

SQUATEX ENERGY AND RESSOURCES INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

AND

INFORMATION CIRCULAR

JULY 31, 2017

SQUATEX ENERGY AND RESSOURCES INC.

7055 boul. Taschereau, Suite 500, Brossard, Québec J4Z 1A7

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of shareholders of Squatex Energy and Ressources Inc. (the "Corporation") will be held at the head office of the Corporation located at 7055 boul. Taschereau, Suite 500, Brossard, Québec, on September 6, 2017, at 9:00 a.m., for the following purposes:

1. to present to shareholders the financial statements of the Corporation for the year ended March 31, 2017, as well as the related auditor's report;
2. to elect the directors of the Corporation;
3. to appoint the auditor of the Corporation and to authorize the directors to fix its remuneration; and
4. to transact such other business that may properly come before the Meeting.

The attached management proxy circular includes supplementary information on the matters to be dealt with at the Meeting and, as such, is an integral part of this Notice.

Brossard, Québec
July 31, 2017

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Jean-Claude Caron
President

Since it is desirable that as many shares as possible be represented and voted at the Meeting, we urge any shareholder who is unable to attend the Meeting in person to complete and return the enclosed proxy form in accordance with the instructions contained therein.

SQUATEX ENERGY AND RESSOURCES INC.
(the "Corporation")

INFORMATION CIRCULAR
(Containing information as of July 31, 2017, unless indicated otherwise)

SOLICITATION OF PROXIES

This information circular (the "Information Circular") is provided in connection with the solicitation of proxies to be used at the Annual Meeting of Shareholders (the "Meeting") of the Corporation to be held at the time and place and for the purposes set forth in the attached Notice of Meeting and at any adjournment thereof. The enclosed proxy is being solicited by the management of the Corporation and the cost of this solicitation will be borne by the Corporation. The solicitation will be conducted primarily by mail but proxies may also be solicited personally by officers, employees or agents of the Corporation, but without additional compensation.

If you cannot attend the Meeting in person, complete and return the enclosed form of proxy in accordance with the instructions contained therein.

REQUIRED QUORUM

The by-laws of the Corporation provide that a quorum is reached at a shareholders' meeting of the Corporation if 2 or more holders representing 10% of the votes that may be casted at the Meeting are present in person or represented by proxy.

APPOINTMENT OF PROXYHOLDER AND RIGHT OF REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and officers of the Corporation. **A shareholder has the right to appoint as his or her proxy a person, who need not be a shareholder, other than those whose names are printed on the accompanying form of proxy.** A shareholder who wishes to appoint some other person to represent him or her at the Meeting may do so either by inserting such other person's name in the blank space provided in the form of proxy and signing the form of proxy, or by completing and signing another proper form of proxy.

A shareholder may revoke a proxy at any time by an instrument in writing executed by him or, if the shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized in writing, and by sending it at the same address where the form of proxy was sent and within the delays mentioned therein, or 2 business days preceding the date the Meeting resumes if it is adjourned, or by delivering it to the chairman of such Meeting on the day of the Meeting or any adjournment thereof.

INFORMATION FOR BENEFICIAL SHAREHOLDERS

Only registered shareholders or holders of a duly designated proxy are eligible to attend and vote at the Meeting.

Shareholders who do not hold their shares in their own name (the "Beneficial Shareholders") are advised that only the proxies of registered shareholders may be recognized and used for a vote at the Meeting. Actual shareholders who fill out and return a proxy shall indicate the name of the person (usually a brokerage house) that holds their shares as the registered shareholder. Each intermediary (broker) has its own mailing procedure and provides for its own return instructions, which should be carefully followed. The proxy provided to Beneficial Shareholders is identical to the one provided to registered shareholders. Nevertheless, its purpose is limited to instructing the registered shareholder on how to vote.

