

**BETHPAGE CAPITAL CORP.**  
**717 – 1030 West Georgia Street**  
**Vancouver, BC V6E 2Y3**  
**INFORMATION CIRCULAR**  
**(containing information as at June 14, 2017)**

**For the Annual General Meeting**  
**to Be Held on July 19, 2017**

**SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the Management of Bethpage Capital Corp. (the "Company"), for use at the Annual General meeting (the "Meeting"), of the shareholders (the "Shareholders") of the Company, to be held on Wednesday, the 19th day of July, 2017, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. 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 AND REVOCATION OF PROXIES**

The persons named in the accompanying form of Proxy (the "Proxy") are Directors and/or Officers of the Company. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY ("INSTRUMENT OF PROXY"). TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS/HER NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE COMPANY'S REGISTRAR AND TRANSFER AGENT, COMPUTERSHARE TRUST COMPANY OF CANADA, 100 UNIVERSITY AVENUE, 9TH FLOOR, TORONTO, ONTARIO, M5J 2Y1, NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF.**

The Instrument of Proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

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 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 at the Company's Registrar and Transfer Agent, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, 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. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

**VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

On any poll, the persons named in the enclosed Instrument of Proxy 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.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The Instrument of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Information Circular, the Management of the Company 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 the 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 nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a "**Special Resolution**", in which case a majority of not less than 66% of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval (the "**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 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 common shares in their own name.** Shareholders who do not hold their common shares in their own name (referred to in this information circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those common shares will not be registered in the Shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which 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). Pursuant to National Instrument 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 has decided to take advantage of those provisions of National Instrument 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 our Transfer Agent, Computershare Trust Company of Canada ("**Computershare**"). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

With respect to Beneficial Shareholders who are OBOs, regulatory rules require intermediaries/brokers to seek voting instructions in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders who are 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 a Beneficial Shareholder who is an OBO by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone 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. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common 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 such common shares are voted.**

These security holder materials are being sent to both registered and non-registered owners of the shares of the Company. If you are a non-registered owner 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.

In accordance with the provisions of National Instrument 54-101, the Company has elected not to pay for mailing to OBO's. As a result, OBO's will only receive paper copies of proxy-related materials if the OBO's intermediary assumes the costs of delivery.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a shareholder and vote common shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the 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 common shares as a proxyholder.**

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company's authorized capital consists of an unlimited number of common shares ("**Common Shares**") without par value, each share carrying the right to one vote, of which 8,900,000 Common Shares are issued and outstanding as at June 14, 2017 and an unlimited number of Preferred Shares of which none are outstanding as at June 14, 2017. The Company has no other classes of securities.

Any Shareholder of record at the close of business on June 14, 2017 who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the best of the knowledge of the directors and senior officers of the Company, no person holds, directly or indirectly, or exercise control or direction, over more than 10% of the issued and outstanding Common Shares of the Company

#### **EXECUTIVE COMPENSATION**

In accordance with the provisions of applicable securities legislation, the Company had two (2) "**Named Executive Officers**" during the financial year ended December 31, 2016, namely Vince Sorace – President and Gavin Cooper–CFO.

##### **Definitions: For the purpose of this Information Circular:**

"**CEO**" means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**closing market price**" means the price at which the Company's security was last sold, on the applicable date,

- (a) in the security's principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS2 *Share-based Payment*;

"**external management company**" includes a subsidiary, affiliate or associate of the external management company;

"**grant date**" means a date determined for financial statement reporting purposes under IFRS2 *Share-based Payment*;

"**incentive plan**" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"**incentive plan award**" means compensation awarded, earned, paid, or payable under an incentive plan;

"**NEO**" or "**named executive officer**" means each of the following individuals:

- (a) a CEO;
- (b) a CFO;

- (c) each of the three most highly compensated executive officers, or the three 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, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

"NI 52-107" means National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

"**replacement grant**" means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

"**repricing**" means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option; and

"**share-based award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

## **COMPENSATION DISCUSSION AND ANALYSIS**

The Company's process for determining executive compensation is simple. All matters relating specifically to senior executive compensation are reviewed and approved by the board of directors based on the Company's operational and management needs from time to time. The Company has not established a formal compensation plan or performance milestones applicable to NEO compensation. Rather, the board of directors of the Company is responsible for determining compensation payable to the individual directors and officers of the Company, including the NEOs.

