

**FTC CARDS INC.**  
**2000 – 1066 West Hastings Street**  
**Vancouver, BC V6E 3X2**  
**Telephone No.: (604) 687-8566 / Fax No.: (604) 687-6365**

**INFORMATION CIRCULAR**

as at October 24, 2016 *(except as otherwise indicated)*

**This Information Circular is furnished in connection with the solicitation of proxies by the management of FTC Cards Inc. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on November 29, 2016 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

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

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

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

**Appointment of Proxyholders**

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

**Voting by Proxyholder**

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

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

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

**Registered Shareholders and Non-Objecting Beneficial Owners**

Registered Shareholders or non-objecting beneficial owners (“NOBOs”) whose name has been provided to the Company’s transfer agent, CST Trust Company (“CST Trust”) will appear on a list of shareholders prepared by the transfer agent for purposes of the Meeting. Registered Shareholders and NOBOs will be required to register for the Meeting by identifying themselves at the registration desk. Non-registered Beneficial Shareholders

(other than NOBOs) must appoint themselves as a proxyholder to vote in person at the Meeting. Please read the disclosure under “Beneficial Shareholders” below.

Registered Shareholders and NOBOs may wish to vote by proxy whether or not they are able to attend the Meeting in person and may submit a proxy by completing, dating and signing the enclosed Proxy and returning it to the Company’s transfer agent, CST Trust Company, by fax 1-416-368-2502 or by mail to PO Box 721, Agincourt, Ontario, M1S 0A1 ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

In all cases, to be represented at the Meeting, proxies submitted must be received no later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or adjournment thereof (unless the Chair of the Meeting determines, in the Chair’s sole discretion, that proxies may be received by delivery to the Meeting scrutineer at the Meeting).

### **Beneficial Shareholders**

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

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

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries, which include banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans.

In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

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

### **Voting for Beneficial Shareholders**

This year the Company will not be taking advantage of the provisions of National Instrument 54-101 “*Communication with Beneficial Owners of Securities of a Reporting Issuer*” (“NI 54-101”) that permit the Company to deliver proxy-related materials directly to its NOBOs. Please see the above heading “Registered Shareholders and Non-Objecting Beneficial Owners.” The Company has asked that Broadridge Financial Solutions, Inc. (defined below), attend to mailing to its NOBOs.

Beneficial Shareholders who are OBOs do not appear on the list of shareholders of the Company maintained by the transfer agent. Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote

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

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

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

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

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a Registered Shareholder or a NOBO who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date or the valid notice of revocation to CST Trust, or to the Company’s registered office at 1500 Royal Centre, 1055 West Georgia Street, P. O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the Registered Shareholder’s Common Shares.

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

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

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

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors of the Company (the “**Board**”) has fixed October 24, 2016 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described in this Information Circular will be entitled to vote or to have their Common Shares voted at the Meeting, except to the extent that:

- (a) the shareholder has transferred the ownership of any such share after the Record Date, and
- (b) the transferee produces a properly endorsed share certificate for or otherwise establishes ownership of any of the transferred Common Shares and makes a demand to CST Trust no later than 10 days before the Meeting that the transferee’s name be included in the list of shareholders in respect thereof.

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As of October 24, 2016, there were 58,022,159 Common Shares without par value issued and outstanding, each carrying the right to one vote. The Company is also authorized to issue an unlimited number of Preferred Shares. There were no Preferred Shares issued and outstanding as at October 24, 2016.

To the knowledge of the directors and executive officers of the Company, only the following person 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 October 24, 2016:

<b>Shareholder Name<sup>(1)</sup></b>	<b>Number of Common Shares Held</b>	<b>Percentage of Issued Common Shares</b>
Mandate Management Limited	36,979,904 <sup>(2)</sup>	63.73%

Notes:

- (1) The above information was obtained from SEDI.

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

## ELECTION OF DIRECTORS

The size of the Board is currently determined at five. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier, in accordance with the provisions of the BCA, each director elected will hold office until the conclusion of the next annual meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's five nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at October 24, 2016.

