



NU2U RESOURCES CORP.

**ANNUAL GENERAL MEETING
OF
SHAREHOLDERS**

THURSDAY, JANUARY 19, 2017



NU2U RESOURCES CORP.
Suite 610, 700 West Pender Street
Vancouver, British Columbia, V6C 1G8

MANAGEMENT INFORMATION CIRCULAR

(containing information as at December 14, 2016, unless otherwise stated)

For the Annual General Meeting to be held on Thursday, January 19, 2017

SOLICITATION OF PROXIES

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management (the “**Management**”) of NU2U Resources Corp. (the “**Company**”), for use at the annual general meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of the Company to be held on Thursday, January 19, 2017, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

The enclosed form of proxy (the “**Proxy**”) is solicited by Management. The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

APPOINTMENT OF PROXYHOLDERS

The persons named in the Proxy are representatives of the Company.

A Shareholder entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder's behalf at the Meeting other than the persons named in the accompanying form of proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying form of proxy and insert the name of the Shareholder's nominee in the blank space provided, or complete another suitable form of proxy.

VOTING BY PROXYHOLDER

Manner of Voting

The common shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the shares will be voted accordingly. On any poll, the persons named in the Proxy (the “**Proxyholders**”) will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known

to Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.

In the absence of instructions to the contrary, the Proxyholders intend to vote the common shares represented by each Proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.

REVOCABILITY OF PROXY

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited by hand with the Company's registrar and transfer agent, Computershare Trust Company of Canada ("**Computershare**") by hand or mail at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North America at 1-416-263-9524 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chair of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Voting Thresholds Required for Approval

In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a special resolution (a "**Special Resolution**"), in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Company who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

ADVICE TO REGISTERED SHAREHOLDERS

Shareholders whose names appear on the records of the Company as the registered holders of common shares in the capital of the Company (the "**Registered Shareholders**") may choose to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders who choose to submit a Proxy may do so by completing, signing, dating and depositing the Proxy with Computershare, by hand or mail at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North America at 1-416-263-952, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. The Proxy may be signed by the Shareholder or by his or her attorney in writing, or, if the Registered Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name.

Shareholders who do not hold their shares in their own name (the “**Beneficial Shareholders**”) should note that only proxies deposited by Registered Shareholders can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those shares will not be registered in the Shareholder's name on the records of the Company. Such shares will more likely be registered under the name of the Shareholder's intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such shares are registered under the name CDS & Co. (being the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting shares for the intermediary's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.

These proxy-related materials are being sent to both Registered Shareholders and Beneficial Shareholders of the Company. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a Proxyholder for a Registered Shareholder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as Proxyholder for a Registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a Proxyholder.

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities that they own (“**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (“**NOBOs**” for Non-Objecting Beneficial Owners).

Non-Objecting Beneficial Owners

Pursuant to National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (“**NI 54-101**”), issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. This year, the Company will rely on those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“**VIF**”) from the Company's transfer agent, Computershare, or Broadridge Investor Communications, or such other firm. These VIFs are to be completed and returned in accordance with the mailing, and/or telephone voting, and/or internet voting instructions contained therein. Results of the VIFs received from NOBOs will be tabulated and appropriate instructions will be provided at the Meeting with respect to the shares represented by the VIFs they receive.

If you are a Beneficial Shareholder and the Company or its agent has sent these proxy-related materials to you directly, please be advised that your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your securities on your behalf. By choosing to send these proxy-related materials to you directly, the Company (and not the intermediaries holding securities your behalf) has assumed responsibility for (i) delivering the proxy-related materials to you and (ii) executing your proper voting instructions as specified in the VIF.

Objecting Beneficial Owners

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

Applicable regulatory rules require intermediaries to seek voting instructions from OBOs in advance of Shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the OBO.

The form of proxy provided to OBOs by intermediaries will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies voting instruction forms, mails those forms to OBOs, and asks those OBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **An OBO receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such shares are voted.**

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

Except as otherwise disclosed herein, none of the directors or officers of the Company, at any time since the beginning of the Company's last financial year, nor any proposed nominee for election as a director, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board has fixed Wednesday, December 14, 2016, as the record date (the "**Record Date**") for determining 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.

