

CERVANTES CAPITAL CORP.

**Annual General and Special Meeting
to be held on January 9, 2019**

**Notice of Annual General and Special Meeting
and
Information Circular**

CERVANTES CAPITAL CORP.
789 WEST PENDER STREET, SUITE 810
VANCOUVER, BRITISH COLUMBIA
V6C 1H2

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF
SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of Cervantes Capital Corp. (the “**Company**”) will be held at **789 West Pender Street, Suite 810, Vancouver, BC V6C 1H2** on **January 9, 2019** at **10:00** am (Pacific Standard Time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended November 30, 2017;
2. to set the number of directors;
3. to elect the directors of the Company to hold office until the next annual meeting of Shareholders;
4. to appoint DMCL Chartered Professional Accountants, as the Company’s auditor for the current fiscal year ending November 30, 2018 and to authorize the Board of Directors to fix the remuneration to be paid to the auditor;
5. to ratify, confirm and approve all good faith acts, deeds and things done by the directors and officers of the Company on its behalf since the last annual general meeting of the Company;
6. to consider and, if thought fit, pass an ordinary resolution to affirm, ratify and approve the Company’s 2018 Stock Option Incentive Plan, which is more particularly described in the attached Information Circular; and
7. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Company’s Board of Directors has fixed December 5, 2018 as the record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered Shareholder at the close of business on that date is entitled to receive such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered Shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company’s transfer agent, National Issuer Services Ltd., 760 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, no later than 10:00 a.m. on January 7, 2019 or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting.

If you are a non-registered Shareholder and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the Income Tax Act (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the “Intermediary”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, the 5th day of December, 2018.

ON BEHALF OF THE BOARD

(signed) “*Joel Dumaresq*”

Joel Dumaresq
Director and Chief Financial Officer

**CERVANTES CAPITAL CORP.
789 WEST PENDER STREET, SUITE 810
VANCOUVER, BRITISH COLUMBIA
V6C 1H2**

INFORMATION CIRCULAR

(as at December 5, 2018 except as otherwise indicated)

SOLICITATION OF PROXIES

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the Management of Cervantes Capital Corp. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company to be held on January 9, 2019 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to National Issuer Services Ltd. (“**National**”) by 10:00 a.m. (Pacific Time) on January 7, 2019, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to National, or by transmitting a revocation by telephonic or electronic means, to National, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this

Circular, the management of the Company (the “Management”) knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name. Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder’s name. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial*

Owners of Securities of a Reporting Issuer (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The Company has distributed copies of the Notice of Meeting, Circular and VIF to intermediaries for distribution to NOBOs. Unless you have waived your right to receive the Notice of Meeting, Circular and VIF, intermediaries are required to deliver them to you as a NOBO of the Company and to seek your instructions on how to vote your common shares.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO’s intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Colorado time) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, National Issuer Services Ltd., unless specifically stated otherwise.

Financial Statements

The audited financial statements of the Company for the year ended November 30, 2017, together with the auditor’s report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of common shares of which 40,791,605 common shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote.

Shareholders registered as at December 5, 2018, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, and based upon the Company's review of the records maintained by National Issuer Services Ltd., the following shareholders and persons are the only persons that beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company:

Name of Shareholder	Number of Common Shares Beneficially Held	Percentage of Issued Voting Common Shares
Haywood Securities Inc. ⁽¹⁾	15,616,666	38.28%

(1) Haywood Securities Inc. is the registered holder of the common shares on behalf of 19 individual shareholders; none of the individual shareholders hold more than 10% of the Company's issued and outstanding share capital.

NUMBER OF DIRECTORS

The articles of the Company provide for a Board of no fewer than three directors and no greater than a number as fixed or changed from time to time by ordinary resolution passed by the Shareholders.

