. The Company granted 25,000 options to Mr. Velisek on August 15, 2011 at an exercise price per option of \$0.80, expiring August 15, 2021.
- The compensation was paid to Baron Global Financial Canada Ltd. ("Baron") pursuant to the consulting agreement between Baron and the Company. The Company entered into a consulting agreement with Baron on September 1, 2011 to retain Denise Lok to provide services to the Company and act as its Chief Financial Officer. Ms. Lok is a Senior Manager, Corporate Finance of Baron. The term of agreement was 12 months and the Company was charged a cash fee plus applicable taxes per month for the advisory services provided. The Company granted 57,500 stock options on September 1, 2011 at an exercise price per option of \$1.00, expiring September 1, 2016. The Company granted 25,000 options to Ms. Lok on August 15, 2011 at an exercise price per option of \$0.80, expiring August 15, 2021. The Company paid Baron consulting fees of \$180,000 for the year ended December 31, 2012, \$120,270 for the year ended December 31, 2013, and \$142,500 for the year ended December 31, 2014.  
  
Ms. Lok was appointed as Chief Financial Officer and Corporate Secretary on September 14, 2010.
- Joel Dumaresq was appointed as the CEO and a director of the Company on February 28, 2012. The term of the agreement is one year beginning February 28, 2012 and the Company pays \$75,000 per month plus HST. On February 28, 2012, the Company granted 87,500 stock options to Mr. Dumaresq at an exercise price per option of \$0.78, expiring February 28, 2017. The Company also issued 125,000 common shares of the Company to Mr. Dumaresq as an incentive bonus. For the year ended December 31, 2012, the Company paid Mr. Dumaresq total consulting fees of \$75,000 and \$22,500 for the year ended December 31, 2013. Mr. Dumaresq resigned on May 2013 as CEO of the Company.
- Herrick Lau resigned as the CEO of the Company on February 28, 2012. He continued to act as a director of the Company. Mr. Lau is the Managing Director of Baron. The Company granted 25,000 options to Mr. Lau on August 15, 2011 at an exercise price per option of \$0.80, expiring August 15, 2021.
- Nicholas Miller was appointed as the CEO and director of the Company on May 22, 2013. He resigned as the CEO and director of the Company on December 3, 2013. For the year ended December 31, 2013, the Company paid Mr. Miller total consulting fees of \$35,000.

## Incentive Plan Awards

### Outstanding Share-based Awards and Option-based Awards

During the financial years ended December 31, 2013 and December 31, 2014, no share-based awards were granted to the NEOs of the Company.

The following table sets out all option-based awards outstanding under the Company's stock option plan as at December 31, 2013, for each NEO:

Option-based Awards				
Name	Number of securities underlying unexercised options <sup>(1)</sup> (#)	Option exercise price (\$)	Option expiration date (M/D/Y)	Value of unexercised in-the-money options <sup>(2)</sup> (\$)
Denise Lok CFO and Corporate Secretary	25,000	\$0.80	August 15, 2021	Nil
David Velisek <sup>(3)</sup> Director and CEO	25,000	\$0.80	August 15, 2021	Nil
Herrick Lau <sup>(4)</sup> Director and Former CEO	25,000	\$0.80	August 15, 2021	Nil

Notes:

1. These stock options are fully vested.
2. Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the difference, if any, between the market value of the securities underlying the options as at the closing price on the date of the current financial year end, or, if no trades on date of the current financial year end, closing price on the previous trading day. The last closing price of the Company's shares was \$0.04 on December 31, 2013.
3. David Velisek was appointed as CEO of the Company on December 13, 2013 and resigned on May 22, 2015. He continues to act as a Director of the Company.
4. Mr. Lau resigned as the CEO of the company on February 28, 2012. He continues to act as a Director of the Company.