The Company's overall policy regarding compensation of the Company's executive officers is structured to provide competitive salary levels and compensation incentives that support both the short-term and long-term goals of the Company, attract and retain qualified executive management and establish a compensation framework which is industry competitive, while taking into account the time and commitment each NEO must devote to the management of the affairs of the Company. The Company's policy is to recognize and reward individual performance as well as to place executive compensation within the range of the compensation levels in the industry, based on comparison to compensation paid by other reporting issuers on whose boards the directors of the Company currently serve, which are listed in Schedule B to this Information Circular. Currently, NEOs are paid management fees on an hourly basis for work performed. See disclosure in *Summary Compensation Table*, below.

Officers are eligible under the Company's Stock Option Plan (the "**Plan**") to receive grants of stock options. The Plan is an important part of the Company's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of the Common Shares over a stated period of time. The Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

The board has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the board when implementing its compensation policies and the board do not believe that the Company's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

The Company does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

The following table sets out certain information respecting the compensation paid to NEOs during the three most recently completed financial years:

**Summary Compensation Table**

Name and principal position  (a)	Year  (b)	Salary  (c)	Share-based awards <sup>(1)</sup>  (d)	Option-based awards  (e)	Non-equity incentive plan compensation  (f)		Pension value  (g)	All other compensation <sup>(2)</sup> (\$)  (h)	Total Compensation (\$)  (i)
					Annual Incentive Plans  (f1)	Long-term incentive plans  (f2)			
Vince Sorace President	2016	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2015	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2014	Nil	N/A	Nil	N/A	N/A	N/A	22,000	22,000
Gavin Cooper CFO	2016	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2015	Nil	N/A	Nil	N/A	N/A	N/A	10,500	10,500
	2014	Nil	N/A	Nil	N/A	N/A	N/A	18,500	18,500

Notes:

- (1) Figures represent the grant date fair value of the options. The Company used the Black-Scholes option pricing model because it is the most common and practical method acceptable under the current IFRS accounting standards, and the former Canadian GAAP.
- (2) Represents management fees billed to the company as approved by the Board.

**OPTION BASED AWARDS**

**Common Share Purchase Plan**

The Company has in effect the Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's Shareholders. The Company has no equity compensation plans other than the Plan.

**Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the named executive officers and which were outstanding at December 31, 2016:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money-options (\$) <sup>(1)</sup>	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 (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Vince Sorace President	150,000	0.15	June 21, 2022	Nil	N/A	N/A	N/A
Gavin Cooper CFO	75,000	0.15	June 21, 2022	Nil	N/A	N/A	N/A

Note:

(1) Based on the closing price of the Company's shares on the TSX Venture Exchange (the "TSXV") on December 31, 2016 of \$0.075.

***Incentive Plan Awards – Value Vested Or Earned During The Year***

The following table sets of certain information respecting the value of the share-based and option-based awards that became vested or were earned during the Company's most recently completed financial year for the NEO's.

Name	Option-based awards –Value vested during the year <sup>(1)</sup> (\$)	Share-based awards –Value vested during the year (\$)	Non-equity incentive plan compensation –Value earned during the year (\$)
Vince Sorace	Nil	N/A	N/A
Gavin Cooper	Nil	N/A	N/A

Note:

(1) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the closing market price of the Company's common shares on the TSXV on the vesting date and the exercise price of the option.

***Narrative Discussion***

The Company's general compensation strategy for the grant of stock options to NEO's is discussed above under "Compensation Discussion and Analysis".

During the fiscal year ended December 31, 2016, the Company granted a total of Nil stock options to NEO's. As at the end of said fiscal year, NEO's held 225,000 of the 575,000 then issued and outstanding stock options.

**TERMINATION AND CHANGE OF CONTROL BENEFITS**

There are no provisions in any contract, agreement, plan or arrangement, that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control in the Company or a change in the NEO's responsibilities.

**DIRECTOR COMPENSATION**

There are no arrangements under which directors were compensated by the Company during the most recently completed financial year end for their services in their capacity as directors or consultants.