At the Meeting, Shareholders will be asked to pass a resolution to set the number of directors of the Company for the ensuing year at six (6). The number of directors will be approved if the affirmative vote of the majority present or represented by proxy at the Meeting and entitled to vote, are voted in favour to set the number of directors at six (6). **Management recommends the approval of the special resolution to set the number of directors of the Company at six (6).**

ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. The Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
Arie Prins Calgary, AB <i>Director Nominee, Proposed President & Chief Executive Officer</i>	See “Details of Directors Not Previously Elected by a Shareholder Vote” below	Director and Officer nominee	Nil
Joel Dumaresq ⁽²⁾ Vancouver, BC <i>Director & Chief Financial Officer</i>	See “Details of Directors Not Previously Elected by a Shareholder Vote” below	February 1, 2018	120,387 >1%
Vincente Benjamin Asuncion ⁽²⁾ Vancouver, BC <i>Director</i>	See “Details of Directors Not Previously Elected by a Shareholder Vote” below	November 6, 2018	1,000,000 2.45%
Jason Taylor Grand Forks, BC <i>Director Nominee</i>	See “Details of Directors Not Previously Elected by a Shareholder Vote” below	Director nominee	1,250,000 3.06%
G. Frank Stronach Vancouver, British Columbia <i>Director Nominee</i>	See “Details of Directors Not Previously Elected by a Shareholder Vote” below	Director nominee	Nil
Nicco Dehaan Grand Forks, BC <i>Director Nominee</i>	See “Details of Directors Not Previously Elected by a Shareholder Vote” below	Director nominee	1,361,111 3.34%

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the audit committee.

Details of Directors Not Previously Elected By a Shareholder Vote

Arie Prins, Proposed President, Chief Executive Officer and Director Nominee

Arie Prins is a Chartered Accountant/Certified Professional Accountant (1992) and an alumnus of KPMG. He has served as CFO of two TSX listed public companies, including DirectCash Income Fund and was involved in the Initial Public Offering. He has held a number of senior financial and leadership roles across several industries, and has a family background of farming and horticulture. Mr. Prins most recently spent eight years as CFO of Elbow River Marketing, a marketer and rail transporter of hydrocarbons across North America. Mr. Prins currently sits on the Board of DC Bank and is an advisory partner to IronHub Inc.

Joel Dumaresq, Chief Financial Officer and Director

Mr. Dumaresq obtained a BA degree in Economics and Psychology from the University of British Columbia. Mr. Dumaresq has a background in finance and investment banking and formerly worked for 10 years for RBC Dominion Securities, a division of the Royal Bank of Canada. Mr. Dumaresq was

formerly the President of Greenwater Forest Products, a diversified forest products company located on the coast of British Columbia.

Vincente Benjamin Ascuncion, Director

Mr. Asuncion holds a Bachelor of Business degree from SFU with concentrations in finance, accounting and management science. In 2007, Mr. Asuncion joined Haywood Securities Inc., a privately owned Canadian brokerage firm, as a research associate. During his tenure at Haywood, he was involved in a number of sectors including mining, oil and gas, technology and telecom. He subsequently advanced to become a research analyst in 2012 covering companies from exploration through to production in the precious metals and lithium space. Prior to joining Haywood, Benjamin was involved in the management of an endowment fund at Simon Fraser University (SFU).

Jason Taylor, Director Nominee

Mr. Taylor earned his law degree in the UK before joining the law firm of Perley-Robertson, Hill & McDougall in Ottawa where he focused on corporate/commercial litigation and trade law as an articling student. After his call to the bar of Ontario in 2002, Mr. Taylor was recruited to the Mergers Branch at the Competition Bureau where he was tasked with the compliance review of the largest merger transaction in Canadian history at the time. During his time at the Bureau, Mr. Taylor conducted several civil law enforcement investigations and was also a member of the policy team responsible for developing amendments to the Competition Act, engaging with domestic stakeholders and with foreign law enforcement agencies. Mr. Taylor returned to private legal practice in 2013 to focus on corporate related matters such as assisting several successful Canadian businesses expand internationally.

G. Frank Stronach, Director Nominee

Mr. Stronach was employed at Haywood Securities Inc. in the position of Vice President of Investment Banking from May 2004 until his retirement in February 2017. He joined Haywood Securities Inc. in May 2004 after 9 years with Union Securities Ltd.'s corporate finance group. Previously, Mr. Stronach spent 6 years with the Vancouver Stock Exchange, leaving his position as Manager, Listing Policy. Mr. Stronach holds an MBA degree from Queen's University and a Bachelor of Arts degree from the University of Victoria and is also a Chartered Accountant with 8 years' experience with KPMG. He is currently the director of three companies listed on the TSX Venture Exchange as well as several private companies.