If the shares appear on the account statement supplied to a shareholder by a broker, then, generally speaking, these shares will not be registered in the name of the shareholder in the Corporation's records. It is probable that these shares will be registered in the name of the shareholder's broker or an agent of the broker. In Canada, most of these shares are registered in the name of CDS & Co. (the name of registration of Canadian Clearing and Depository Services Inc.), which acts as nominee for many Canadian brokerage firms. The voting rights attached to the shares held by brokers or their nominees may not be exercised in favour of or against resolutions except as directed by the shareholder. Without specific instructions, brokers or nominees are prohibited from exercising the voting rights attached to the shares of

their customers. The directors and executive officers of the Corporation do not know for whose benefit the shares registered in the name of CDS & Co. are held.

Brokers and other intermediaries are required to request voting instructions from the Beneficial Shareholders before shareholder meetings. Brokers and other intermediaries have their own specific sending procedures and instructions for returning documents, which must be followed to the letter by the Beneficial Shareholders so that their voting rights can be exercised at the Meeting. In Canada, most brokers delegate the responsibility of obtaining instructions from their customers to Broadridge Financial Solutions Inc. (“BFSI”). A Beneficial Shareholder who receives a voting instruction form from BFSI may not use this form to vote directly at the Meeting. If you have any questions about exercising your voting rights attached to the shares that you hold through a broker or another intermediary, please contact this broker or other intermediary directly.

Although a Beneficial Shareholder cannot be recognized at the Meeting for the purpose of directly exercising the voting rights attached to the shares registered in the name of its broker (or of an agent of such broker), he/she may attend the Meeting as a proxy of the registered shareholder and exercise the voting rights attached to the shares in connection therewith.

Unless otherwise indicated, in this Information Circular as well as the attached proxy form and Notice of Meeting, "shareholders" refers to registered shareholders.

EXERCISE OF DISCRETION BY PROXIES

The management undertakes to respect the holder's instructions.

In the absence of any instructions, the proxy holder will exercise the right to vote FOR each question defined on the form of proxy, in the Notice of Meeting or in the Information Circular.

Unless otherwise specified herein, all resolutions will be adopted by a simple majority of the votes represented at the Meeting.

Management does not know and cannot foresee at the present time any amendments or new points to be brought before the Meeting. If such amendments or new points were to be brought before the Meeting, the persons named in the enclosed form of proxy will vote on such matters in the way they consider advisable.

RECORD DATE

The Board of Directors of the Corporation (the “Board”) fixed the close of business on July 31, 2017 as the record date for determining which shareholders shall be entitled to receive Notice of the Meeting and to vote in person or by proxy at the Meeting or any adjournment thereof.

AUTHORIZED CAPITAL STOCK, VOTING SECURITIES AND PRINCIPAL HOLDERS

The authorized capital stock of the Corporation consists of an unlimited number of common shares without par value.

As of the date hereof, 105,841,876 common shares were issued and outstanding. Each common share of the Corporation confers upon its holder the right to one vote.

As of the date hereof, to the knowledge of management of the Corporation, the only persons holding 10% or more of the issued and outstanding shares of the Corporation are:

Name	Nature of holding	Number of shares held	Percentage of issued shares held
Jean-Claude Caron	Direct ⁽¹⁾	61,808,806	58.40%
Steve Surveyer	Direct	17,133,334	16.19%

(1) Directly and indirectly through 9129-2862 Québec Inc. (“Sanaji”), a corporation wholly-owned by Jean-Claude Caron.

INTEREST OF CERTAIN PERSONS IN MATTERS ON THE AGENDA

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any of the following persons in any matter to be acted upon at the Meeting:

- a) each person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year;
- b) each proposed nominee for election as a director of the Corporation; and
- c) each associate or affiliate of any of the foregoing.

DETAILS OF MATTERS TO BE DEALT WITH AT THE MEETING

A – FINANCIAL STATEMENTS

The management discussion and analysis and the audited financial statements for the year ended March 31, 2017, together with the auditors' report therein, will be presented before the Meeting but will not be subject to a vote.