The Company is authorized to issue an unlimited number of Common Shares. As of the Record Date, there were 23,849,615 Common Shares without par value issued and outstanding, each carrying the right to one vote. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

The Company is also authorized to issue an unlimited number of Preferred Shares with a par value of \$100.00 each and with special rights and restrictions attached. As of the Record Date, there are no Preferred Shares issued and outstanding.

To the knowledge of the directors and executive officers of the Company, the only persons or corporations that 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 the Record Date are:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares
Code Consulting Limited ¹	9,530,000	39.96%

¹ Code Consulting Limited is a company wholly-owned and controlled by Lance Tracey, the Company's Chief Executive Officer and a director of the Company.

STATEMENT OF EXECUTIVE COMPENSATION

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V, *Statement of Executive Compensation – Venture Issuers*. The objective of this disclosure is to communicate the compensation the Company paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the most recently completed financial year, and the decision-making process relating to compensation.

Named Executive Officer

In this section, Named Executive Officer (“NEO”) means each of the following individuals:

- (a) each individual who during any part of the most recently completed financial year served as a Chief Executive Officer (“CEO”);
- (b) each individual who during any part of the most recently completed financial year served as a Chief Financial Officer (“CFO”);
- (c) the most highly compensated executive officer, other than the CEO or CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

Disclosure in this section sets forth compensation for each of Lance Tracey, the CEO, Sheri Rempel, the CFO), Thomas Bell, the former CEO and President, Patrick Lavin, the former CFO, (together, the “NEOs”) Laurie Baggio and Mark Sampson (together, the “Directors”).

Director and NEO Compensation

Director and NEO Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO, in any capacity, for the financial years ended June 30, 2016 and 2015:

Table of Compensation Excluding Compensation Securities							
Name and position	Year¹	Salary, consulting fee, retainer, or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Lance Tracey ² CEO	2016	Nil	Nil	Nil	Nil	Nil	Nil
Director	2015	N/A	N/A	N/A	N/A	N/A	N/A
Sheri Rempel ³ CFO	2016	6,750 ⁴	Nil	Nil	Nil	Nil	6,750
Director	2015	N/A	N/A	N/A	N/A	N/A	N/A
Thomas Bell ⁵ Former CEO, Former President and Former Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	4,500 ⁶	Nil	Nil	Nil	18,500 ⁷	23,000
Patrick Lavin ⁸ Former CFO and Former Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	4,500 ⁶	Nil	Nil	Nil	18,500 ⁷	23,000
Laurie Baggio ⁹ Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	N/A	N/A	N/A	N/A	N/A	N/A
Mark Sampson ¹⁰ Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	N/A	N/A	N/A	N/A	N/A	N/A

1 Financial year ended June 30th.

2 Lance Tracey was appointed CEO and a director of the Company on November 30, 2015.

3 Sheri Rempel was appointed CFO and a director of the Company on November 30, 2015.

4 Fees paid by the Company for CFO services to a corporation controlled by Sheri Rempel

5 Thomas Bell ceased to be CEO, President and a director of the Company on November 30 2015.

6 NEOs were paid \$500 per month from October 1, 2014, to June 30, 2015.

7 One-time accrual fee for the 37-month period from September 1, 2011, to September 30, 2014.

8 Patrick Lavin ceased to be CFO and a director of the Company on November 30, 2015.

9 Laurie Baggio was appointed a director of the Company on November 30, 2015.

10 Mark Sampson was appointed a director of the Company on November 30, 2015.

Stock Options and Other Compensation Securities

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Lance Tracey CEO Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sheri Rempel CFO Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Thomas Bell Former CEO, Former President and Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Patrick Lavin Former CFO and Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Laurie Baggio Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Sampson Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

No NEO or director of the Company was granted nor exercised compensation securities in the financial year ended June 30, 2016.

Stock Option Plans and Other Incentive Plans

The Board approved a 10% rolling share option plan effective December 7, 2015 (the “Plan”) and obtained shareholder approval of the Plan at the Company’s shareholder meeting held January 28, 2016. As such, re-approval of the Plan by Shareholders will be sought at the Meeting.

The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the directors of the Company and provides for option grants to directors, officers, employees or consultants of the Company or of a subsidiary of the Company.