Nicco Dehaan, Director Nominee

Mr. Dehaan is a successful agricultural entrepreneur. He was born and raised in Grand Forks, BC where his family owned and operated a large ranch. Nicco has farming in his blood and has been involved in agriculture since he was a child. Nicco has a diversity of interests and has founded and operated several prosperous small businesses. For the past ten years, Mr. Dehaan has pursued his passion for the development of unique cannabis strains for use in the legal medical cannabis industry. He has a deep and abiding interest in research and development in order to optimize both indoor and outdoor cannabis cultivation methods. Mr. Dehaan is enthusiastic about developing new high yielding outdoor cannabis strains that can be scaled for commercial cannabis farming and a variety of use applications. He has worked under and complied with the regulations of the MMAR, MMPR, and ACMPR. Mr. Dehaan is excited to contribute his experience and passion to further development of the cannabis industry.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

Individual Bankruptcies

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

During the financial years ended November 30, 2017 and 2016, the Company had three Named Executive Officers (“**NEOs**”) being, Carlos Cervantes, the former Chief Executive Officer (“**CEO**”), Kelly Pladson, the former Chief Financial Officer (“**CFO**”) and Marcelin O’Neill, the CEO, CFO, President and Corporate Secretary.

“Named Executive Officer” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and

(d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company’s two most recently completed financial years to the Company’s NEOs and directors for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof.

Director and Named Executive Officer Compensation Table

NEO Name and Principal Position	Fiscal Year Ended	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 (\$)			
Joel Dumaresq CFO ⁽¹⁾	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Eugene Beukman CEO and Corporate Secretary ⁽²⁾	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Marcelin O’Neill former CEO, CFO, President and Corporate Secretary ⁽³⁾	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	92,000 Nil	92,000 Nil
Carlos Cervantes, former CEO ⁽⁴⁾	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Kelly Pladson, former CFO ⁽⁵⁾	2017 2016	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Notes:

- (1) Joel Dumaresq was appointed CFO of the Company on February 1, 2018.
- (2) Eugene Beukman was appointed CEO and Corporate Secretary of the Company on February 1, 2018.
- (3) Marcelin O’Neill served as CEO and President from January 17, 2017 to February 1, 2018 and as CFO and Corporate Secretary from March 2, 2017 to February 1, 2018.
- (4) Carlos Cervantes served as CEO of the Company from January 30, 2015 to January 17, 2017.
- (5) Kelly Pladson served as CFO from October 26, 2015 to January 17, 2017.

Narrative Discussion

The compensation of the executive officers is determined by the Board. The Board evaluates individual executive performance with the goal of setting compensation at levels that they believe are comparable with executives in other companies of similar size and stage of development operating in the same industry. In connection with setting appropriate levels of compensation the Board bases its decisions on general business and industry knowledge and experience and publicly available information of comparable companies while also taking into account the Company’s relative performance and short term and strategic objectives, and to continuing to provide executives with compensation that is in accordance with existing market standards generally and competitive within the same industry. The Company was inactive during the financial years ended November 30, 2017 and November 30, 2016, and accordingly no compensation was granted to the Company’s executive officers during the financial year then ended.

Assessment of Individual Performance

The Company bases compensation for the Company's executive officers on the time of service with the Company, responsibilities of each officer and their duties in that position, as well as on the performance of each officer. The Company believes that stock options can create a strong incentive to the performance of each officer and is intended to recognize extra contributions and achievements towards the goals of the Company.

Elements of Compensation

The Company's plan is to pay its executives a compensation package that is competitive with those of other executive officers in similar companies. The Company believes that a competitive compensation package is necessary to attract, and retain talented and experienced executives, and can motivate and reward executives for their overall performance. The Company's executive compensation is comprised of three elements:

- base salaries or compensation, which are set at levels which are competitive with the base salaries or compensation paid by companies of a comparable size within the same industry and with operations at approximately the same stage of development, thereby enabling the Company to compete for and retain executives essential to the Company's success;
- bonuses, which are considered from time to time, based on individual and corporate performance criteria; and
- share ownership opportunities through a stock option plan which provides additional incentive and aligns the interests of executive officers with the longer term interests of Shareholders.

Base Salary

Base salary is the principal component of an executive officer's compensation package. The Board also considers an executive officer's performance and levels of responsibility and importance to the Company. The Company does not currently have any management agreements, employment agreements, plans or arrangements in respect of compensation with its NEOs, directors, employees, and consultants.

Bonuses

The Board reviews on a discretionary basis bonuses to be paid by the Company to its NEOs in each financial year. The CEO recommends bonuses to be paid by the Company to other eligible employees and consultants. During the fiscal years ended November 30, 2017 and November 30, 2016, no bonuses were paid by the Company to its executives.