B – ELECTION OF DIRECTORS

The By-laws of the Corporation provide that the members of the Board are elected annually and that each director holds office until the next annual meeting of shareholders or until his successor is elected or appointed. There are currently 5 directors, but the Corporation's management considers that it is appropriate to increase such number to 6.

The Corporation's management proposes the election of the following nominees as directors and does not contemplate that any of such nominees will be unable or unwilling, for any reason, to serve as a director.

Name, city and province of residence	Office held with the Corporation	Principal occupation	Director since	Number of common shares of the Corporation beneficially owned or over which control is exercised ⁽³⁾
Jean-Claude Caron ⁽¹⁾ Kuujuarapik (Québec)	Director and President	Businessman and Entrepreneur	February 12, 2002	61,808,806 ⁽²⁾ /58.40%
Steve Surveyer ⁽¹⁾ Hampstead (Québec)	Director	Petroleum Engineer	February 25, 2002	17,133,334/16.19%
René Lamarche ⁽¹⁾ Laval (Québec)	Director	Director, Ipso Facto Investissement Immobilier	February 25, 2002	1,400,000/1.32%
René Guimond Montréal (Québec)	Director, Vice-President, Finance and Secretary-Treasurer	Partner, Guimond Lavallée Inc., chartered professional accountants firm	February 2, 2009	3,500,000/3.31%
Mario Lévesque Québec (Québec)	Director and Director of Business Development	Director of Business Development of the Corporation	August 15, 2016	64,560/0.06%
Stéphane Deschênes Saint-Gabriel (Québec)	Candidate as Director	Owner of a maple farm	N/A	-/-

(1) Member of the Audit Committee.

(2) Directly and indirectly through Sanaji, a corporation wholly-owned by Jean-Claude Caron.

(3) Each nominee has supplied the information concerning the number of common shares over which he exercises control or direction.

With the exception of Stéphane Deschênes, all nominees have been elected directors of the Corporation at the annual and special shareholders' meeting of August 15, 2016, for which an Information Circular was issued.

Stéphane Deschênes earned a degree in forestry from Rimouski College in 1991. Since the beginning of his professional life, he has been deeply involved in his community. Between 1994 to present day, he served as Vice-President of the maple farm union and got involved in the management of more than a dozen economic development boards in the Rimouski region. He has an extensive knowledge of the forestry sector in the Rimouski region and a will to develop the local economy. He is also a seasoned business owner who owns a large maple farm (40,000 trees) since 2002.

The fact that certain directors of the Corporation may be involved with other corporations may cause situations of conflict of interest. If a director is in a situation of conflict of interest, he will abstain from any discussions, decisions and votes.

The current directors of the Corporation control collectively an aggregate of 83,906,700 common shares of the Corporation, being 79.28 % of the issued and outstanding shares of the Corporation.

To the knowledge of the Corporation, none of the above-mentioned candidates:

- (a) is, or within the last 10 years, has been a director, chief executive officer or chief financial officer of any company that:
 - i) was the subject of a cease trade, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which, in all cases, was in effect for a period of more than 30 consecutive days (an “Order”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
 - ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) is, or within the last 10 years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the last 10 years, 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 his assets.

Also, except as disclosed hereinafter, to the knowledge of the Corporation, no candidate for election as director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority;
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder having to decide to vote for a candidate.

As of December 13, 2010, as part of a process undertaken with the Autorité des marchés financiers (the “AMF”) to regularize the situation of the Corporation with respect to certain placements made by it in contravention with the *Securities Act* (Québec), MM. Caron, Surveyer, Lamarche and Guimond have entered into an administrative settlement with the AMF, providing namely that the Corporation become a reporting issuer (which was completed on October 12, 2011) and for the payment of an aggregate administrative fine of \$33,000 (divided with other intervenants but excluding Mr. Guimond). Additional details on this administrative settlement with the AMF are described in the exchange offer circular of the Corporation dated October 12, 2011, which is available on www.sedar.com.

