



# RIFT VALLEY

RESOURCES

## INFORMATION CIRCULAR

(Containing information as at May 23, 2017 unless indicated otherwise)

This information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Rift Valley Resources Corp. (the “**Company**”) for use at the 2014, 2015 and 2016 annual general meetings (collectively, the “**Meetings**”) of its shareholders to be held on June 27, 2017 at the time and place and for the purposes set forth in the accompanying notices of the Meetings.

In this Circular, references to “the Company”, “we” and “our” refer to Rift Valley Resources Corp. “**common shares**” means common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold common shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. 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 officers and/or directors of the Company. **IF YOU ARE A SHAREHOLDER ENTITLED TO VOTE AT THE MEETINGS, YOU HAVE THE RIGHT TO APPOINT A PERSON OR COMPANY OTHER THAN EITHER OF THE PERSONS DESIGNATED IN THE PROXY, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT FOR YOU AND ON YOUR BEHALF AT THE MEETINGS. 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.** If your common shares are held in physical form (ie. paper form) and are registered in your name, then you are a registered shareholder (“**Registered Shareholder**”). However, if, like most shareholders, you keep your common shares in a brokerage account, then you are a Beneficial Shareholder. The manner for voting is different for Registered Shareholders and Beneficial Shareholders. The instructions below should be read carefully by all shareholders.

### Voting by Proxyholder

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

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

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

## Registered Shareholders

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meetings in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the form of Proxy and returning it to the Company's transfer agent, National Issuer Services Ltd. ("**National Issuer**"), by:

- (a) mail or by hand to Suite 760 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4;
- (b) facsimile to 604.559.8908; or
- (c) email to [info@transferagent.ca](mailto:info@transferagent.ca).

In all cases, the Proxy must be received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meetings or the adjournment thereof at which the Proxy is to be used.

## Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold common shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meetings are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of common shares).

These securityholder materials are being sent to both registered and non-registered owners of the securities 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. 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 your request for voting instructions.

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the Company. Such common shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such common shares are registered 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), and in Canada, 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).

There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for "**Objecting Beneficial Owners**") and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for "**Non-Objecting Beneficial Owners**").

Pursuant to National Instrument 54-101 of the Canadian Securities Administrators, the Company is sending proxy-related materials directly to NOBOs, which materials will include a scannable Voting Instruction Form (a "**VIF**"). These VIFs are to be completed and returned to Broadridge in the envelope provided or by facsimile. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meetings with respect to the shares represented by the VIFs they receive.

Management of the Company does not intend to pay for intermediaries to forward to OBOs under National Instrument 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and, in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

Every intermediary that mails proxy-related materials to Beneficial Shareholders has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should follow the instructions of their intermediary carefully to ensure that their common shares are voted at the Meetings.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form (the "**Broadridge VIF**") which 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 on your behalf. The Broadridge VIF will appoint the same persons as the Company's Proxy to represent you at the Meetings. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meetings. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge 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 Meetings. **If you receive a Broadridge VIF, you cannot use it to vote common shares directly at the Meetings – the Broadridge VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meetings in order to have the common shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meetings for the purposes of voting common shares registered in the name of your broker, you, or a person designated by you, may attend at the Meetings as proxyholder for your broker and vote your common shares in that capacity. **If you wish to attend at the Meetings and indirectly vote your common shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meetings.**

Alternatively, you can request in writing that your broker send you the legal Proxies which would enable you, or a person designated by you, to attend at the Meetings and vote your common shares.

#### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by 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 shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to National Issuer Services at Suite 760 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, or to the address of the registered and records office of the Company at Suite 804 - 750 West Pender Street, Vancouver, British Columbia V6C 2T7, at any time up to and including the last business day that precedes the day of the Meetings or, if the Meetings is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meetings on the day of the Meetings or any reconvening thereof.

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

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

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

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

The board of directors (the "**Board**") of the Company has fixed May 23, 2017 as the record date (the "**Record Date**") for determination of persons entitled to receive notices of the Meetings. Only shareholders of record at the close of business on the Record Date who either attend the Meetings personally or complete, sign and deliver the forms of Proxies in the manner and subject to the provisions described above will be entitled to vote or to have their common shares voted at the Meetings.