Equity Participation through Stock Option Plans

The stock option component of the Company's executive compensation program is intended to encourage and reward outstanding performance over the short and long terms, and to align the interests of the executives with those of the Company's shareholders. Options are awarded by the Board, which bases its decisions upon the level of responsibility and contribution of the individuals towards the Company's goals and objectives. The Board also takes into consideration the amount and terms of outstanding stock options in determining its recommendations regarding the options to be granted during any fiscal year.

Notes:

- (1) Amrinder Bhandal served as a Director of the Company from January 30, 2015 to January 17, 2017.
- (2) Ann-Marie Cederholm served as a Director of the Company from January 17, 2017 to February 1, 2018.
- (3) Christopher Cherry served as a Director of the Company from January 17, 2017 to March 2, 2017

EXTERNAL MANAGEMENT COMPANIES

The Company did not engage or enter any agreements with any external management companies during the fiscal year ended November 30, 2017.

COMPENSATION SECURITIES

Equity Compensation Plan Information

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of the most recently completed financial year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	Nil	Nil	199,520 ⁽¹⁾
Equity compensation plans not approved by the securityholders	Nil	Nil	Nil
Total	Nil	Nil	Nil

Notes:

- (1) Based on the number of Common shares issued and outstanding on April 12, 2017, the date the shareholders of the Company approved the 20% stock option plan.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO during the fiscal year ended November 30, 2017.

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

The Board of Directors of the Company adopted a stock option plan on March 1, 2017 and confirmed the plan on April 12, 2017 at the Company's Annual General Meeting (the "**Stock Option Plan**") where disinterested shareholders approved same. The Stock Option Plan stipulates that the maximum aggregate number of Common shares that may be reserved for issuance under the Stock Option Plan at any point in time is 20% of the outstanding shares at the time Common shares are reserved for issuance.

The Stock Option Plan is administered by the Board of Directors and provides for grants of options to directors, executive officers, employees of and consultants to the Company at the discretion of the Board. The term of any options granted under the Stock Option Plan is fixed by the Board of Directors and may not exceed ten (10) years. The exercise price of options granted under the Stock Option Plan will be determined by the Board of Directors, but the exercise price must not be less than the lowest price

permitted by the Canadian Securities Exchange. Any options granted pursuant to the Stock Option Plan will terminate at the end of the period of time (to be determined in each instance by the Board of Directors at the time of grant, such period of time to not be in excess of one year after the option holder ceasing to act as a director, executive officer, employee or consultant of the Company or any of its affiliates, unless such cessation is on account of death, disability or termination of employment with cause). If such cessation is on account of disability or death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately. The Stock Option Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Company's shares. The Board of Directors of the Company may, at its discretion at the time of any grant, impose a schedule over which period of time the option will vest and become exercisable by the optionee.

Subject to the approval of any stock exchange on which the Company's securities are listed, the Board of Directors may terminate, suspend or amend the terms of the Stock Option Plan, provided that the Board of Directors may not do any of the following without obtaining, within twelve (12) months either before or after the Board of Directors adoption of a resolution authorizing such action, shareholder approval, and, where required, disinterested shareholder approval, or by the written consent of the holders of a majority of the outstanding securities of the Company entitled to vote:

1. increase the aggregate number of common shares which may be issued under the Stock Option Plan;
2. materially modify the requirements as to the eligibility for participation in the Stock Option Plan which would have the potential of broadening or increasing Insider participation;
3. add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the Stock Option Plan;
4. add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the Stock Option Plan reserve; and
5. materially increase the benefits accruing to participants under the Stock Option Plan.

However, the Board may amend the terms of the Stock Option Plan to comply with the requirements of any applicable regulatory authority without obtaining shareholder approval, including:

1. amendments to the Stock Option Plan of a housekeeping nature;
2. a change to the vesting provisions of a security or the Stock Option Plan; and
3. a change to the termination provisions of a security or the Stock Option Plan which does not entail an extension beyond the original expiry date.

Incentive Plan Awards – NEOs and Directors

Outstanding Share-Based Awards and Option-Based Awards

The Company did not grant incentive stock options to any of its NEOs or directors during the most recent fiscal year ended November 30, 2017. The Company does not have any share-based award plans for its NEOs or directors.

Termination and Change of Control Benefits

The Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs responsibilities.

Indebtedness of Directors and Executive Officers

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the last completed financial year of the Company.