You can vote for the election of all the candidates described above, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. Unless otherwise instructed, the persons named in the accompanying form of proxy will vote FOR the election of each of the candidates described above as director of the Corporation.

***C – APPOINTMENT OF AUDITOR AND AUTHORIZATION GIVEN TO THE BOARD
TO FIX THE REMUNERATION OF THE AUDITOR***

PricewaterhouseCoopers LLP (“PwC”) is the auditor of the Corporation. The Management proposes PwC as auditor of the Corporation for the financial year ending March 31, 2018. In addition, for practical reasons, it is expedient at the Meeting to authorize the directors to fix the remuneration of the auditor.

The persons named in the accompanying form of proxy will vote FOR the appointment of PwC as auditor of the Corporation to hold office until the next annual meeting of the shareholders of the Corporation and the authorization for the Corporation's directors to fix its remuneration, unless the shareholders signing the proxy has indicated his/her intention to abstain from voting in connection therewith.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

A – EXECUTIVE OFFICERS

Compensation Discussion and Analysis

Interpretation

"Named Executive Officer" ("NEO") means:

- a) a Chief Executive Officer ("CEO");
- b) a Chief Financial Officer ("CFO");
- c) each of the 3 most highly compensated executive officers, or the 3 most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are Jean-Claude Caron, President, and René Guimond, Vice-President, Finance.

Objectives of the Compensation Program

Given its current stage of development, the Corporation does not have an official compensation program. The Board and the Audit Committee meet to review and establish the compensation of the management without taking into account systematic criteria. Given the current status of the Corporation, the use of traditional performance standards, such as corporate profitability, is not considered by the Corporation to be appropriate in the evaluation of the performance of the NEOs.

The Board does not have a Compensation Committee. The Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable and accomplishes the following long-term objectives:

- (a) attract, retain and motivate talented executive officers that contribute to the continued success of the Corporation;
- (b) align the interests of the NEOs of the Corporation with those of the shareholders of the Corporation;
- (c) provide to the NEOs a compensation that is competitive with those of corporations of a similar size operating a similar business in the appropriate regions; and
- (d) ensure that the overall compensation takes into account the constraints related to the activities of the Corporation, which is an oil and gas exploration corporation, the operations of which will not generate material revenues during a long period of time.

Purpose of the Compensation Program

The compensation program of the Corporation has been designed to be competitive within its industry and aims to recognize the achievement of results from the NEOs and their individual performances.

Elements of the Compensation

The compensation currently consists in the payment of fees under written contracts. The Board, in establishing the fees payable to each NEO, takes into account his experience and his position within the Corporation.

Compensation and Risk Management

Given the size of the Corporation and the fact that it has not implemented a formal compensation program, it is not possible for the Audit Committee or the Board to take into consideration the risks associated with a compensation program.

Summary Compensation Table

The following table presents information concerning all compensation paid, payable, awarded, granted, given or otherwise provided to NEOs of the Corporation for services rendered to the Corporation during the 3 most recently completed financial years.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$) ⁽¹⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Jean-Claude Caron, President	2017 2016 2015	n/a	n/a	n/a	n/a	n/a	n/a	-- -- --	-- -- --
René Guimond, Vice-President, Finance	2017 2016 2015	n/a	n/a	n/a	n/a	n/a	n/a	60,000 60,000 60,000	60,000 60,000 60,000

(1) This compensation was paid pursuant to the agreements described hereinafter under the heading "Termination and Change of Control Benefits".

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table presents for each NEO all awards outstanding at the end of the last completed financial year.

Name	Options-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	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 (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jean-Claude Caron	n/a	n/a	n/a	n/a	n/a	n/a	n/a
René Guimond	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Value Vested or Earned during the year

The following table presents information concerning the value vested with respect to awards granted to the NEOs during the last completed financial year.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jean-Claude Caron	n/a	n/a	n/a
René Guimond	n/a	n/a	n/a

Pension Plan Benefits

The Corporation does not have a pension plan or other similar plan.