**Director Compensation Table**

The following table sets forth particulars of all compensation paid to directors who were not named executive officers during the year ended December 31, 2016:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
(a)	(b)	(c)	(d) <sup>(1)</sup>	(e)	(f)	(g)	(i)
Daniel MacNeil <sup>(2)</sup>	Nil	N/A	Nil	N/A	N/A	Nil	Nil

Note:

- (1) Figures represent the grant date fair value of the options. The Company used the Black-Scholes option pricing model because it is the most common and practical method acceptable under the current IFRS accounting standards, and the former Canadian GAAP.
- (2) Mr. MacNeil resigned as a director on March 15, 2017.

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the directors and which were outstanding at December 31, 2016:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money-options (\$) <sup>(1)</sup>	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 (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Daniel MacNeil	150,000	0.15	June 21, 2022	Nil	N/A	N/A	N/A

Note:

- (1) Based on the closing price of the Company's shares on December 31, 2016 of \$0.075.

### Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets forth particulars of the value vested or earned during the year ended December 31, 2016 in respect of incentive awards to the directors:

Name	Option-based awards– Value vested during the year <sup>(1)</sup> (\$)	Share-based awards– Value vested during the year (\$)	Non-equity incentive plan compensation– Value earned during the year (\$)
Daniel MacNeil	Nil	N/A	N/A

Note: (1) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the closing market price of the Company's common shares on the TSXV on the vesting date and the exercise price of the option.

### Narrative Discussion

The Company's general compensation strategy for the grant of stock options to NEO's is discussed above under "Compensation Discussion and Analysis".

During the fiscal year ended December 31, 2016, the Company granted a total of Nil stock options to directors. As at the end of said fiscal year, directors held 150,000 of the 575,000 then issued and outstanding stock options.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION**

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2016:

**Equity Compensation Plan Information**

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders <sup>(1)</sup>	575,000	0.15	265,000
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>TOTAL</b>	<b>575,000</b>	<b>0.15</b>	<b>265,000</b>

Note:

- (1) Represents the Plan of the Company, which reserves a number of common shares equal to 10% of the then outstanding common shares for issuance pursuant to stock options. As at December 31, 2016, the Plan reserved a maximum of 840,000 common shares for issuance pursuant to stock options.

For further information on the Company's equity compensation plans, refer to the heading "Confirmation of Rolling Stock Option Plan."

Other than routine indebtedness for travel and other expense advances, no existing or proposed director, executive officer or senior officer of the Company or any associate of any of them, was indebted to the Company as at December 31, 2016, or is currently indebted to the Company.

**INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Since January 1, 2016, being the commencement of the Company's most recently completed financial year, no person who has been:

- (a) a director, senior officer or insider of the Company since January 1, 2016;
- (b) a proposed nominee for election as a director of the Company; or
- (c) an associate or affiliate of any of the foregoing persons,

has any material interest, direct or indirect, in any matter to be acted upon (other than the election of directors or the appointment of auditors) except as set out herein.

**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 defined in Form 51-102F5 of National Instrument 51-102, none of:

- a) the individuals who are, or at any time during the most recently completed financial year of the Company were, a director or executive officer of the Company;
- b) the management nominees for election as a director of the Company; 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, 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 of the Company.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For purposes of the following discussion, "**Informed Person**" means (a) a director or Executive Officer of the Company; (b) a director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (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 December 31, 2016, none of:

- a) the Informed Persons of the Company;
- b) the proposed nominees for election as a Director of the Company; 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 last financial year of the Company or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

### **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the period ended December 31, 2016 (the "**Financial Statements**"), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, together with the Auditor's Report thereon and the Management Discussion and Analysis, are not being mailed to Shareholders of record with this Information Circular. The Financial Statements have been mailed to each Shareholder who has requested them. Copies of the Financial Statements, together with the Management Discussion and Analysis, Notice of Meeting, Information Circular and Proxy will be available from the Company's Registrar and Transfer Agent, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1. The Financial Statements are also available on-line at [www.sedar.com](http://www.sedar.com).

### **ELECTION OF DIRECTORS**

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of directors at three (3). Although Management is nominating three (3) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

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, if 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 each of 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 four nominees are all currently directors of the Company.