During the last completed financial year, no director, executive officer, or nominee for director of the Company or any of their associates has been indebted to the Company or any of its subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support in agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

Interest of Certain Persons or Companies in Matters to be Acted Upon

No director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Stock Option Plan.

Interest of Informed Persons in Material Transactions

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the board of directors of the Company, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

Except as disclosed herein, since the commencement of the last completed financial year, no "informed person" has had any material interest, direct or indirect, in any transaction or any proposed transaction that has materially affected or would materially affect the Company or any of its subsidiaries. "Informed Person" means: (a) a director or executive officer of the Company; (b) a director or officer of a person or company that is itself an informed person or subsidiary of the Company; or (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying more than 20% of the voting rights attached to all outstanding voting securities of the Company.

The directors and officers of the Company have an interest in the resolution concerning the election of directors, the ratification and confirmation of all previous acts of the directors, and the approval of the Stock Option Plan. For more information please refer to the section entitled "*Particulars of Matters to be Acted Upon*".

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

Effective January 1, 2018, the Company entered into a management agreement (the “Management Contract”) with Pender Street Corporate Consulting Ltd. (“PSCC”) of 789 West Pender Street, Suite 810, Vancouver, British Columbia, V6C 1H2, to provide certain corporate, accounting and administrative services to the Company in accordance with the terms of the PSCC Agreement for a monthly fee of \$3,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company. PSCC is also entitled to charge a 15% administration fee on all disbursements paid by PSCC to a maximum of 2% per disbursement, and to charge interest of 2% on all disbursements not reimbursed within 30 days. The PSCC Agreement is for an initial term of 12 months, to be automatically renewed for further 12 month periods, unless either party gives 180 days’ notice of non-renewal, in which case the PSCC Agreement will terminate. The PSCC Agreement can be terminated by either party on 90 days’ written notice. It can also be terminated by the Company for cause without prior notice or upon the mutual consent in writing of both parties. If there is a take-over or change of control of the Company resulting in the termination of the PSCC Agreement, PSCC is entitled to receive an amount equal to 12 months of fees payable as a lump sum payment due on the day after the termination date.

PSCC was not indebted to the Company during the Company’s last completed financial year, and the PSCC Agreement remains in effect.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The Board does not have a compensation committee or a formal procedure with respect to determining compensation for its personnel. These functions are currently performed by the Board as a whole; however, this policy may be reviewed in the future depending on the circumstances of the Company.

The Board periodically reviews the compensation paid to the Company’s officers, directors, and key employees, ensuring that such compensation realistically reflects the responsibilities of such positions and based on such factors as time commitment and level of responsibility, comparative fees paid by other companies in same industry in North America, and the Company’s current position as a venture company.

PENSION DISCLOSURE

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

EQUITY COMPENSATION PLAN INFORMATION

The Company does not have an equity compensation plan.

AUDIT COMMITTEE

The Company is required to have an audit committee (the “**Audit Committee**”) comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" to this Circular.

Composition of Audit Committee and Independence

The Company's current Audit Committee consists of Eugene Beukman, Joel Dumaresq and Vincente Benjamin Asuncion.

National Instrument 52-110 - *Audit Committees* ("NI 52-110") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. The Company's current Audit Committee consists of Messrs. Beukman, Dumaresq and Asuncion. Mr. Asuncion is an independent member of the Audit Committee.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined. The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Relevant Education and Experience

Eugene Beukman

Mr. Beukman graduated from Rand University of Johannesburg, South Africa, with a Bachelor of Law degree and a Bachelor of Law Honours Postgraduate degree in 1987. From 1987 until December 1993, when he moved to Vancouver, British Columbia, Mr. Beukman was employed as a legal advisor to the predecessor of BHP Billiton. He has over twenty (20) years' experience in the acquisition of assets and joint ventures. Mr. Beukman is also an Admitted Advocate of the Supreme Court of South Africa. He also serves as an audit committee member for a number of other public companies.

Joel Dumaresq

Mr. Dumaresq obtained a BA degree in Economics and Psychology from the University of British Columbia. He serves as the Chairman of Coronet Metals Inc. and Taipan Resources Inc. Mr. Dumaresq has a background in finance and investment banking and formerly worked for 10 years for RBC Dominion Securities, a division of the Royal Bank of Canada.