<b>Nominee Position with the Company and Residence</b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Jose Ezil Veiga da Rocha <sup>(2)</sup> Chairman of the Board and Director San Paulo, Brazil	Since March 9, 2012	500,000
Celso Luis Posca, Director; and President of the Company's subsidiary: FTC Cards Processamento e Serviços de Fidelização Ltda. San Paulo, Brazil	Since March 9, 2012	1,000,000
Umberto Barbosa Lima Martins Director Rio de Janeiro, Brazil	Since March 9, 2012	1,000,000
Marc S. Nehamkin <sup>(2)</sup> Director California, United States	Since March 9, 2012	Nil
N. Ross Wilmot <sup>(2)</sup> Director British Columbia, Canada	Since March 9, 2012	285,000

Notes:

- (1) The information as to Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees.
- (2) Member of the Audit Committee.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and officers of the Company acting solely in such capacity.

### **Occupation, Business or Employment of Director Nominee**

The following disclosure sets out each nominee's principal occupation, business or employment within the five preceding years. The information as to principal occupation business or employment is not within the knowledge of management of the Company and has been furnished by the respective nominees.

#### ***Jose Ezil Veiga da Rocha, Chairman of the Board and Director***

Mr. Veiga da Rocha is a retired Captain of Brazil's naval forces. Mr. Veiga da Rocha graduated with a Bachelor's degree in Business Administration from the Centre for University Studies of Brasilia with an emphasis in electronics. He has occupied several positions in the Federal Government including Special Advisor to the Ministry of Science and Technology and served as Secretary of the Federal Ministry of Informatics. He also served as Secretary of Industry and Commerce for the Government of the Federal District.

Mr. Veiga da Rocha was a director of CTF from April 1998 to June 2012 and served as President of CTF from October 1997 to December 2002.

***Celso Luis Posca, Director, and the President of Subsidiary***

Mr. Posca was a director of Development and Technology of CTF Technologies Inc. ("CTF"), former parent company of the Company, from April 1998 to July 2012 and he was President and CEO of CTF from January 2003 to June 2012. He graduated from the University of Campinas ("UNICAMP") as an electrical engineer with a PhD in the same area from the University of Paris. Mr. Posca served as a research assistant at the Laboratoire des Signaux et Systemes ESE/CNRS of Paris and worked at Schlumberger. He worked as a professor at UNICAMP and served as advisor to the Technical Division of Microperifericos Co. Mr. Posca occupied the position of General Manager for the Testing Department of the Information Systems Centre of the Ministry of Science and Technology of Brazil. Mr. Posca is also the President of FTC Cards Processamento e Serviços de Fidelização Ltda. ("FTC Brazil"), a subsidiary of the Company.

***Umberto Barbosa Lima Martins, Director***

Mr. Barbosa Lima Martins is a retired Captain of the Brazilian navy and holds a degree from the Brazilian Naval War School and a degree in communications engineering from the Brazilian Naval Communications School. Mr. Barbosa Lima Martins served as naval attaché in various foreign countries and the OAS and was actively involved in the design and construction of Brazilian naval vessels for export. Mr. Barbosa Lima Martins was a director of CTF from April 1998 to June 2012.

***Marc S. Nehamkin, Director***

Mr. Nehamkin is a consultant in international business development. Mr. Nehamkin chairs the Northern California Venture Capital Association and serves as a director of several public companies. He lectures on Venture Capital Markets and High Technology Investments. Mr. Nehamkin was a director of CTF from June 2002 to June 2012 and was corporate secretary of CTF from October 2002 to June 2012.

***N. Ross Wilmot, Director***

Mr. Wilmot is a chartered professional accountant providing financial management services to public companies. Mr. Wilmot provides business consulting services to Orex Minerals Inc. ("Orex") and Barsele Minerals Corp. ("Barsele") both of which are companies listed on the TSX Venture Exchange (the "TSXV"). Mr. Wilmot has been a director of Orex since May 24, 2001. Mr. Wilmot was a director of CTF from June 2001 to June 2012. Mr. Wilmot is currently a consultant with Cedarwoods Group.

**Penalties, Sanctions and Cease Trade Orders**

Except as disclosed below, no proposed nominee for election as a director of the Company, was at the date of this Information Circular or within the 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 subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation that was in effect for more than 30 consecutive days while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;
- b) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation that was in effect for more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer but which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

- c) while that person was acting in such 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.