The following information is intended to be a brief description of the Plan and is qualified in its entirety by the full text of the Plan:

- the Plan provides that up to 10% of the issued and outstanding common shares from time to time may be reserved for issue, less any common shares reserved for issuance under any other share compensation arrangement;
- the options are non-assignable and may be granted for a term not exceeding ten years;
- the exercise price shall not be lower than the greater of the closing market price of the common shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options;
- the terms of an option may not be amended once issued;
- if an option is cancelled prior to its expiry date, the Company shall not grant new options to the same person until 30 days have elapsed from the date of cancellation;
- the maximum number of options which may be granted to any one option holder under the Plan within any 12 month period shall be 5% of the outstanding issue on the date of grant (unless the Company has obtained disinterested shareholder approval, if required by Regulatory Rules);
- if required by Regulatory Rules, disinterested shareholder approval is required to the grant to Insiders, within a 12 month period, of a number of options which, when added to the number of outstanding incentive stock options granted to Insiders within the previous 12 months, exceed 10% of the issued shares;
- the maximum number of options which may be granted to any one consultant within any 12 month period must not exceed 2% of the outstanding Issue;
- the maximum number of options which may be granted within any 12 month period to employees or consultants engaged in investor relations activities must not exceed 2% of the outstanding Issue and such options must vest in stages over 12 months with no more than 25% of the options vesting in any three month period; and
- Vesting of options, except as noted above, shall be determined by the board of directors and shall be set out in the option certificate issued in respect of the options.

A copy of the Plan will be available for inspection at the Meeting. A shareholder may also obtain a copy of the Plan by contacting the Company at Suite 610, 700 West Pender Street, Vancouver, BC V6C 1G8.

As at December 14, 2016, there were no stock options outstanding.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of June 30, 2016:

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Nil	N/A	2,384,962 ¹
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	Nil	N/A	2,384,962 ¹

¹ Represents the number of common shares available for issuance under the Stock Option Plan, which reserves a number of common shares for issuance, pursuant to the exercise of stock options, that is equal to 10% of the issued and outstanding common shares from time to time.

Employment, Consulting and Management Agreements

Management functions of the Company are not, to any substantial degree, performed other than by directors or NEOs of the Company. There are no agreements or arrangements that provide for compensation to NEOs or directors of the Company, or that provide for payments to a NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Company or a change in the NEO or director's responsibilities.

Oversight and Description of Director and NEO Compensation

Compensation of Directors

Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board considers option grants to directors under the Stock Option Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of stock options. Other than the Stock Option Plan, as discussed above, the Company does not offer any long term incentive plans, share compensation plans or any other such benefit programs for directors.

Compensation of NEOs

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for NEOs.

Elements of NEO Compensation

As discussed above, the Company provides a Stock Option Plan to motivate NEOs by providing them with the opportunity, through stock options, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of stock options to NEOs. Other than the Stock Option Plan, the Company does not offer any long term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

CORPORATE GOVERNANCE

General

This section sets out the Company's approach to corporate governance pursuant to National Instrument 58-101, *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which requires issuers to disclose their corporate governance practices, and addresses the Company's compliance with National Policy 58-201, *Corporate Governance Guidelines* ("**NP 58-201**"), which provides guidance on corporate governance practices.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to a company's shareholders. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management.

The Board of Directors of the Company is committed to sound corporate governance practices as such practices are both in the interests of Shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the Board's opinion, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its independent supervision over management of the Company through frequent meetings of the Board.

Management was delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The Board reviews executive compensation and recommends stock option grants.

Fifty percent of the Board members are independent. The independent members of the Board are presently Laurie Baggio and Mark Sampson. The non-independent directors are Lance Tracey, who also serves as the Company's Chief Executive Officer and is a controlling shareholder of the Company, and Sheri Rempel, who also serves as the Company's Chief Financial Officer.

Directorships

The following directors of the Company are currently directors of the following other reporting issuers:

Director	Reporting Issuer
Sheri Rempel	Fantasy 6 Sports Inc. Norsemont Capital Inc.
Laurie Baggio	Mobio Technologies Inc.
Mark Sampson	Nexaira Wireless Inc.