The following table sets out all option-based awards outstanding under the Company's stock option plan as at December 31, 2014, for each NEO:

Option-based Awards				
Name	Number of securities underlying unexercised options <sup>(1)</sup> (#)	Option exercise price (\$)	Option expiration date (M/D/Y)	Value of unexercised in-the-money options <sup>(2)</sup> (\$)
Denise Lok CFO and Corporate Secretary	25,000	\$0.80	August 15, 2021	Nil
David Velisek <sup>(3)</sup> Director and CEO	25,000	\$0.80	August 15, 2021	Nil
Herrick Lau Director and Former CEO <sup>(4)</sup>	25,000	\$0.80	August 15, 2021	Nil

Notes:

1. These stock options are fully vested.
2. Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the difference, if any, between the market value of the securities underlying the options as at the closing price on the date of the current financial year end, or, if no trades on date of the current financial year end, closing price on the previous trading day. The last closing price of the Company's shares was \$0.16 on December 31, 2014.
3. David Velisek was appointed as CEO of the Company on December 31, 2013 and resigned on May 22, 2015. He continued to act as a Director of the Company.
4. Mr. Lau resigned as the CEO of the company on February 28, 2012. He continued to act as a Director of the Company.

Incentive Plan Awards – Value Vested or Earned During the Year

There were no incentive plan (value vested or earned) options granted during the fiscal years ended December 31, 2013 and December 31, 2014 to any of the NEOs.

**Pension Plan Benefits**

The Company does not have a pension plan or deferred compensation plan for its directors, officers or employees.

**Termination and Change of Control Benefits**

There are no compensatory plan(s) or arrangements(s), with respect to any of the NEOs resulting from the resignation, retirement or any other termination of employment of the officer’s employment or from a change of the NEOs responsibilities following a change of control.

**Compensation of Directors**

Except as disclosed in this Information Circular, there are no arrangements under which directors were compensated by the Company and its subsidiaries for their services in their capacity as directors during the each of the financial years ended December 31, 2013 and December 31, 2014.

There were option-based awards outstanding as at December 31, 2013 and as at December 31, 2014, for each director, excluding a director who is already set out in disclosure for a NEO for the Company.

Incentive Plan Awards – Value Vested or Earned During the Year by Directors

There was no value vested or earned on any incentive plan options during either of the fiscal years ended December 31, 2013 and December 31, 2014 by the directors.

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

The Company has a “rolling” stock option plan dated April 21, 2011, as amended April 8, 2013 (the “Plan”). Pursuant to the Plan, the Company can grant options up to a maximum of 10% of the Company’s issued and outstanding Common Shares.

At the date of this Information Circular, a total of 132,500 stock options have been granted under the Plan. The following table sets out equity compensation plan information as at the December 31, 2014 financial year end.

**Equity Compensation Plan Information**

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders (the Plan)	132,500	\$0.89	2,347,781
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	132,500	\$0.89	2,347,781

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of December 31, 2013 and as of December 31, 2014, or as at the date hereof.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who generally speaking is a director or executive officer or a 10% shareholder of the Company. To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during both of the fiscal years ended December 31, 2013 and December 31, 2014, or has any interest in any material transaction in the current year other than as set out herein or as disclosed in:

1. “Note 6. *Related Party Transactions*” in the Company’s Annual Financial Statements for the financial year ended December 31, 2013; and in “*Transactions with Related Parties*,” page 6 of the related Management’s Discussion and Analysis, both of which were SEDAR filed on March 26, 2014; and
2. “Note 9. *Related Party Transactions*” in the Company’s Annual Financial Statements for the financial year ended December 31, 2014; and in “*Transactions with Related Parties*,” page 6 of the related Management’s Discussion and Analysis, both of which were SEDAR filed on March 24, 2015.

## MANAGEMENT CONTRACTS

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

## ADDITIONAL INFORMATION

Additional information relating to the Company can be found in each of the Company’s audited comparative financial statements for the financial years ended December 31, 2013 and December 31, 2014 and the accompanying auditor’s report and related management discussion and analyses. Additional copies of this Information Circular may be obtained from SEDAR at [www.sedar.com](http://www.sedar.com) and upon request from the Company at Suite 1980 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9, telephone number: 604 417-6400 or fax number 778 329-9361. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

## OTHER MATTERS

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

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

**DATED** at Vancouver, British Columbia June 26, 2015

**BY ORDER OF THE BOARD**

*“Brad Eckenweiler”*

**Brad Eckenweiler**  
**Chief Executive Officer and Director**