As at the Record Date, there were 4,918,330 common shares issued and outstanding, each carrying the right to one vote.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each common share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at National Issuer and will be available at the Meetings.

To the knowledge of the directors and executive officers of the Company, the following person beneficially owned, directly or indirectly, or exercised control or direction over, common shares carrying 10% or more of the voting rights attached to all outstanding common shares of the Company as at the Record Date:

Name	No. of Common Shares	Percentage
Beidou International Investments Inc. (China) <sup>(1)</sup>	1,200,000	24.40% <sup>(2)</sup>

(1) These companies are beneficially owned by Michael Luan.

(2) Based on the issued and outstanding of 4,918,330 common shares outstanding as at the Record Date.

### SETTING NUMBER OF DIRECTORS

The Board presently consists of five (5) directors and it is intended to determine the number of directors at five (5). Shareholders will therefore be asked to approve an ordinary resolution that determines the number of directors to be elected at five (5).

### ELECTION OF DIRECTORS

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

If there are more nominees for election as directors 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.

The following table sets out the names of management's nominees for election as a director (a "**nominee director**"), the province and country in which he is ordinarily resident, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name of Nominee, Province and Country of Ordinary Residence and Positions Held with the Company	Occupation, Business or Employment <sup>(1)</sup>	Director of the Company Since	Common Shares Beneficially Owned or Controlled, or Directed, Directly or Indirectly
<b>Craig Robson</b> Richmond, B.C. <i>CEO and Director</i>	Self-employed business consultant for the last five years and director and or officer of private and public companies.	March 20, 2013	367,800
<b>Donald Gordon</b> <sup>(2)</sup> Vancouver, B.C. <i>CFO and Director</i>	Principal of DAG Consulting Corporation; Director of the Company; self-employed business consultant for the last 13 years.	March 20, 2013	71,921
<b>Thomas Kennedy</b> <sup>(2)</sup> Vancouver, B.C. <i>Director</i>	Management consultant, legal consultant and director and/or officer of other publically listed mineral and exploration companies.	December 12, 2016	Nil
<b>Donald Bragg</b> Surrey, B.C. <i>Director</i>	Self-employed Prospector and a director and or officer of private and public companies.	March 20, 2013	90,000
<b>Nadwynn Sing</b> <sup>(2)</sup> Vancouver, B.C. <i>Director</i>	Self-employed consultant.	April 3, 2017	Nil

(1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.

(2) Denotes member of Audit Committee.

None of the proposed directors of the Company is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and officers of the Company acting solely in such capacity.

### **CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES**

Other than as set out below, as at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Company was 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, for more than 30 consecutive days while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer in the company and which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (c) is as at the date of this Circular or has been within 10 years before the date of this Circular, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

Other than as set out below, none of the proposed directors (or any of their personal holding companies) 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; or
- (b) 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.

Nadwynn Sing is a former director and CFO of Soltera Mining Corp. ("**Soltera**"), whose securities were quoted for trading on the OTC. Pursuant to BC Instrument 51-509, Soltera was deemed to be a reporting issuer for the purposes of British Columbia, and was cease traded in June 2009 for failure to file required continuous disclosure documents. Mr. Sing resigned from all positions with Soltera in October 2009.

### **APPOINTMENT OF AUDITOR**

Manning Elliot LLP, Chartered Accountants, will be nominated at the Meetings for re-appointment as auditor of the Company at a remuneration to be fixed by the Board.

### **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 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

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto as Schedule "A".

## Composition of the Audit Committee

The members of the Audit Committee are Donald Gordon (Chair), Thomas Kennedy and Nadwynn Sing. Thomas Kennedy and Nadwynn Sing are not executive officers of the Company and are considered to be independent. Donald Gordon is an executive officer of the Company and, therefore, is not considered to be an independent member of the Audit Committee. All members are considered to be generally financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Audit Committee is considered 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.