Orientation and Continuing Education

The Board does not have a formal process for the orientation of new Board members. Orientation is done on an informal basis. New Board members are provided with such information as is considered necessary to ensure that they are familiar with the Company's business and understand the responsibilities of the Board.

The Board does not have a formal program for the continuing education of its directors. The Company expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board. Directors can consult with the Company's professional advisors regarding their duties and responsibilities, as well as recent developments relevant to the Company and the Board.

Ethical Business Conduct

The Board has not adopted a formal code of ethics. In the Board's view, the fiduciary duties placed on individual directors by corporate legislation and the common law, and the restrictions placed by 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.

Although the Company has not adopted a formal code of ethics, the Company promotes an ethical business culture. Directors and officers of the Company are encouraged to conduct themselves and the business of the Company with the utmost honesty and integrity. Directors are also encouraged to consult with the Company's professional advisors with respect to any issues related to ethical business conduct.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The identification of potential candidates for nomination as directors of the Company is primarily done by the CEO, but all directors are encouraged to participate in the identification and recruitment of new directors. Potential candidates are primarily identified through referrals by business contacts.

Compensation

The compensation of directors and the CEO is determined by the Board as a whole. Such compensation is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

Other Board Committees

The Board does not have any standing committees other than the Audit Committee.

Assessments

The Board does not have any formal process for assessing the effectiveness of the Board, its committees, or individual directors. Such assessments are done on an informal basis by the CEO and the Board as a whole.

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 the audit committee on an ongoing basis.

AUDIT COMMITTEE

The Company is a venture issuer as defined under National Instrument 52-110, *Audit Committees* ("NI 52-110") and each venture issuer 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, as set forth below.

Audit Committee Charter

The audit committee has a charter which was adopted by the Board on December 7, 2015, and a copy of which is attached to this Circular as Schedule "A", filed on SEDAR at www.sedar.com, and is specifically incorporated by reference into, and forms an integral part of this Circular.

Composition of the Audit Committee

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The current members of the Audit Committee are Mark Sampson (Chairman), Sheri Rempel and Laurie Baggio, two of whom (Messrs. Sampson and Baggio) are independent and all of whom are financially literate as defined by NI 52-110. Ms. Rempel is not considered to be independent as she also serves as the Chief Financial Officer of the Company.

Relevant Education and Experience

Mark Sampson has over 25 years of executive management experience in the telecommunications and information technology sectors with data and Internet companies such as MegaPath, AT&T Canada and Telus Advanced Communications and has served as President and CEO of both public and private companies in Canada and the United States. He is president of a successful consulting company formed in 1999 and has worked with venture firms and merchant banks alike to raise equity and debt, conduct accretive M&A transactions and realize successful exits. Mr. Sampson recently served as SVP of MegaPath, a privately held telecommunications company based in Pleasanton, California, where he helped rebuild the Managed Services business culminating in the sale of the division for US\$152 million.

Sheri Rempel has more than 25 years of accounting and financial management experience. Ms. Rempel started her career with public companies in 2001 and currently provides senior financial advisory services to Canadian private and public corporations, acting in officer or Controller capacities. In 2006 she founded CTB Consulting Inc. to provide comprehensive financial reporting services to public companies on the TSX, TSX Venture and Canadian Securities Exchanges.

Laurie Baggio is an accomplished entrepreneur with a wealth of operating and investing experience. He was one of the original executives of 1-800-GOT-JUNK?, most recently serving as Chief Operating Officer. During his tenure from 2001 to 2011, he helped build the franchise into the world's largest junk removal service in North America and Australia, winning many awards along the way, including being named to BC's Top Employer's list on multiple occasions. Additionally, he has been an investor, board member, and advisor to many start-up and high growth companies, including in the technology space. Companies he has recently been involved with include Moj.io, a company bringing smart technology to cars, BeanworksSolutions, an advanced software-based accounts payable solution provider, and Foodee

Media, an online delivery and takeout ordering platform. He also presently serves as Chief Executive Officer and a director of Mobio Technologies Inc., an issuer listed on the TSX Venture Exchange.