Termination and Change of Control Benefits

There is no employment contract between the Corporation and a NEO and there is no compensation plan or mechanism with respect to a NEO that may be triggered following his resignation, retirement or other termination of employment with the Corporation or following a change of control of the Corporation or a change in his responsibilities following a change of control.

However, the Corporation has entered into the following agreements for the services of MM. Caron and Guimond:

- (i) a service agreement with Sanaji for the services of Jean-Claude Caron as President of the Corporation. Pursuant to such agreement, which can be terminated at any time by either party, the Corporation pays to Sanaji a monthly amount of \$12,000 plus taxes. This agreement also includes usual provisions with respect to confidentiality and non-disclosure. For the year ended March 31, 2017, Sanaji has renounced to the payment of such fees, which represents an amount of \$144,000;
- (ii) a service agreement with Guimond Lavallée Inc. (“GL”) for the delivery of services related to office space rental, bookkeeping and accounting, preparation of governmental reports, income tax returns and financial statements and the services of René Guimond as Vice-President Finance. Pursuant to such agreement, which can be terminated at any time by either party, the Corporation pays to GL a monthly amount of \$20,000 plus taxes. This agreement also includes usual provisions with respect to confidentiality and non-disclosure. For the year ended March 31, 2017, GL has granted a rebate of 50% to the Corporation, which represents an amount of \$120,000.

B – DIRECTORS

Summary Compensation Table

The compensation of the directors is established by the Board. The following table presents the awards granted to the directors of the Corporation that are not NEOs during the last completed financial year.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
René Lamarche	2,800	n/a	n/a	n/a	n/a	n/a	2,800
Steve Surveyer	--	n/a	n/a	n/a	n/a	n/a	--
Mario Lévesque	96,000 ⁽¹⁾	n/a	n/a	n/a	n/a	n/a	96,000

- (1) This compensation was paid pursuant to an agreement for its services of Director of Business Development.

Incentive plan Awards

Outstanding Share-based Awards and Option-based Awards

The following table presents the awards granted to the directors of the Corporation that are not NEOs outstanding at the end of the last completed year.

Name	Options-based Awards				Share-based Awards		
	Number of securities underlying unexercised options ⁽¹⁾ (#)	Options exercise price (\$)	Options expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
René Lamarche	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Steve Surveyer	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mario Lévesque	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Value vested or earned during the year

The following table presents information concerning the value vested with respect to awards granted to the directors of the Corporation that are not NEOs during the last completed financial year.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
René Lamarche	n/a	n/a	n/a
Steve Surveyer	n/a	n/a	n/a
Mario Lévesque	n/a	n/a	n/a

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance at the end of the last completed financial year.

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 security holders NIL	n/a	n/a	n/a
Equity compensation plans not approved by security holders NIL	n/a	n/a	n/a

INDEBTEDNESS OF EXECUTIVE OFFICERS AND DIRECTORS

During the fiscal year ended March 31, 2017, and as at the date of this Information Circular, none of the directors, executive officers, employees (or previous directors, executive officers or employees) of the Corporation, each proposed nominee for election as a director of the Corporation and any associate of such a person was or is indebted to the Corporation with respect to the purchase of securities of the Corporation and for any other reason.

LIABILITY INSURANCE FOR EXECUTIVE OFFICERS

The Corporation has liability insurance for its directors and executive officers. The insurance policy provides a maximum annual coverage of \$5,000,000. The Corporation paid an annual premium of \$3,225 on the policy during the last financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The management of the Corporation is not aware of any material interest, direct or indirect, that any director, proposed director, officer, shareholder of the Corporation holding, directly or indirectly, as beneficial owner, more than 10% of the outstanding common shares of the Corporation or any associate or affiliate of any such persons would have in any material transaction concluded since the beginning of the last financial year of the Corporation or in any proposed transaction which had or could have a material effect on the Corporation, other than what is disclosed in this Information Circular.