## Relevant Education and Experience

**Donald Gordon, MBA, CFA**, has operated as an independent consultant to investment dealers conducting business assessments for issuers in a wide range of industries during the past 11 years, including serving as a business development advisor for the Vancouver office of the Canadian National Stock Exchange. Previously he had 17 years of corporate finance and marketing management experience with the Vancouver Stock Exchange/CDNX. He is past President of the Vancouver Society of Financial Analysts, serving on the Canadian CFA advocacy committee for the past decade, is the founding Executive Director of the Canadian Listed Company Association, and serves as a director of a number of public companies.

**Thomas Kennedy, B. Comm., J.D.**, is a graduate of the University of British Columbia. After an initial career at the Federal Department of Justice, Mr. Kennedy has primarily focused as a legal, financial and business consultant to publicly-traded companies. Mr. Kennedy is currently a member of the Law Society of British Columbia, the Canadian Bar Association, the British Columbia Bar Association, and an Associate member of the American Bar Association. Mr. Kennedy is also an officer and/or director of several TSX-V publicly traded companies.

**Nadwynn Sing**, has an extensive background in corporate governance of public companies and has a Bachelor of Commerce degree from the University of British Columbia.

Each member of the Audit Committee has in general adequate education and experience that would provide the member with:

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

## Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has the Audit Committee made any recommendations to the Board to nominate or compensate its auditor which were not adopted by the Board.

## Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 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.

## Pre-Approval Policies and Procedures

All services to be performed by the independent auditor of the Company must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor's independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provide by any external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

## External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Manning Elliot LLP, Chartered Accountants, for the financial years ended December 31, 2014, December 31, 2015 and December 31, 2016 to the Company to ensure auditor independence. Fees incurred for audit and non-audit services in the last three financial years for audit fees are outlined in the following table:

Nature of Services	Fees Billed by Auditor for the Year Ended December 31, 2016	Fees Billed by Auditor for the Year Ended December 31, 2015	Fees Billed by Auditor for the Year Ended December 31, 2014
Audit Fees <sup>(1)</sup>	\$7,500	\$7,000	\$11,931
Audit-Related Fees <sup>(2)</sup>	Nil	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil	Nil
<b>TOTAL:</b>	<b>\$7,500</b>	<b>\$7,000</b>	<b>\$11,931</b>

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's 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 relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the years ended December 30, 2014, December 30, 2015 and December 30, 2016. This exemption exempts a "venture issuer" from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument, as would otherwise be required by NI 52-110.

## CORPORATE GOVERNANCE

### General

Corporate governance refers to the policies and structure of the Board 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 from executive management and the adoption of policies to ensure the Board 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.

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201") were adopted in each of the provinces and

territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

### 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 Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Company's Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Company's Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Company's Board is responsible for monitoring the Company's officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The current independent members of the Board are Thomas Kennedy, Donald Bragg and Nadwynn Sing. The non-independent members of the Board are Craig Robson, CEO of the Company, and Donald Gordon, CFO of the Company.

### Directorships

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

#### Donald Gordon:

Reporting Issuer	
0941092 B.C. Ltd.	Bougainville Ventures Inc.
360 Capital Financial Services Group Inc.	CDN WCorp Holdings Ltd.
AFG Flameguard Ltd.	GCorp Discovery Ltd.
Aida Minerals Corp.	Laidineach Investment Acquisition Corp.
Appature Mobile Application Inc.	Minichiello Apparel Inc.
ArtContent Publishing Limited	Premier Health Group Inc.
BioDE Ventures Ltd.	SEBCorp Technology Ltd.
BioHEP Technologies Ltd.	Web Watcher Systems Ltd.

#### Thomas Kennedy:

Reporting Issuer	
Amador Gold Corp.	Klondike Silver Corp.
Blind Creek Resources Ltd.	Silver Pursuit Resources Ltd.
Golden Cariboo Resources Ltd.	Starr Peak Exploration Ltd.

#### Nadwynn Sing:

Reporting Issuer
Blue River Resources Ltd.

### Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry 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 directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

### **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 officers. To make its recommendations on such compensation, the Board takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies, as well as the success of the directors and officers in helping the Company to achieve its objectives and the Company's financial resources.