Each member of the Company's Audit Committee has adequate education and experience relevant to his/her performance as an audit committee member and, in particular, the requisite education and experience that provides the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements;
- (b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial has the Company relied on certain exemptions set out in NI 52-110, namely section 2.4 (*De Minimus Non-audit Services*), subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*), and any exemption, in whole or in part, in Part 8 (*Exemption*).

Pre-Approval Policies and Procedures

The Audit Committee has adopted the pre-approval policies and procedures set out in the Audit Committee Charter for the engagement of non-audit services.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two 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
2016	\$4,000	\$Nil	\$Nil	Nil
2015	\$2,000	\$Nil	Nil	Nil

- 1 The aggregate audit fees billed.
- 2 The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements that are not included under the heading "Audit Fees".
- 3 The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- 4 The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

Exemption

During the most recently completed financial year, the Company relied on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this Circular or "routine indebtedness", as that term is defined in Form 51-102F5 of National Instrument 51-102, *Continuous Disclosure Obligations*, none of:

- (a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a director or officer;
- (b) the proposed nominees for election as directors; or
- (c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company (a "**Subsidiary**"), or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any Subsidiary.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "**Informed Person**" means:

- (a) a Director or Officer;
- (b) a director or executive officer of a person or company that is itself an Informed Person or a Subsidiary;

- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended June 30, 2016, none of

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director; or
- (c) any associate or affiliate of the foregoing persons,

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

During the financial year ended June 30, 2016, the Company executed a Debt Assignment Agreement with the former CEO of the Company, the former CFO of the Company and a company with common directors whereby the \$70,360 aggregate amount owing by the Company to these parties was assigned to Code Consulting Limited, a company wholly-owned and controlled by Lance Tracey, the Company's CEO, a director of the Company, and controlling shareholder. Further, Code Consulting Limited loaned the Company the sum of \$400,000 – all as disclosed in the Company's financial statements.

MANAGEMENT CONTRACTS

The management functions of the Company are not, to any substantial degree, performed by persons other than the directors and officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Presentation of Financial Statements

The audited financial statements of the Company for the financial year ended June 30, 2016 (the "**Financial Statements**") and the auditor's report thereon (the "**Auditor's Report**"), will be presented to Shareholders at the Meeting.

The Financial Statements, Auditor's Report, and management's discussion and analysis ("**MD&A**") for the financial year ended June 30, 2016, are available under the Company's profile on SEDAR at www.sedar.com.

Management will review the Company's financial results at the Meeting and Shareholders and proxyholders will be given an opportunity to discuss these results with management. **No approval or other action needs to be taken at the Meeting in respect of these documents.**

2. Fixing the Number of Directors

There are currently four directors on the Company's board of directors. At the Meeting, it is proposed that the number of directors to be elected to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed be set at four (4).

Unless otherwise directed, it is the intention of management to vote proxies IN FAVOUR of setting the number of directors to be elected at four (4).

3. Election of Directors

Each director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated, in accordance with the Articles of the Company.

In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

Information Concerning Nominees Submitted by Management

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which he is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which he has been a director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular.

The director nominees include Lance Tracey, Sheri Rempel, Laurie Baggie – all of whom are currently directors of the Company, and Gary Schroeder, a businessman who has been President and CEO of several public companies listed on the TSX Venture Exchange and Canadian Securities Exchange. Mark Sampson, currently a director of the Company, will not be standing for re-election at the Meeting.

Name, province and country of ordinary residence, and positions held with the Company	Principal occupation, business or employment¹	Period serving as a director of the Company	Number of common shares beneficially owned or controlled²
Lance Tracey British Columbia, Canada	Self-employed business owner	November 30, 2015 - present	9,530,000
CEO & Director			

Sheri Rempel ³ British Columbia, Canada CFO & Director	Principal of CTB Consulting Inc. since 2006	November 30, 2015 - present	Nil
Laurie Baggio ³ British Columbia, Canada Director	Self-employed business owner; Chief Executive Officer of Mobio Technologies Inc. (August 2016 – present)	November 30, 2015 - present	Nil
Gary Schroeder ⁴ British Columbia, Canada Proposed Director	2012 – present: Business Consultant specializing in matters relating to public companies; 2010 – 2012: President of Creation Casinos Ltd., a listed issuer on the Canadian Securities Exchange (now Orca Power Corp.)	N/A	76,160