Name, Province and Country of Ordinary Residence and Positions held with the Corporation	Director/Officer since	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned Directly or Indirectly <sup>(1)</sup>
Vince Sorace BC, Canada President, Director	May 13, 2010	President and Chief Executive Officer of Desert Star Resources Ltd., junior natural resource issuer trading on the TSX Venture Exchange since April 2012, President and Chief Executive Officer of Black Sea Copper & Gold Ltd, President, Nevaro Capital Corporation.	1,033,000
Gavin Cooper, CPA, CA BC, Canada Director, Chief Financial Officer	Officer since December 1, 2011, Director since July 31, 2015	Chartered Accountant providing financial management and administration to private and public companies. He currently is a director and/or acts as CFO and corporate secretary of various TSX Venture-listed companies, including Black Sea Copper & Gold Corp., Desert Star Resources Ltd., Minfocus Exploration Inc., Pepecap Resources, Inc.	165,000
Emily Davis BC, Canada Director	Director since March 15, 2017	Ms. Davis has more than 20 years of experience providing a variety of administrative and corporate services to Exchange listed companies in the financial, technology and natural resource sectors. Prior to joining current employers, Venture One Corp. and TY Management Corp., she worked in administration with Silver Standard. She has also worked with several merchant banks, managing portfolios of private and public companies, focused on mining, energy and technology.	Nil

Note:

(1) Information as to shareholdings has been provided by the directors.

Mr. Sorace, Mr. Cooper and Ms. Davis are resident in Canada. The Company does not currently have an Executive Committee of its Board of Directors. The proposed members of the Audit Committee for the ensuing year are Mr. Sorace, Mr. Cooper and Ms. Davis.

Other than as listed below, no proposed director (including any personal holding company of a proposed director), is:

- (i) as at the date of the Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (A) was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30

consecutive days, that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer; or

- (B) was subject to an order that was issued after such person 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;
  - (ii) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information 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;
  - (iii) has, within the 10 years before the date of this Information 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; or
  - (iv) 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 since December 31, 2000 or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
    - (B) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.
- In November 2008, while Mr. Sorace was President and a director and Mr. Cooper was Chief Financial Officer of VRB Power Systems Inc. ("**VRB**"), the board of directors of VRB resigned and pursuant to an application made by VRB, the Supreme Court of British Columbia appointed an Interim Receiver to manage the affairs of VRB. At the same time, VRB filed a Notice of Intention to make a Proposal in accordance with the Bankruptcy and Insolvency Act (Canada). A new board of directors was appointed by shareholders at VRB's annual general meeting in June 2009 and the Interim Receiver, having fulfilled its mandate, including the settlement of all liabilities of VRB, was granted a discharge from its position by the Supreme Court of British Columbia on July 16, 2009.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

#### **AUDIT COMMITTEE DISCLOSURE**

The charter of the Company's audit committee and the other information required to be disclosed by Form 52-110F2 is attached to this Information Circular as Schedule "A".

#### **APPOINTMENT AND REMUNERATION OF AUDITORS**

Shareholders will be asked to pass an ordinary resolution to re-appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, as auditors for the Company, to hold office until the next Annual General Meeting of the Shareholders at a remuneration to be fixed by the Board of Directors. Dale Matheson Carr-Hilton Labonte LLP were appointed as auditors for the Company on December 1, 2011. Management recommends the re-appointment, and the persons named in the enclosed Proxy intend to vote in favour of such re-appointment.

#### **MANAGEMENT CONTRACTS**

The Company is not a party to a Management Contract with anyone and management functions of the Company are not performed by anyone other than the directors and Executive Officers of the Company.

## **CORPORATE GOVERNANCE**

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance Practices* is attached to this information circular as Schedule "B".

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **Confirmation of Rolling Stock Option Plan**

At this year's annual general meeting, the Company will propose that the shareholders re-approve the Company's 10% "rolling" stock option plan. Under the policies of the TSX Venture Exchange (the "**Exchange**"), a rolling stock option plan must be approved on a yearly basis by shareholders.

Accordingly, Shareholders will be asked to pass an ordinary resolution approving the Company's rolling stock option plan (the "**Plan**"). Management recommends, and the persons named in the enclosed form of proxy intend to vote in favour of, the re-approval of the Plan.