### **Other Board Committees**

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

### **Assessments**

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

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### *Compensation, Philosophy and Objectives*

The Company does not have a formal compensation program. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all Named Executive Officers ("NEOs"), as hereinafter defined, is fair and reasonable. The Board relies on the experience of its members as officers and directors with other junior mining companies in assessing compensation levels.

#### *Analysis of Elements*

Base salary is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Company.



Name and principal position	Year <sup>(1)</sup>	Salary (\$)	Share-based awards (\$) <sup>(2)</sup>	Option-based awards (\$) <sup>(3)</sup>	Non-equity incentive plan compensation (\$) <sup>(4)</sup>		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
Bill Grossholz <sup>(7)</sup> Former CFO and Secretary	2016	8,000	Nil	Nil	Nil	Nil	Nil	Nil	8,000
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	21,500	Nil	Nil	Nil	Nil	Nil	Nil	21,500
	2012	22,000	Nil	Nil	Nil	Nil	Nil	Nil	22,000

- (1) Financial years ended December 31.
- (2) “Share-based Awards” 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.
- (3) “Option-based Awards” 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.
- (4) “Non-equity Incentive Plan Compensation” includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.
- (5) Craig Robson has served as CEO of the Company since March 20, 2013.
- (6) Donald Gordon has served as CFO of the Company from February 29, 2016 to present.
- (7) Bill Grossholz served as CFO and Secretary of the Company from March 20, 2013 to February 29, 2016.

### Summary Compensation Table

The Company currently has no employment contracts in place with its directors or senior management.

## INCENTIVE PLAN AWARDS

### Option-Based Awards

An option based award is in the form of an incentive stock option plan. The objective of the incentive stock option is to reward NEOs, employees, consultants and directors for their individual performance at the discretion of the Board.

The Company will maintain its formal Plan, under which stock options will be granted and may be granted to purchase a number equal to 10% of the Company’s issued capital from time to time.

The Plan will be administered by the Board and the process to grant option-based awards to executive officers will be within the discretion of the directors.

All previous grants of option-based awards will be taken into account when considering new grants.

### Incentive Plan Awards

#### *Outstanding share-based awards and option-based awards*

There were no options outstanding or granted to any NEO of the Company during the financial years ended December 31, 2014, 2015 and 2016.

#### **Incentive Plan Awards – Value Vested or Earned**

There were no option-based awards, share-based awards and non-equity incentive plan compensation paid to any NEO during the financial years ended December 31, 2014, 2015 and 2016.

No incentive stock options were granted during the financial years ended December 31, 2014, 2015, and 2016.

### Pension Plan Benefits

The Company does not provide retirement benefits for directors and executive officers. No funds were set aside or accrued by the Company during the financial years ended December 31, 2014, 2015, and 2016 to provide pension, retirement or similar benefits for the Company's directors or officers pursuant to any existing plan provided or contributed to by the Company or its subsidiaries.

### TERMINATION AND CHANGE OF CONTROL BENEFITS

#### Termination and Change of Control Benefits

The Company does not have any plan contract, agreement or plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change in control of the Company or a change in the NEO's responsibilities.

The Company has no formal employment or consulting agreements with any other of its NEOs which provide for termination or change of control benefits.

### DIRECTOR COMPENSATION

#### Director Compensation Table

The Company compensates its directors through the payment of board fees and the issuance of option grants. NEOs do not receive additional compensation for serving as directors. No options were granted to directors who are not NEOs during the financial years ended December 31, 2014, 2015 and 2016.

#### Outstanding Option-Based Awards

There were no awards outstanding or granted to any director, other than those who are also NEOs of the Company, as at the financial years ended December 31, 2014, 2015 and 2016.

The Company does not compensate its directors in their capacities as such, although directors of the Company will be reimbursed for their expenses incurred in connection with their services as directors and may be issued stock options from time to time at the discretion of the Board. It is anticipated that the Company will implement a compensation plan for its directors which will be consistent with industry standards.

#### Narrative Discussion

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, for involvement in special assignments during the financial years ended December 31, 2014, 2015 and 2016.

The Company has a Plan for the granting of incentive stock options to the directors, officers, employees and consultants. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors, officers, employees and consultants and to closely align the personal interests of such persons to that of the shareholders.