- 1 The information as to principal occupation, business or employment of director nominees is not within the knowledge of management of the Company and has been furnished by the respective nominees.
- 2 The information as to common shares of the Company beneficially owned or controlled as at the Record Date is not within the knowledge of management of the Company and has been furnished by the respective nominees or from the records contained in the System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca.
- 3 Member of Audit Committee
- 4 Proposed Member of Audit Committee

Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions

For purposes of the disclosure in this section, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

Except as disclosed below, none of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the 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 a director, chief executive officer or chief financial officer of the company; or

- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Circular, 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) has been 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 since December 31, 2000, or before December 31, 2000, if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director, or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Subsequent to a confidential settlement agreement (the “**Settlement**”) entered into between Gary Schroeder and the Canada Revenue Agency (the “**Parties**”), Gary Schroeder was formally discharged from bankruptcy on January 15, 2016. The matter arose from a tax disagreement, which resulted in litigation being brought before the BC Supreme Court, between the Parties. The end result was the execution of the Settlement, which included and required an uncontested declaration of bankruptcy, the formal discharge thereof, and the return of assets to Mr. Schroeder.

4. Appointment and Remuneration of Auditor

DeVisser Gray LLP, Chartered Accountants, is the Company’s auditor and was first appointed as the Company’s auditor on August 19, 2011.

Shareholders will be asked to approve the re-appointment of DeVisser Gray LLP, Chartered Accountants, as the auditor of the Company to hold office until the next Annual General Meeting of the Shareholders at remuneration to be fixed by the Board of Directors.

Management recommends the re-appointment of DeVisser Gray LLP as auditor of the Company, and the persons named in the enclosed form of Proxy intend to vote IN FAVOUR of such re-appointment at a remuneration to fixed by the Board of Directors of the Company.

4. Stock Option Plan

The Company is seeking annual re-approval of its “rolling” stock option plan (the “**Plan**”), whereby 10% of the number of issued and outstanding shares of the Company at any given time may be reserved for

issuance pursuant to the exercise of options. The Board of Directors of the Company adopted the Plan on December 7, 2015, and it was subsequently ratified by Shareholders on January 28 2016.

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate directors, officers, employees, and consultants to contribute toward the long term goals of the Company, and to encourage such individuals to acquire common shares of the Company as long term investments.

The following information is intended to be a brief description of the Plan and is qualified in its entirety by the full text of the Plan, a copy of which will be available for inspection at the Meeting:

- the Plan provides that up to 10% of the issued and outstanding common shares from time to time may be reserved for issue, less any common shares reserved for issuance under any other share compensation arrangement;
- the options are non-assignable and may be granted for a term not exceeding ten years;
- the exercise price shall not be lower than the greater of the closing market price of the common shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options;
- the terms of an option may not be amended once issued;
- if an option is cancelled prior to its expiry date, the Company shall not grant new options to the same person until 30 days have elapsed from the date of cancellation;
- the maximum number of options which may be granted to any one option holder under the Plan within any 12 month period shall be 5% of the outstanding issue on the date of grant (unless the Company has obtained disinterested shareholder approval, if required by Regulatory Rules);
- if required by Regulatory Rules, disinterested shareholder approval is required to the grant to Insiders, within a 12 month period, of a number of options which, when added to the number of outstanding incentive stock options granted to Insiders within the previous 12 months, exceed 10% of the issued shares;
- the maximum number of options which may be granted to any one consultant within any 12 month period must not exceed 2% of the outstanding Issue;
- the maximum number of options which may be granted within any 12 month period to employees or consultants engaged in investor relations activities must not exceed 2% of the outstanding Issue and such options must vest in stages over 12 months with no more than 25% of the options vesting in any three month period; and
- Vesting of options, except as noted above, shall be determined by the board of directors and shall be set out in the option certificate issued in respect of the options.

A copy of the Plan will be available for inspection at the Meeting. A shareholder may also obtain a copy of the Plan by contacting the Company at Suite 610, 700 West Pender Street, Vancouver, BC V6C 1G8.

As at December 14, 2016, there were no stock options outstanding.