STOCK OPTION PLAN

On June 5, 2017, the Board adopted a stock option plan (the "Plan").

The objective of the Plan is to permit the directors, executive officers, employees, consultants and persons providing investor relation services to participate in the growth and development of the Corporation through the grant of options to purchase common shares.

The principal terms of the Plan are the following:

- (1) the maximum number of shares that may be issued under the Plan is limited to 10% of the issued and outstanding common shares of the Corporation at the time of the grant of the options;
- (2) the number of shares reserved for issuance during a 12 month period cannot exceed the following percentage of issued and outstanding shares of the Corporation, being:
 - (i) 5% of the case of an individual;
 - (ii) 2% in the case of a consultant; and
 - (iii) 2% for all persons providing investor relation services with these options to be acquired gradually over that 12 month period, with a maximum of 25% per quarter;
- (3) the exercise price of the options shall not be less than the closing price of the common shares of the Corporation on the Canadian Securities Exchange on the last day preceding the grant during which there were transactions;
- (4) the options are non-assignable and have a maximum term of 5 years;
- (5) the options shall terminate upon the death, retirement, resignation or termination of employment of the beneficiary, the beneficiaries or their heirs sometimes having additional delays (that cannot exceed 12 months) stipulated by the Plan to exercise their options;
- (6) the proceeds from the exercise of the options will be used for the working capital of the Corporation.

On June 6, 2017, an aggregate of 1,000,000 options were granted to the directors of the Corporation, at an exercise price of \$0.35.

AUDIT COMMITTEE

Charter and Composition of the Audit Committee

The text of the Audit Committee's charter is attached hereto as Schedule "A". The current members of the Audit Committee of the Corporation are Jean-Claude Caron, René Lamarche and Steve Surveyer. MM. Lamarche and Surveyer are independent, as such terms are defined in *National Instrument 52-110 Audit Committees* ("NI 52-110"). The Audit Committee is thus comprised of a majority of independent directors. See "Corporate Governance Practices".

Relevant Education and Experience

The Audit Committee reviews the Corporation's financial position, examines and recommends the approval of the quarterly financial statements, the audit mandates and audited annual reports, questions the auditor and assesses the Corporation's returns, investments and portfolio of properties. The audit committee held 4 meetings during the financial year ended March 31, 2017.

The 3 members of the Audit Committee have, as a group, the relevant education and the relevant experience in order to perform their responsibilities. All 3 members are financially literate, meaning that they have 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 be reasonably expected to be raised by the Corporation's financial statements.

Jean-Claude Caron, a businessman, is President and sole shareholder of Sanaji since 1996. Mr. Caron's business is located in the village of Kuujuarapik in the Nord-du-Québec region of Québec. Sanaji is engaged in the business of providing accommodation and catering services, as well as the rental and repair of rolling stock. Mr Caron devotes approximately 90% of his time to the Corporation.

René Lamarche received a Bachelor of Business Administration degree in 1990 from Université du Québec à Montréal (UQAM) and completed advanced training in real estate investment and financing (FAIFI – AREC obtained in 2001 from McGill-UQAM). Mr. Lamarche is, since Octobre 2015, director of Ipso Facto Real Estate Investment. He also worked as Vice-President of Investments for the Fonds de solidarité FTQ from January 2014 to September 2015, having served as Assistant Vice-President from April 2011 to January 2014. Mr. Lamarche has more than 25 years of experience in real estate banking, having worked at the National Bank of Canada, the Bank of Montreal and, from 1984 to 2011, at the Laurentian Bank of Canada where he held the position of Vice-President of the Centre d'affaires immobilières for Québec and the Maritimes.

Steve Surveyer, a petrochemical engineer, is a majority shareholder of Ultragen Group Ltd. ("Ultragen") and has held the position of Director, Process engineering since 1988. Ultragen works to develop projects in relation to oil & gas, extraction petrochemicals and biofuels production and infrastructure development. From 1979 to 1988, Mr. Surveyer held the position of manager of the Process Group at SNC / FW Ltd.