#### Incentive Plan Awards – Value Vested or Earned During the Years

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the financial years ended December 31, 2014, 2015 and 2016:

Name	Option-based awards - Value vested during the years (\$) <sup>(1)(2)</sup>	Share-based awards - Value vested during the years <sup>(2)</sup> (\$)	Non-equity incentive plan compensation - Value earned during the years <sup>(2)</sup> (\$)
N/A	N/A	N/A	N/A

A description of the significant terms of the Plan is found under the heading “Particulars of Matters to be Acted Upon – Re-Approval of Stock Option Plan”.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information in effect as of the Company’s most recently completed year ended December 31, 2016:

Plan Category	Number of securities to be issued upon exercise of outstanding options	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))
Equity compensation plans approved by securityholders - (the Share Option Plan)	Nil	N/A	2,459,165
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>TOTAL:</b>	<b>Nil</b>		<b>2,459,165</b>

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

#### Aggregate Indebtedness

Other than disclosed herein, other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5 Circular (“**Form 52-102F5**”), no directors, executive officers and employees and no former directors, executive officers and employees of the Company is, or was, indebted to the Company or any of its subsidiaries in connection with a purchase of securities and all other indebtedness as at December 31, 2016.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs Other than disclosed herein, other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5, no directors or executive officers of the Company, proposed nominees for election as a director of the Company and associates of such director, executive officers or proposed nominees is or was indebted to the Company or any of its subsidiaries as at December 31, 2016.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, officer or principal shareholder of the Company or any associate or affiliate of the foregoing persons, has any direct or indirect material interest in any transactions in which the Company has participated within the three-year period prior to the date of this Circular that has materially affected or will materially affect the Company.

### 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 executive officers of the Company.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### Re-Approval of Stock Option Plan

As at the date of this Circular, the Company’s only incentive plan is the Plan which was re-approved by the shareholders at the Company’s annual general meeting held on June 26, 2014 pursuant to the Company’s Circular dated May 29, 2014, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The Plan was established to provide incentive to directors, officers and employees and consultants. As a 10% rolling plan the aggregate number of common shares issuable as options under the Plan may be up to 10% of the Company’s issued and outstanding common shares on the date on which an option is granted, less common shares reserved for issuance on exercise of options then outstanding under the Plan. The purpose of the Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of common shares of the Company. The Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees (an “**Optionee**”).

### ***Eligible Optionees***

To be eligible to receive a grant of options under the Plan, regulatory authorities require an Optionee to be either a director, officer, employee, consultant or an employee of a company providing management or other services to the Company or a subsidiary at the time the option is granted.

Options may be granted only to an individual eligible, or to a non-individual that is wholly-owned by individuals eligible, for an option grant. If the option is granted to a non-individual, it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the option remains in effect.

### ***Restrictions***

The Plan is subject to the following restrictions:

- (a) The Company must not grant an option to a director, employee, consultant, or consultant company (the “**Service Provider**”) in any 12-month period that exceeds 5% of the outstanding common shares of the Company, unless the Company has obtained approval by a majority of the Disinterested Shareholders (defined below) of the Company;
- (b) The aggregate number of options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 2% of the outstanding shares calculated at the date of the grant, without prior regulatory approval;
- (c) The Company must not grant an option to a Consultant in any 12 month period that exceeds 2% of the outstanding shares calculated at the date of the grant of the option;
- (d) The aggregate number of common shares reserved for issuance under options granted to Insiders (defined below) must not exceed 10% of the outstanding shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (e) The number of optioned shares issued to Insiders in any 12 month period must not exceed 10% of the outstanding shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (f) The issuance to any one Optionee within a 12 month period of a number of common shares must not exceed 5% of outstanding shares unless the Company has obtained Disinterested Shareholder Approval to do so;
- (g) The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so; and
- (h) The Company may implement such procedures and conditions as the Board deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

### ***Definitions***

“**Disinterested Shareholder Approval**” means the approval by a majority of the votes cast by all shareholders of the Company at the Meetings excluding votes attached to listed common shares beneficially owned by Insiders (defined below) of the Company and Associates (as defined in the British Columbia *Securities Act*) of Insiders.