Accordingly, Shareholders will be asked at the Meeting to pass the following ordinary resolution:

“BE IT RESOLVED THAT the Plan is hereby confirmed, ratified and re-approved.”

In the absence of instructions to the contrary, the shares represented by proxy will be voted FOR the re-approval and confirmation of the Plan.

6. Other Business

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof. As of the date of the Circular, management of the Company knows of no other matters to be acted upon at the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the common shares represented by the proxy solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting the common shares represented by the proxy.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available under the Company’s profile on the SEDAR website located at www.sedar.com. The Company’s financial information is provided in the Company’s comparative financial statements for its financial year ended June 30, 2016. Shareholders of the Company may request copies of the Company’s financial statements by contacting the Company’s Chief Financial Officer at Suite 610, 700 West Pender Street, Vancouver, British Columbia, V6C 1G8.

DIRECTOR APPROVAL

The contents of this Circular and the sending thereof to Shareholders have been approved by the Directors of the Company.

DATED at Vancouver, British Columbia, this 14th day of December, 2016.

BY ORDER OF THE BOARD

/signed/ “Lance Tracey”

Lance Tracey
Chief Executive Officer

SCHEDULE "A"

NU2U RESOURCES CORP. AUDIT COMMITTEE CHARTER

MANDATE

The purpose of the Audit Committee is to assist the Board of Directors' oversight of (a) the integrity of the Company's financial statements, (b) the Company's compliance with legal and regulatory requirements, (c) the independent auditor's qualifications and independence and (d) the performance of the Company's audit. The Audit Committee will also supervise the preparation of all reports, including reports to shareholders, required under applicable law.

In performing its duties, the Audit Committee will maintain effective working relationships with the Board of directors, management, and the external auditors. To effectively perform his or her role, each Audit Committee member will obtain an understanding of the detailed responsibilities of Audit Committee membership as well as the Company's business, operations and risks.

MEMBERSHIP

The Audit Committee will consist of at least three directors appointed by the Board. The membership of the Audit Committee will be guided by the applicable law and corporate governance recommendations of National Instrument 52-110 and any successors (NI).

Independence

No director who is an employee of the Company or any of its subsidiaries, affiliates or auditors may serve on the Audit Committee until three years after the termination of his or her employment. All members of the Audit Committee must satisfy the definition of independence contained in the NI.

Expertise of Audit Committee Members

Each member of the Audit Committee must be, or will become within a reasonable period of time after appointment, financially literate. At least one member of the Audit Committee will have accounting or related financial management expertise. The Board of Directors will interpret the qualifications of financial literacy and financial management expertise in its business judgement within the guidance provided by the NI and will determine whether a director meets these qualifications.

MEETINGS

The Audit Committee will meet in accordance with a schedule established each year by the Board, and at other times as determined by the Audit Committee. The Audit Committee will meet at least quarterly with the Company's management and with internal auditors (or those personnel responsible for the internal audit) and, at least annually, with the external auditor in separate executive sessions. A quorum of the Audit Committee is the attendance in person or by teleconference of at least two thirds of the members of the Audit Committee; where two thirds does not result in a whole number, the resulting number shall be rounded up to the next whole number.

ROLES AND RESPONSIBILITIES

Internal Control

- Oversee, in consultation with the external auditors, the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company;
- Ensure that the
- external auditors keep the Audit Committee informed about fraud, illegal acts, deficiencies in internal control and certain other matters;
- Review and approve any related party transactions;
- Review, as and when appropriate, whether management is setting the appropriate tone through its communication to company employees on the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- Consider the extent to which internal (if any) and external auditors should review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown; and
- Gain an understanding of the extent which internal control recommendations made by external auditors have been implemented by management.

Financial Reporting

General

- Review significant accounting and reporting issues, with particular note regarding the process for identifying the principal risks to accuracy of financial reporting and any changes of a material nature to the characterization of entries and accounts;
- Ensure that the Audit Committee reviews and, where appropriate, recommends approval to the Board of all press releases relating to financial information such as financial statements and the Management Discussion and Analysis, projections or material otherwise involving information derived from the financial reports or the analytic reporting thereof, as well as financial information and guidance provided to analysts and rating agencies;
- Review with the external auditors their proposed audit adjustments and any audit problems or difficulties and management's response thereto;
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements and critical accounting policies, and understand their impact on the financial statements;
- Ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and

- Ensure that disclosure in the Management Discussion & Analysis is balanced and fully responsive.