Vincente Benjamin Asuncion

Mr. Asuncion holds a Bachelor of Business degree from SFU with concentrations in finance, accounting and management science. He previously worked for Haywood Securities Inc., a privately owned Canadian brokerage firm, as a research associate and was involved in a number of sectors including mining, oil and gas, technology and telecom. Mr. Asuncion was also previously involved in the management of an endowment fund at Simon Fraser University (SFU).

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on:

- (d) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to DMCL Chartered Professional Accountants, for services rendered in the last two fiscal years:

	<u>2017</u>	<u>2016</u>
	(\$)	(\$)
Audit fees ⁽¹⁾	3,500	19,000
Audit related fees ⁽²⁾	Nil	Nil
Tax fees ⁽³⁾	650	Nil
All other fees ⁽⁴⁾	Nil	Nil
Total	<u>\$4,150</u>	<u>\$19,000</u>

Notes:

- (1) “Audit fees” include aggregate fees billed by the Company’s external auditor in each of the last two fiscal years for audit fees.
- (2) “Audited related fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit fees” above. The services provided 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 the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning. The services provided include 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 the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

Exemption in Section 6.1

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company’s approach to corporate governance is set out below.

Board of Directors

Management is nominating six (6) individuals to the Board, two (2) of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. Of the current members of the Board, only Vincente Benjamin Asuncion is considered “independent” within the meaning of NI 52-110.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO and the President. The Board will give direction and guidance through the President to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and the chairperson of the committee. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities of each committee, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of both the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the President, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia) (the “**Act**”), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees.

Directorships

As at the date of this Circular, the following directors and director nominees of the Company are also directors of other reporting issuers:

Joel Dumaresq is a director of Sojourn Exploration Inc., Eastern Zinc Corp., Black Isle Resources Corporation, Molori Energy Inc., Solution Financial Inc. and Q Investments Ltd.;

Eugene Beukman is a director of Admiral Bay Resources Inc., Bard Ventures Ltd., Black Isle Resources Corporation, BluKnight Aquafarms Inc., ICC International Cannabis Corp., International Cobalt Corp., La Jolla Capital Inc., Oriental Non-Ferrous Resources Development Inc., Osino Resources Corp., Reliq Health Technologies Inc. and SLAM Exploration Ltd.

Vincente Benjamin Asuncion is a director of Lions Bay Mining Corp.

G. Frank Stronach is a director of Rainy Hollow Ventures Inc., Foremost Ventures Corp. and Foremost Ventures Corp.

Orientation and Continuing Education

There is no formal orientation or training program for new members of the Board. New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies and have the opportunity to become familiar with the Company by meeting with the other directors and with the executive officers. Orientation activities are tailored to the particular needs and experience of each director and the overall needs of the Board.

The skills and knowledge of the Board as a whole is such that the Board believes no formal continuing education process is currently required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management’s assistance. Board members have full access to the Company’s records. Those Board members who are required by their professional associations to participate in continuing professional development throughout the year, include courses and seminars that are relevant to their roles as directors and officers to make the most of these educational opportunities.

Ethical Business Conduct

The Board encourages and promotes a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. In addition, the Board has adopted a Code of Business Conducts and Ethics (the “**Code**”) to be followed by the Company’s directors, officers, employees and principal consultants and those of its subsidiaries. The Code is also to be followed, where appropriate, by the Company’s agents and representatives, including consultants where specifically required. The purpose of the Code is to, among other things, promote honest and ethical conduct, avoid

conflict of interest, protect confidential information and comply with the applicable government laws and securities rules and regulations.

In addition to the above, the Board has also adopted a policy on trading in securities of the Company to promote a culture of ethical conduct.

Nomination of Directors

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among the Chairman and a majority of the non-executive directors.

Compensation

At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee and the Board as a whole is responsible for determining all forms of compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and to the directors to ensure such arrangements reflect the responsibilities and risks associated with each position.

When determining the compensation of its executive officers in the future, the Board will consider: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general. In order to achieve these objectives, it is the Board's intention that compensation paid to its executive officers should consist of three components: i) base salary; ii) discretionary bonus based on actual performance relative to pre-set annual operation targets; and iii) long-term incentive in the form of stock options.

Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

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

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

General Matters

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with

respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

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

Except as disclosed elsewhere in this Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of the Company's Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

APPOINTMENT OF AUDITOR

Management intends to nominate DMCL Chartered Professional Accountants for re-appointment as auditor of the Company. Forms of proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of DMCL Chartered Professional Accountants, as the auditor of the Company to hold office for the ensuing year with remuneration to be fixed by the directors.