An “**Insider**” is a director or senior officer of the Company, a director or senior officer of a company that is an Insider or subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, voting common shares carrying more than 10% of the voting rights attached to all outstanding voting common shares of the Company.

### ***Material Terms of the Plan***

The following is a summary of the material terms of the Plan:

- (a) persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) all options granted under the Plan expire on a date not later than 10 years after the issuance of such options. However, should the expiry date for an option fall within a trading Blackout Period (as defined in the Plan, generally meaning circumstances where sensitive negotiations or other like information is not yet public), within 9 business days following the expiration of a Blackout Period;
- (c) for options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) an Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) if an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period;
- (i) in the event of a takeover bid being made to the shareholders generally, immediately upon receipt of the notice of the takeover bid, the Company shall notify each Optionee currently holding any Options, of the full particulars of the takeover bid, and all outstanding options may, notwithstanding the vesting terms contained in the Plan or any vesting requirements subject to regulatory approval; and
- (j) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the Plan may be made by the Board without further shareholder approval. Accordingly, the Board proposes that the Plan also provide the following:

The Board may, without shareholder approval:

- (i) amend the Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the Plan, if applicable;
- (iii) change the termination provision of an option granted under the Plan if it does not entail an extension beyond the original expiry date of such option;
- (iv) make such amendments to the Plan as are necessary or desirable to reflect changes to securities laws applicable to the Company;
- (v) make such amendments as may otherwise be permitted by regulatory authorities;

- (vi) if the Company becomes listed or quoted on a stock exchange or stock market senior to the CSE, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) amend the Plan to reduce the benefits that may be granted to Service Providers.

### ***Shareholder Approval***

At the Meetings, the Company's shareholders will be asked to consider and vote on the ordinary resolution to re-approve the Plan, with or without variation, as follows:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT the Company's stock option plan be ratified, confirmed and approved, subject to any amendments that may be required by any applicable stock exchange or regulatory authority, as the directors of the Company may deem necessary or advisable.”

**The Board recommends that shareholders vote in favour of the Plan. Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the foregoing ordinary resolution.**

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

### **ADDITIONAL INFORMATION**

Financial information is provided in the audited financial statements of the Company for the year ended December 31, 2014, and in the related management discussion and analysis, which were filed on SEDAR on April 29, 2016; the audited financial statements of the Company for the year ended December 31, 2015 and in the related management discussion and analysis, which were filed on SEDAR on April 30, 2015; and the audited financial statements of the Company for the year ended December 31, 2016 and in the related management discussion and analysis, which were filed on SEDAR on May 1, 2017. These documents will be placed before the Meetings.

Additional information relating to the Company and copies of the financial documents may be obtained at [www.sedar.com](http://www.sedar.com), and upon request from the Company at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, telephone: (778) 839-7963 or fax: (604) 685-6905. Copies of the above documents will be provided, upon request, free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meetings as of the date of this Circular.



**SCHEDULE "A"****RIFT VALLEY RESOURCES CORP.**  
(the "Company")**AUDIT COMMITTEE CHARTER**  
**AND POSITION DESCRIPTION FOR AUDIT COMMITTEE CHAIR**  
(the "Charter")**1. Introduction**

Rift Valley Resources Corp. (the "Company") is a British Columbia based junior mineral exploration and development company. The Board of Directors of the Company (the "Board") has the responsibility for the overall stewardship of the conduct of the business of the Company and its subsidiaries and the activities of management of the Company, which is responsible for the day-to-day conduct of the business.