Audit Committee Oversight

At no time during the Corporation's financial year ended March 31, 2017 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time during the Corporation's financial year ended March 31, 2017 has the Corporation relied on the various exemptions provided under NI 52-110. However, the Corporation is not required to comply with Parts 3 and 5 of NI 52-110 given that it is a venture issuer as defined in NI 52-110.

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

The aggregate fees billed by the Corporation's external auditor in each of the last 2 fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees (\$) ⁽¹⁾	Audit-Related Fees (\$) ⁽²⁾	Tax Fees (\$) ⁽³⁾	All Other Fees (\$) ⁽⁴⁾	Total
March 31, 2017	\$31,700	\$31,500	n/a	n/a	\$63,200
March 31, 2016	\$30,000	n/a	n/a	n/a	\$30,000

- 1) *Audit Fees* consist of the aggregate fees billed by the external auditor of the Corporation for audit services.
- 2) *Audited Related Fees* consist of the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements of the Corporation and are not reported under "Audit Fees" above and include the provision of comfort letters and consents, consultations concerning financial accounting and reporting of specific issues and the review of documents filed with regulatory authorities.
- 3) *Tax Fees* consist of the aggregate fees billed for tax compliance, tax advice and tax planning services, including the preparation of tax returns and claims for refund; tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from taxing authorities; tax planning services; and consultation and planning services.
- 4) *All Other Fees* include the aggregate fees billed for products and services provided by the auditor, other than the services reported above.

CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer must disclose on an annual basis the corporate governance practices that it has adopted.

Board of Directors

1. Independent Directors

An independent director is a director who has no direct or indirect material relationship with an issuer. A material relationship is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement. The independent directors of the Corporation are René Lamarche and Steve Surveyer.

2. Non Independent Director

Jean-Claude Caron, René Guimond and Mario Lévesque are respectively President, Vice-President Finance and Secretary-Treasurer and Director of Business Development of the Corporation and are thus not independent.

The independent directors can orientate the Board in facilitating its exercise of independent supervision over management.

Directorships

No director of the Corporation is currently a director of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction.

Orientation and Continuing Education

The Corporation does not currently have a formal orientation program for new directors. The Board has not at this time taken any measures to provide continuing education for the directors. However, the directors are invited to follow, at the expense of the Corporation, training courses. Also, the directors have access to the legal counsels of the Corporation for any question concerning their duties as director.

Ethical Business Conduct

The directors of the Corporation have the obligation to fulfill their duties and assume their functions in the best interest of the Corporation. The Corporation requires that all directors comply with the laws and regulations governing the

affairs of the Corporation. Also, the Corporation promotes the integrity and follows an ethical business conduct in the conduct of its affairs. Finally, the Board requests that all its members actively participate to the meetings of the board and of the committees, as applicable.

The Corporation also requires each director to disclose any potential conflict of interest and will address any such issue on a case-by-case basis.

Nomination of Directors

The Board currently selects the nominees for a director position after having carefully evaluated the qualifications, professional aptitudes, personality and other qualifications, including the time and energy the nominee can contribute to the task as well as the contribution he brings to the Board.

Compensation

All matters with respect to the compensation are determined by the Board. The compensation program is described under the heading "Compensation of Executive Officers and Directors".

Other Board Committees

The only committee of the Board is the Audit Committee.

Evaluation

The Board as a whole is responsible for evaluating the effectiveness and contribution of each member of the Board individually and the effectiveness and contribution of the Board as a whole as well as the Audit Committee.

OTHER AGENDA ITEMS

The Corporation's management is unaware of any change regarding the items listed in the Notice of Meeting or of any other item that could be submitted to the Meeting, apart from those mentioned in the Notice of Meeting. However, if changes concerning the items on the agenda mentioned in the Notice of Meeting, or other items, are submitted to the Meeting in valid form, the attached proxy form confers discretionary power upon the persons named therein to vote, using their best judgment, on the related changes or on other items.