Except as disclosed below, no proposed nominee for election as a director of the Company has:

- a) 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;
- b) 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; or
- c) been subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

On September 7, 2007, while Mr. Wilmot was a director of Biotech Holdings Ltd., (“**Biotech**”), a company listed on the TSXV, the TSXV notified Biotech that it had initiated a review of the filings of Biotech. Following review by the TSXV in respect of certain compliance matters and direct discussions with the TSXV, Biotech’s management decided to apply to delist the shares of Biotech from the TSXV on a voluntary basis. The TSXV granted the request to delist the shares from the TSXV. Subsequently, Mr. Wilmot resigned as a director of Biotech on October 15, 2007.

#### **APPOINTMENT OF AUDITOR**

BDO RCS Auditores Independentes SS CRC, Chartered Accountants, Rua Major Quedinho 90 Consolação, Sao Paulo, SP - Brazil, will be nominated at the Meeting for reappointment as auditor of the Company. BDO RCS Auditores Independentes SS CRC was first appointed as the Company’s auditor on March 9, 2012.

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

National Instrument 52-110 – *Audit Committees* (“NI 52-110”) requires the Company, as a venture issuer, 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 in the following:

##### **The Audit Committee’s Charter**

A copy of the Audit Committee Charter is attached as Schedule “A” to the information circular prepared for the Company’s shareholders meeting held September 4, 2013 and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

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

The current members of the Audit Committee are N. Ross Wilmot (Chairman), Marc Nehamkin and Jose Ezil Veiga da Rocha, all of whom are independent members of the Audit Committee as contemplated by NI 52-110. All Audit Committee members are considered to be financially literate.

##### **Relevant Education and Experience**

See disclosure under heading “*Occupation, Business or Employment of Director Nominees*”.

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- o an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with the accounting for estimates, accruals and reserves;

- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer’s financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than BDO RCS Auditores Independentes SS CRC.

### **Reliance on Certain Exemptions**

The Company’s auditor BDO RCS Auditores Independentes SS CRC has not provided any material non-audit services.

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

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

### **External Auditor Service Fees**

The Audit Committee has reviewed the nature and amount of the non-audit services provided by BDO RCS Auditores Independentes SS CRC to the Company to ensure auditor independence. Fees incurred are outlined in the following table.

<b>Nature of Services</b>	<b>Fees Paid to BDO RCS Auditores Independentes SS CRC in Year Ended December 31, 2015</b>	<b>Fees Paid to BDO RCS Auditores Independentes SS CRC in Year Ended December 31, 2014</b>
Audit Fees <sup>(1)</sup>	\$ 34,680	\$34,555
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
Total	\$34,680	\$34,555

Notes:

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

### **Exemption**

The Company is a “venture issuer” as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Part 5 (*Reporting Obligations*).

## CORPORATE GOVERNANCE

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 the shareholders of the company. 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 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 view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment or which is deemed to be a material relationship under NI 52-110.

The independent directors of the Company are Umberto Barbosa Lima Martins, Marc S. Nehamkin, N. Ross Wilmot and Jose Ezil Veiga da Rocha, Chairman of the Board. The non-independent directors are Celso Luis Posca, President of FTC Cards Processamento e Serviços de Fidelização Ltda. (“FTC Brazil”), a subsidiary of the Company.

### Directorships

The following director is currently serving on the board of other reporting companies (or equivalent) as set out below:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Exchange Listed</b>
N. Ross Wilmot	Orex Minerals Inc.	TSXV
	Barsele Minerals Corp.	TSXV

### Orientation and Continuing Education

When new directors are appointed, they receive orientation commensurate with their previous experience on the Company’s properties and on the responsibilities of directors.

Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business.

### 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.

### Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders 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 Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### Compensation

The Board as a whole determines compensation for the directors and senior officers.

## **Other Board Committees**

The Board has no committees other than the Audit Committee.

## **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its Audit Committee to satisfy itself that the Board, the Audit Committee and the independent directors are performing effectively.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Named Executive Officer**

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

Arie Halpern, CEO; Neuzeli de Sousa Leles, CFO; Celso Luis Posca, former CEO; Charles Halpern, former CFO; and Rainer Steudner, former CFO are each a “NEO” of the Company for purposes of the following disclosure.

### **Compensation Discussion and Analysis**

The Board has not appointed a compensation committee so the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company’s base compensation structure, recommending compensation of the Company’s officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. The Board receives independent competitive market information on compensation levels for executives.