- the Plan reserves, for issue pursuant to stock options, a maximum number of common shares equal to 10% of the outstanding common shares of the Company from time to time, with no mandatory vesting provisions;
- the number of common shares reserved for issue to any one person in any 12 month period under the Plan may not exceed 5% of the outstanding common shares at the time of grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange);
- the number of common shares reserved for issue to any Consultant (as defined by the Exchange) in any 12 month period under the Plan may not exceed 2% of the outstanding common shares at the time of grant;
- the aggregate number of common shares reserved for issue to any Employee (as defined by the Exchange) conducting Investor Relations Activities (as defined by the Exchange) in any 12 month period under the Plan may not exceed 2% of the outstanding common shares at the time of grant;
- the number of common shares issued to any one person within a 12 month period on the exercise of stock options may not exceed 5% of the outstanding common shares at the time of exercise without Disinterested Shareholder Approval;
- the exercise price per common share for a stock option may not be less than the Discounted Market Price (as calculated pursuant to the policies of the Exchange);
- stock options may have a term not exceeding ten years;
- if an optionee providing investor relations services to the Company, ceases to be an eligible participant under the Plan, that optionee's outstanding options will terminate on the earlier of the applicable expiry date and the date that is 30 days from such an event unless extended by the board at its discretion;
- if an optionee other than an optionee providing investor relations services to the Company, ceases to be an eligible participant under the Plan, that optionee's outstanding options will terminate on the earlier of the applicable expiry date and the date that is 90 days from such an event unless extended by the board at its discretion;
- stock options are non-assignable and non-transferable; and
- the Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the common shares, or an amalgamation, merger or other relevant change in the Company's corporate structure, or any other relevant change in the Company's capitalization.

Pursuant to the Board's authority to govern the implementation and administration of the Plan, all previously granted and outstanding stock options shall be governed by the provisions of the Plan. A copy of the Plan is available on request from the Company.

**The text of the resolution to be passed is as follows. In order to be passed, a majority of the votes cast at the Meeting in person or by proxy must be voted in favour of the resolution. The persons named in the enclosed Proxy intend to vote for such resolution:**

**"BE IT RESOLVED THAT:**

The Company's Stock Option Plan, be and is hereby ratified, confirmed and approved with such additional provisions and amendments, provided that such are not inconsistent with the Policies of the Exchange, as the directors of the Company may deem necessary or advisable."

**Additional Information**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company, at 918 – 1030 West Georgia Street, Vancouver, BC, V6E 2Y3 phone (604) 639-9052 and such documents will be sent by mail or electronically by email as may be specified at the time of the request.

**DIRECTOR APPROVAL**

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

DATED at Vancouver, BC, this 14th day of June, 2017.

*"Vince Sorace"*

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**VINCE SORACE**  
President and Director

**SCHEDULE "A"**  
**BETHPAGE CAPITAL CORP.**  
**FORM 52-110F2**  
**AUDIT COMMITTEE DISCLOSURE**

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**ITEM 1: THE AUDIT COMMITTEE'S CHARTER**

**PURPOSE**

The overall purpose of the Audit Committee (the "**Committee**") of Bethpage Capital Corp. (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

**COMPOSITION, PROCEDURES AND ORGANIZATION**

- (1) The Committee shall consist of at least three members of the Board of Directors (the "**Board**").
- (2) At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, 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.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may

contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

## **ROLES AND RESPONSIBILITIES**

- (9) The overall duties and responsibilities of the Committee shall be as follows:
  - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfillment of its duties and responsibilities.
- (10) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
  - (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) be non-audit services provided by the external auditors;
    - (ii) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
    - (iii) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- (11) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
  - (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (12) The Committee is also charged with the responsibility to:
  - (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - (i) the annual report to Shareholders;
    - (ii) the annual information form, if required;
    - (iii) annual and interim MD&A;

- (iv) prospectuses;
  - (v) news releases discussing financial results of the Company; and
  - (vi) other public reports of a financial nature requiring approval by the Board,
  - (vii) and report to the Board with respect thereto;
- (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Company's consolidated financial statements;
  - (f) review the minutes of any audit committee meeting of subsidiary companies;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
  - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
- (13) The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
  - (b) to set and pay the compensation for any advisors employed by the Committee; and
  - (c) to communicate directly with the internal and external auditors.

## **ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE**

The proposed members of the Committee for the ensuing year are Vince Sorace, Gavin Cooper and Emily Davis. All of the members of the Committee are financially literate. Emily Davis is an Independent member. "Independent" and "financially literate" have the meaning used in Multilateral Instrument 52-110 (the "**Instrument**") of the Canadian Securities Administrators.