Management recommends that Shareholders vote for the approval of the re-appointment of DMCL Chartered Professional Accountants as the auditor for the Company for the ensuing year at a remuneration to be fixed by the Board.

RATIFICATION OF ACTS OF DIRECTORS

Shareholders will be asked to ratify and approve all acts and deeds of directors, acting in good faith on behalf of the Company, since the last annual general meeting of the Shareholders.

Management recommends that Shareholders vote for the approval of the ratification of acts of directors.

APPROVAL OF 2018 STOCK OPTION INCENTIVE PLAN

At the Meeting, shareholders will be asked to consider, and if thought advisable, to approve by way of ordinary resolution, approval of an amended and restated 2018 Stock Option Incentive Plan (the "2018 Plan"). See "Approval Requirements" below.

BACKGROUND

The Board of Directors of the Company has, by resolution, adopted the 2018 Plan to replace the existing stock option incentive plan (the "2017 Plan") and proposes to implement it upon receipt of approval of the 2018 Plan by the shareholders. The 2018 Plan is substantively similar to the 2017 Plan except that it increases the number of common shares reserved under it. The 2018 Plan reserves 8,258,321 common shares (which represents 20% of the Company's outstanding common shares as of the record date for the Meeting), compared to 199,520 under the 2017 Plan. Upon the 2018 Plan receiving shareholder approval, the 2018 Plan will be implemented and all of the options presently governed by the 2017 Plan will thereafter be governed by the 2018 Plan and the 2017 Plan will terminate.

The 2018 Plan will be administered by our Board of Directors and provides for grants of options to directors, executive officers and employees of, and consultants to, the Company at the discretion of the

Board. The aggregate number of common shares reserved for issuance under the 2018 Plan, and common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 8,158,321 (40,791,605 x 20%). The exercise price of options granted under the 2018 Plan will be determined by the Board of Directors at the time of any grant but must not be less than the fair market value (as defined in the 2018 Plan) of the common shares on the date of grant.

The term of any options granted under the 2018 Plan will be fixed by the Board of Directors at the time of grant but may not exceed ten years. Should a director, officer or employee of, or consultant to, the Company or any affiliate of the Company cease to act in such capacity prior to expiry of the term of their respective options, those options will terminate 90 days from the date the optionee ceases to be eligible under the 2018 Plan. If such cessation is on account of disability or death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately. If an option holder providing Investor Relations Activities (as such term is defined in the 2018 Plan) ceases to provide such Investor Relations Activities to the Company, options granted to such option holder will expire 30 days after such cessation. The 2018 Plan also provides for adjustments to outstanding options in the event of any disposition of substantially all of the assets of the Company, dissolution or any merger, amalgamation or consolidation of the Company, with or into any other company, or the merger, amalgamation or consolidation of any other company with or into the Company.

The directors of the Company may, at their discretion at the time of any grant, impose a schedule over which period of time options will vest and become exercisable by the optionee; however, options granted to persons performing Investor Relations Activities must vest in stages over 12 months with no more than ¼ of the options vesting in any three month period. Options granted under the 2018 Plan are non-transferable and non-assignable.

Pursuant to the terms of the 2018 Plan:

1. the total number of common shares (either issued directly or issuable on exercise of options or other convertible securities of the Company) provided as compensation to Investor Relations Persons (as such term is defined in the 2018 Plan) may not exceed in aggregate 1% of the issued and outstanding common shares of the Company in any 12 month period; and
2. approval by Disinterested Shareholders (as hereinafter defined under “Approval Requirements”) shall be obtained for any grants of options to a director or executive officer of, or of a related entity to, the Company (each a “Related Person”) if, after the grant:

the number of securities, calculated on a fully diluted basis, reserves for issuance under options granted to:

- (i) Related Persons, exceeds 10% of the outstanding securities of the Company; or
- (ii) a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Company; or

the number of securities, calculated on a fully diluted basis, issued within 12 months to:

- (i) Related Persons, exceeds 10% of the outstanding securities of the Company; or

- (ii) a Related Person and the associates of the Related Person, exceeds 5% of the outstanding securities of the Company.