**2. Purpose**

The primary function of the Audit Committee (the "Committee") is to assist the Board in fulfilling its responsibilities by reviewing: the financial reports and other financial information provided by the Company to any governmental body or the public; the Company's systems of internal controls regarding finance, accounting, legal compliance and ethics that management and the Board have established; and the Company's auditing, accounting and financial reporting processes generally. Consistent with this function, the Committee should endeavour to encourage continuous improvement of, and should endeavour to foster adherence to, the Company's policies, procedures and practices at all levels. In performing its duties, the external auditor is to report directly to the Committee. The Committee's primary objectives are:

- To assist directors meet their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Company and related matters;
- To provide better communication between directors and external auditors;
- To assist the Board's oversight of the auditor's qualifications and independence;
- To assist the Board's oversight of the credibility, integrity and objectivity of financial reports;
- To strengthen the role of the outside directors by facilitating discussions between directors on the Committee, management and external auditors;
- To assist the Board's oversight of the performance of Company's internal audit function and external auditors; and
- To assist the Board's oversight of the Company's compliance with legal and regulatory requirements.

**3. Composition, Procedures and Organization**

The Committee shall consist of at least three members of the Board, a majority of whom shall be "independent", as that term is defined in Sections 1.4 and 1.5 of Multilateral Instrument 52-110, Audit Committees ("**MI 52-110**") (provided that, if the common shares of the Company are listed and posted on the Toronto Stock Exchange, then all of the members of the Committee shall be "independent").

All of the members of the Committee shall be "financially literate" (i.e. able 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 those of the Company and that can be reasonably expected to be raised by the Company's financial statements).

The Committee composition, including the qualifications of its members, shall comply with the applicable requirements of stock exchanges on which the Company lists its securities and of securities regulatory authorities, as such requirements may be amended from time to time.

The Board shall appoint the members of the Committee. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

Unless the Board shall have appointed a Chair of the Committee, the members of the Committee shall elect a Chair from among their members.

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.

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 necessary or advisable in order to perform its duties and responsibilities.

#### **4. Meetings of the Committee shall be conducted as follows:**

- 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;
- the external auditors may receive notice of and have the opportunity to attend meetings of the Committee; and
- the following management representatives may be invited to attend meetings, except executive sessions and private sessions with the external auditors:
  - President
  - CEO
  - CFO
  - Controller
- other management representatives may be invited to attend as necessary.

The external auditors shall report directly to the Committee and the external auditors and internal auditors (if any) 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 of 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.

The Committee may retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties and may set and pay the compensation for any advisor engaged. The Committee will notify the Board Chair whenever independent consultants are engaged.

#### **5. Handling of Complaints**

The Committee shall maintain procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters (a "**Whistleblower Policy**").

#### **6. Annual Review**

The Committee shall review and assess the adequacy of this Charter annually, report to the Board thereon and recommend any proposed changes to the Board for approval. The Committee shall also perform an annual evaluation of the performance of the Committee and shall report the results of the evaluation to the Board Chair.

#### **7. Roles and Responsibilities**

**The overall duties and responsibilities of the Committee shall be as follows:**

- 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 financial statements and management's discussion and analysis;
- to establish and maintain a direct line of communication with the Company's internal (if any) and external auditors and assess their performance;
- to assist the Board in the discharge of its responsibilities relating to oversight of the Company's internal, financial and disclosure controls and procedures;

- to pre-approve all non-audit services to be provided by the Company's external auditor and to periodically review the audit and non-audit services pre-approval policy and recommend to the Board any changes which the Committee deems appropriate.

The Committee may delegate to one or more members of the Committee authority to pre-approve non audit services in satisfaction of this requirement and if such delegation occurs, the pre-approval of non-audit services by the Committee member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.

The Committee shall be entitled to adopt specific policies and procedures for the engagement of non-audit services if:

- the pre-approval policies and procedures are detailed as to the particular service;
- the Committee is informed of each non-audit service; and
- the procedures do not include delegation of the Committee's responsibilities to management.

The Committee will satisfy the pre-approval requirement set forth above if:

- the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company and its subsidiary entities to the external auditors during the fiscal year in which the services are provided;
- the Company or the subsidiary entity, as the case may be, did not recognize the services as non-audit services at the time of the engagement;
- the services are promptly brought to the attention of the Committee and approved, prior to completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee;
- to periodically consider whether there is a need to outsource internal audit functions or create an internal audit department;
- to review the reports to management prepared by the external auditors and management's responses;
- to receive and review complaints received pursuant to the Company's Whistleblower Policy and oversee and provide direction on the investigation and resolution of such concerns and to periodically review the said policy and recommend to the Board changes which the Committee may deem appropriate;
- to report regularly to the Board on the fulfilment of its duties and responsibilities;
- to review significant findings during the year, including the status of previous significant audit recommendations;
- to identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
- to ensure that it satisfies those responsibilities set out in Part 2 of MI 52-110 and provisions contained within the Companion Policy to MI 52-110; and
- review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