ADDITIONAL INFORMATION

Additional financial information is provided in the financial statements and the Management's report for the year ended March 31, 2017. Such documents and this Information Circular are available on SEDAR (www.sedar.com).

Copies are also available by contacting the Corporation:

7055 boul. Taschereau, Suite 500
Brossard, Québec J4Z 1A7
Telephone: (450) 766-0861
Fax: (450) 466-0772

The Corporation may request the payment of reasonable fees if the requesting party is not a shareholder of the Corporation.

APPROVAL OF INFORMATION CIRCULAR

The contents and the sending of the Information Circular have been approved by the Board.

Montreal, July 31, 2017

By order of the Board

(s) Jean-Claude Caron

Jean-Claude Caron, President

SCHEDULE “A”

AUDIT COMMITTEE CHARTER

The following charter is adopted in compliance with *Regulation 52-110 respecting Audit Committees* (“MI 52-110”).

1. MANDATE AND OBJECTIVES

The mandate of Audit Committee of the Corporation (the “Committee”) is to assist the Board of Directors of the Corporation (the “Board”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting and the Corporation’s auditing, accounting and financial reporting processes.

The objectives of the Committee are to:

- (i) serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements;
- (ii) ensure the independence of the Corporation’s external auditor; and
- (iii) provide better communication among the Corporation’s auditor, the management and the Board.

2. COMPOSITION

The Committee shall be comprised of at least 3 Directors as determined by the Board.

The members of the Committee shall be financially literate or have financial management expertise. A person who is not financially literate may however be appointed as a member of the Committee provided that it becomes financially literate within a reasonable period of time following its appointment.

For the purposes of this Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Corporation’s financial statements.

The members of the Committee shall be elected by the Board at its first meeting following each annual shareholder’s meeting. Unless a Chairman is elected by the Board, the members of the Committee may designate a Chairman by a majority vote of all the Committee members.

3. MEETINGS AND PROCEDURES

The Committee shall meet at least 4 times annually or more frequently if required.

At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman shall not be entitled to a second vote.

A quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

4. DUTIES AND RESPONSIBILITIES

The following are the general duties and responsibilities of the Committee:

4.1 Financial Statements and Disclosure Matters

- a) review the Corporation's financial statements, MD&A and any press releases regarding annual and interim results, before the Corporation publicly discloses such information, and any reports or other financial information which are submitted to any governmental body or to the public;
- b) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in paragraph 4.1 (a) and periodically assess the adequacy of those procedures.

4.2 External Auditor

- a) recommend to the Board the selection and, where applicable, the replacement of the external auditor to be nominated annually by the shareholders of the Corporation and recommend to the Board the compensation of such external auditor;
- b) oversee directly the work of the external auditor, which is the representative of the shareholders of the Corporation towards the Board and the Committee and review annually its performance and independence;
- c) settle any disagreement between management and the external auditor regarding financial reporting;
- d) on an annual basis, review and discuss with the external auditor all significant relationships it may have with the Corporation that may impact its objectivity and independence;
- e) consult with the external auditor about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- f) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;
- g) review the audit plan for the annual financial statements and intended template for such statements;
- h) review and pre-approve all fees and audit-related services, as well as any non-audit services provided by the external auditor to the Corporation or its subsidiaries. The pre-approval requirement is satisfied by the Committee with respect to the provision of non-audit services if:
 - i) the aggregate amount of all the non-audit services that have not been pre-approved does not constitute more than 5% of the total amount of fees paid by the Corporation and its subsidiaries to its external auditor during the fiscal year in which the services are provided;
 - ii) such services were not recognized by the Corporation or its subsidiaries as non-audit services at the time of the engagement; and

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

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre approve non-audit services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

4.3 **Financial Reporting Process**

- a) in consultation with the external auditor, review with management the integrity of the Corporation's financial reporting process, both internal and external;
- b) consider the external auditor's judgment about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditor and management;
- d) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
- e) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- f) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