The Board has assessed the Company’s compensation plans and programs for its executive officers to ensure alignment with the Company’s business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

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

### **Philosophy and Objectives**

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company’s shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation.

#### Base Salary

In the Board's view, paying base salaries competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies within the industry is compiled from a variety of sources, including surveys conducted by independent consultants and national and international publications.

#### Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the CEO. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

#### Equity Participation

The Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

#### Actions, Decisions or Policies Made After December 31, 2015

Not Applicable.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management as to continue to address the objectives identified above.

#### **Option-Based Awards**

There are no options outstanding in the Company.

#### **Summary Compensation Table**

The compensation paid to the NEOs during the Company's most recently completed financial years ended December 31, 2013, 2014 and 2015 is as set out below and expressed in Canadian dollars unless otherwise noted.

Name and principal position	Year <sup>(1)</sup>	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Arie Halpern, <sup>(2)</sup> CEO	2015	1,392	Nil	Nil	Nil	Nil	Nil	Nil	1,392
	2014	1,504,336	Nil	Nil	Nil	Nil	Nil	Nil	1,504,336
Neuzeli de Sousa Leles, <sup>(3)</sup> CFO	2015	58,375	Nil	Nil	Nil	Nil	Nil	Nil	58,375
Celso Luis Posca, <sup>(4)</sup> former CEO	2015	499,845	Nil	Nil	Nil	Nil	Nil	Nil	499,845
	2014	400,210	Nil	Nil	Nil	Nil	Nil	Nil	400,210
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Charles Halpern, <sup>(5)</sup> former CFO	2014	295,616	Nil	Nil	Nil	Nil	Nil	Nil	295,616
Rainer Stuedner, <sup>(6)</sup> former CFO	2013	583,534	Nil	Nil	Nil	Nil	Nil	Nil	583,534

Notes:

- (1) The Company was incorporated on March 9, 2012.
- (2) Arie Halpern was appointed to the position of CEO on December 17, 2014;
- (3) Neuzeli de Sousa Leles was appointed to the position of CFO effective January 1, 2015.
- (4) Celso Luis Posca was CEO from March 9, 2012 to December 16, 2014.
- (5) Charles Halpern was CFO of the Company from January 1, 2014 to December 31, 2014.
- (6) Rainer Stuedner was CFO of the Company from January 1, 2012 to December 31, 2013.

### **Incentive Plan Awards**

The Company did not have any outstanding options or share based awards as at December 31, 2015.

### **Pension Plan Benefits**

The Company has no pension plans for its directors, officers or employees.

### **Termination and Change of Control Benefits**

As of December 31, 2015 and to the date of this Information Circular, the Company had no agreements with its NEOs concerning severance payments of cash or equity compensation as a result of termination of his or her arrangement with the Company or as a result of a change of control of the Company.

### **Director Compensation**

The compensation provided to the directors who were not NEOs during the Company's financial year ended December 31, 2015, is:

<b>Name</b>	<b>Fees earned (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Jose Ezil Veiga da Roca	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Umberto Barbosa Lima Martins	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Marc S. Nehamkin	Nil	Nil	Nil	Nil	Nil	Nil	Nil
N. Ross Wilmot	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

The Company has no compensation plans under which equity securities are authorized for issuance.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end most recently completed financial year or as at the date hereof.

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

An informed person is one who, generally speaking, is a director or executive officer or a 10% shareholder of the Company. To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries since the commencement of the Company's most recently completed financial year, or has any interest in any proposed transaction other than as set out herein and in a document previously disclosed to the public.

### **MANAGEMENT CONTRACTS**

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

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's audited annual financial statements for the year ended December 31,

2015, the accompanying auditor's report and related management discussion and analysis. Copies of the Company's financial statements and the accompanying management discussion and analysis may be obtained from SEDAR at [www.sedar.com](http://www.sedar.com) or upon request from the Company's Secretary at the office of the Company, telephone number: (604) 687-8566 or fax number: (604) 687-6365.

#### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this information circular.

**DATED** at Vancouver, British Columbia, October 28, 2016.

**THE BOARD OF DIRECTORS**

*"Arie Halpern"*

**Arie Halpern**  
**President and Chief Executive Officer**