***The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:***

- to be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- to recommend to the Board a firm of external auditors to be nominated for appointment by the shareholders of the Company, and to monitor and verify the independence of such external auditors;
- to review and approve the fee, scope and timing of the audit and other audit related and non-audit services rendered by the external auditors;
- review the audit plan of the external auditors prior to the commencement of the audit;
- to review with the external auditors, upon completion of their audit:
- contents of their report;
- scope and quality of the audit work performed;

- adequacy of the Company's financial and auditing personnel;
- co-operation received from the Company's personnel during the audit;
- internal resources used;
- significant transactions outside of the normal business of the Company;
- significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
- the non-audit services provided by the external auditors, as pre-approved pursuant to the audit and non-audit services pre-approval policy;
- to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles;
- when there is to be a change in external auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
- to review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company;
- to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management; and
- to receive a written statement from the external auditor describing in detail all relationships between the auditor and the Company that may impact the objectivity and independence of the auditor. The Committee shall review with the Board the independence of the external auditors and either confirms to the Board that the external auditors are independent or recommend that the Board take appropriate action to satisfy itself of the external auditor's independence.

***The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:***

- 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 insurance, accounting, information services and systems and financial controls, management reporting and risk management;
- review compliance under the Company's Code of Business Conduct with those matters addressed in the policy which affect the financial integrity of the Company and to periodically review this policy, management's monitoring of it, and recommend to the Board changes which the Committee may deem appropriate; and
- periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal accounting staff or by the external auditors have been implemented.

***The Committee is also charged with the responsibility to:***

- review and recommend to the Board for its approval, the Company's financial statements, management's discussion and analysis and annual and interim earnings press releases before the Company publicly discloses this information;
- review and approve the Company's interim financial statements, interim management's discussion and analysis including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto and interim earnings press releases before the Company publicly discloses this information;
- review the financial sections of:
- the annual report to shareholders;
- prospectuses;
- other public reports containing financial information requiring approval by the Board; and
- press releases related thereto,
- and report to the Board with respect thereto;
- review regulatory filings and decisions as they relate to the Company's financial statements;
- review the appropriateness of any policies and procedures used in the preparation of the Company's financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- review and report on the integrity of the Company's financial statements;
- review the minutes of any audit committee meeting of any subsidiary of the Company;

- 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;
- review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts;
- endeavour to ensure all material public documents relating to the financial performance, financial position or analysis thereon are reviewed by the Committee or another appropriate committee, as designated by the Board. In certain cases, including in respect of "roadshow" or other investor materials, the Committee may designate the responsibility for review to the Chair of the Committee, the Chief Financial Officer of the Company or to legal counsel. The Committee shall review and monitor practices and procedures adopted by the Company to assure compliance with applicable listing requirements, laws, regulations and other rules, and where appropriate, make recommendations or reports thereon to the Board;
- The Committee shall review significant changes in the accounting principles to be observed in the preparation of the accounts of the Company and its subsidiaries, or in their application, and in financial disclosure presentation; and
- The Committee shall review such reports as may be required by any applicable securities regulatory authority to be included in the Company's Circular or any other disclosure document of the Company.

#### **8. Accountability**

The Committee shall report its activities and proceedings to the Board by distributing the minutes of its meetings or by oral or written report at the next Board meeting.

#### **9. Standards of Liability**

Nothing contained in this mandate is intended to expand applicable standards of liability under statutory, regulatory, common law or any other legal requirements for the Board or members of the Committee. The purposes and responsibilities outlined in this mandate are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

#### **10. Annual Review and Assessment**

The Committee shall conduct an annual review and assessment of its performance, including compliance with this Charter and its role, duties and responsibilities, and submit such report to the Board. The Committee shall also update this Charter periodically as conditions dictate.