## **ITEM 3: RELEVANT EDUCATION AND EXPERIENCE**

The relevant education and/or experience of each member of the Committee is as follows:

### Vince Sorace

Mr. Sorace is the President of Nevaro Capital Corporation, a company focusing on investments in junior resource and exploration companies. Mr. Sorace has previously held numerous public company Director and/or Officer positions and is currently a director, President and CEO of Providence Resources Corp. and Desert Star Resources Ltd., resource exploration companies. Mr. Sorace has been involved in the public markets for over 20 years and has helped manage and finance numerous public and private entities. Mr. Sorace holds a Business Management Diploma from the British Columbia Institute of Technology.

### Gavin Cooper

Mr. Cooper is a Chartered Accountant with over 35 years of experience in all aspects of corporate financial management, administration and corporate governance. For the past twenty five years, Mr. Cooper has been providing financial advice and corporate administration services, and has held senior positions with a number of public and private companies with local and international operations, during which time he has been involved in numerous significant transactions. He currently acts as CFO and corporate secretary and sits on the boards of various TSXV listed companies. He has a Hons. Bachelor of Accounting from the University of South Africa and is a member of the Chartered Professional Accountants British Columbia.



Emily Davis

Ms. Davis has more than 20 years of experience providing a variety of administrative and corporate services to Exchange listed companies in the financial, technology and natural resource sectors. Prior to joining current employers, Venture One Corp. and TY Management Corp., she worked in administration with Silver Standard. She has also worked with several merchant banks, managing portfolios of private and public companies, focused on mining, energy and technology. Ms. Davis currently holds Director and/or Officer positions with various TSXV companies.

**ITEM 4: AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Dale Matheson Carr-Hilton Labonte, LLP, Chartered Accountants) not adopted by the Board.

**ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS**

Since the Company' most recently completed financial year,, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5) or 8 of the Instrument. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Sections 6.1.1(4), 6.1.1(5) and 6.1.1(6) provide exemptions from audit committee composition requirements applicable to venture issuers in certain circumstances. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

**ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES**

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

**ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)**

The aggregate fees charged to the Company by the external auditor the last fiscal year is as follows:

	<u>FYE 2016</u>	<u>FYE 2015</u>
Audit Costs Including T2 Corporate Tax Returns for the year ended	\$7,650	\$7,650
All other fees (non-tax) Assistance with Quarterly Report Preparation:	Nil	Nil
Total Fees:	\$7,650	\$7,650

**ITEM 8: EXEMPTION**

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

## Schedule "B"

### BETHPAGE CAPITAL CORP. CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* the Company is required to and hereby discloses its corporate governance practices as follows.

#### ITEM 1. BOARD OF DIRECTORS

Generally, the board of directors (the "**Board**") of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. The Board reviews its procedures on an ongoing basis to ensure it is functioning independently of management. As circumstances require, the Board meets without management present, and convenes meetings, as deemed necessary, of the independent directors, at which meetings non-independent directors and members of management are not in attendance. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest.

Mr. Vince Sorace is the President of the Company and is therefore not independent. Mr. Gavin Cooper is the Chief Financial Officer of the Company and is therefore not independent.

#### ITEM 2. DIRECTORSHIPS

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

Name of Director	Name of Reporting Issuer
Vince Sorace	Nevaro Capital Corporation Desert Star Resources Ltd. Black Sea Copper & Gold Corp.
Gavin Cooper	Nevaro Capital Corporation Desert Star Resources Ltd.
Emily Davis	Lions Gate Metals Inc.

#### ITEM 3. ORIENTATION AND CONTINUING EDUCATION

The Board briefs all new directors with the policies of the Board, and other relevant corporate and business information.

#### ITEM 4. ETHICAL BUSINESS CONDUCT

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or

transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

**ITEM 5. NOMINATION OF DIRECTORS**

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting the shareholders.

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

**ITEM 6. COMPENSATION**

The Board conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

**ITEM 7. OTHER BOARD COMMITTEES**

The Board has no other committees other than the audit committee.

**ITEM 8. ASSESSMENTS**

On an ongoing basis, the Boards monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees. On an ongoing annual basis, the Board assesses the performance of the Board as a whole, each of the individual directors and each committee of the Board in order to satisfy itself that each is functioning effectively. The Board will review its composition on an on-going basis with a view to ensuring its membership includes sufficient independent directors. Where circumstances arise where the Board determines that the principals of independence described in Item 1, above, are not adequately met, the Board will endeavour to increase its membership to include additional independent directors and to ensure it is functioning independently of management.