Subject to any required approvals of the CSE or any other applicable stock exchange, the Board may amend, suspend or terminate the 2018 Plan or any portion thereof at any time, but an amendment may not be made without shareholder approval if such approval is necessary to comply with any applicable regulatory requirement. Further, subject to any required approvals of the CSE or any other applicable stock exchange, the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, shareholder approval, and, where required, approval by Disinterested Shareholders (as hereinafter defined under "Approval Requirements"), or by the written consent of the holders of a majority of the securities of the Company entitled to vote:

1. increase the aggregate number of common shares which may be issued under the 2018 Plan;
2. materially modify the requirements as to the eligibility for participation in the 2018 Plan that would have the potential of broadening or increasing insider participation;
3. add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the 2018 Plan;
4. add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the 2018 Plan reserve; and
5. materially increase the benefits accruing to participants under the 2018 Plan.

However, the Board may amend the terms of the 2018 Plan to comply with the requirements of any applicable regulatory authority without obtaining shareholder approval, including:

1. amendments to the 2018 Plan of a housekeeping nature;
2. change to the vesting provisions of a security or the 2018 Plan; and
3. change to the termination provisions of a security or the 2018 Plan that does not entail an extension beyond the original expiry date.

As of the date of this Information Circular, there are no options outstanding under the 2017 Plan. The number of common shares remaining available for issuance pursuant to options yet to be granted under the 2018 Plan is 8,158,321.

The 2018 Plan is available for review by any shareholder requesting same at the offices of the Company during normal business hours at any time prior to the time of the Meeting and will be available for review at the Meeting.

Approval Requirements

As, in certain circumstances, approval of the 2018 Plan by Disinterested Shareholders (as hereafter defined) may be required, we believe it prudent to seek Disinterested Shareholder approval of the 2018 Plan at the Meeting.

Shareholders who are not Related Persons (as defined above) entitled to benefit under the 2018 Plan (the “Disinterested Shareholders”) will be asked at the Meeting to approve implementation of the 2018 Plan. As at the date of this Information Circular and based on the information available to us, votes attaching to an aggregate 3,761,498 common shares held by the directors and officers of the Company entitled to benefit under the 2018 Plan are not eligible to vote on the resolution to approve implementation of the 2018 Plan.

Disinterested Shareholders will be asked at the Meeting to pass as an ordinary resolution the following:

“RESOLVED THAT:

1. implementation of the Company’s 2018 Stock Option Incentive Plan, all as more particularly described in the Company’s Information Circular dated December 5, 2018, subject to any changes or acceptances as may be required by the policies of the Canadian Securities Exchange or the policies of any other applicable stock exchange, be and it is hereby approved; and
2. any director or officer of the Company is hereby authorized for and on behalf of the Company to execute and deliver all documents and instruments and to take such other actions as such director or officer may determine to be necessary or desirable to implement these resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions.”

Following approval of the 2018 Plan by the Company’s Disinterested Shareholders, further shareholder approval will not be required for option grants made under the 2018 Plan, except as may be required by the policies of the CSE or any other applicable stock exchange.

Recommendation

We believe the 2018 Plan will enable the Company to better align the interests of its directors, executive officers and employees with those of its shareholders and will reduce the cash compensation the Company would otherwise have to pay. Management recommends that shareholders vote in favour of the resolution approving implementation of the 2018 Plan. **Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the resolution approving implementation of the 2018 Plan.**

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company’s comparative annual financial statements to November 30, 2017, a copy of which, together with Management’s Discussion and Analysis thereon, can be found on the Company’s SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company, at 789 West Pender Street, Suite 810, Vancouver, British Columbia, V6C 1H2.

OTHER MATTERS

Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting included at the beginning of this Circular. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named in the proxy to vote on such matters in accordance with their best judgment.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 5th day of December, 2018.

ON BEHALF OF THE BOARD

(signed) “*Joel Dumaresq*”

Joel Dumaresq
Director and Chief Financial Officer

CERVANTES CAPITAL CORP.

Schedule “A” Audit Committee Charter

Purpose of the Committee

The purpose of the audit committee (the “**Audit Committee**”) of the directors of the Company (the “**Board**”) is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Audit Committee will also perform any other activities consistent with this Charter, the Company’s articles and governing laws as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Audit Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board. Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with IFRS, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

Authority and Responsibilities

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company's Chief Financial Officer and Chief Executive Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
 - receipt, retention and treatment of complaints regarding accounting, financial disclosure,
 - internal controls or auditing matters; and
 - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent

counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.

13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the Business Corporations Act (British Columbia) and the articles of the Company.