Annual and Interim Financial Statements

- Review the financial statements and determine whether they are complete and consistent with the information known to the Audit Committee members, and assess whether the financial statements reflect appropriate accounting principles;
- Meet with management and the external auditors to review the annual financial statements and the results of the audit;
- Meet with management and, if necessary, the external auditors to review the interim financial statements;
- Review the annual and interim financial statements as the case may be and make recommendations thereon to the Board;
- Pay particular attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- Focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses, warranty, professional liability, litigation reserves, and other commitments and contingencies; ☐ Periodically obtain explanations from management on whether:
 - Actual financial results for a period varied significantly from budgeted or projected results;
 - Changes in financial ratios and relationships in the financial statements are consistent with changes in the Company's operations and financing practices;
 - Generally accepted accounting principles have been consistently applied;
 - There are any actual or proposed changes in accounting or financial reporting practices;
 - There are any significant or unusual events or transactions;
 - The Company's financial and operating controls are operating effectively;
 - The Company has complied with the terms of loan agreements or security indentures;
- Understand how management develops and summarizes quarterly financial information and the extent to which the external auditors review quarterly financial information; and
- Ensure appropriate review of accounting practices that relate to transfer pricing.

External Auditors

- Review the external auditor's proposed audit scope and approach;
- Oversee the work of the external auditors;
- Review with the external auditor the quality, not just the acceptability, of the Company's accounting principles as applied to critical accounting policies and practices, alternative treatments of financial information that have been discussed with management and any other material communications with management;
- Review and confirm the independence of the external auditors, including a review of the cost and nature of all non-audit services provided, all relationships between the Company and themselves and the auditors' assertion of their independence in accordance with professional standards;
- Establish hiring policies for partners and employees or former partners and employees of the present and any former external auditors;
- Retain and terminate the external auditor (subject to any applicable Board or shareholder approvals) and recommend to the Board the compensation for the external auditors;
- Pre-approve all non-audit services provided by the external auditor in excess of 5% of the annual billings by the auditor to the Company. Pre-approval requirements may be met where the Committee establishes detail policies as to each service to be preapproved and the Committee is informed of such services at its next meeting. The Audit Committee may delegate this authority to one of the committee members, but not to management, provided the non-audit services in question are presented to the Committee at its next meeting;
- Have the external auditor provide the Audit Committee with a summary of any investigation by governmental or professional authorities within the preceding five years, respecting any audits of the Company carried out by the external auditor, and any steps taken to deal with any issues raised by the inquiry or investigation; and
- If conducted, have the external auditor advise the Audit Committee on the results of any quality-control review or peer review of the audit of the Company.

Other Responsibilities

- Ensure that significant findings and recommendations made by management or the external auditors are received and discussed on a timely basis;
- If necessary, review the policies and procedures in effect for considering officers' expenses and perquisites;
- Perform other oversight functions as requested by the full Board, such as appropriateness of staff and systems in the financial department;

- Establish procedures for the receipt, retention and treatment of complaints and the confidential anonymous submission by employees of concerns about accounting, internal accounting controls or audit matters;
- Meet periodically with management to review the Company's major financial risk exposures and to review relevant insurance coverage; and
- Review and update this Charter, subject to the approval of the Board.

Reporting Responsibilities

- Regularly update the Board of Directors about Audit Committee activities and make appropriate recommendations; and
- Maintain minutes of all meetings.

Compliance with Laws and Regulations

- Periodically obtain updates from management regarding material compliance with applicable laws and regulations;
- Review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statement;
- Be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- Review the findings of any examinations by regulatory agencies such as the British Columbia Securities Commission.

RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE

The Audit Committee has the authority, and will be provided with all resources that it reasonably requires, to discharge its responsibilities. The Audit Committee may, as appropriate, engage at the expense of the Company outside auditors, independent legal counsel, and other experts or consultants for compensation that the Audit Committee deems appropriate. The Audit Committee may communicate directly with the internal or external auditors.