

1014379 B.C. Ltd.
(the “Company”)

Form 52-110F2
Disclosure by Venture Issuers

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually 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 Eugene Beukman, Alexander Somjen and Joel Dumaresq. Mr. Beukman is not an independent member of the audit committee as contemplated by NI 52-110. Messrs. Somjen and Dumaresq are independent members of the audit committee. The composition of the audit committee is compliant with NI 52-110. All audit committee members are considered to be financially literate.

Relevant Education and Experience

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

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

Set forth below is a description of the relevant education and experience of each of the audit committee members.

Eugene Beukman

Mr. Beukman is the corporate counsel of Partum Advisory Services Corp. He graduated from the Rand University of Johannesburg, South Africa, with a bachelor of law degree and a bachelor of law honours postgraduate degree in 1987. After practising as a lawyer, Mr. Beukman was employed as a legal adviser to the BHP Billiton group companies, a leading global resources company and a producer of major commodities, including iron ore, metallurgical coal, copper and uranium, with substantial interests in conventional and unconventional oil and gas and energy coal. He also has over 30 years of experience in the acquisition of assets and joint ventures, and serves as chief executive officer and director of a number of TSX Venture Exchange and Canadian Securities Exchange listed companies.

Alexander Somjen

Mr. Somjen, having most recently spent over a decade in capital markets at a large financial institution, has worked in both investment banking and sales- and trading-related capacities. In these roles, Mr. Somjen forged deep relationships with large institutional investors and major corporations, and worked on many notable debt capital and equity capital issuances. During his career, Mr. Somjen also pivoted away from capital markets for a time to found and serve as chief financial officer of an artificial-intelligence-related tech concern. Mr. Somjen began his career as a preferred share sales trader servicing Canada's largest institutional investors. In his most recent role, he advised both issuers and institutional investors on the preferred share market and hybrid capital space. He holds a BA in economics from the University of Toronto.

Joel Dumaresq

Mr. Dumaresq has over 30 years of experience in the capital markets having begun his career with investment banking firm RBC Dominion Securities and has been active in both private and public equity markets in Canada, the US, Europe and South America. Mr. Dumaresq brings an extensive business history in effecting mergers and acquisitions, as well as assembling strong management teams. He is a former Chair of the British Columbia Chapter of the Young President's Organization, a current member of the Board of Trustees of the Vancouver Police Foundation and a recipient of the Star of Courage.

Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than Smythe LLP.

Reliance on Certain Exemptions

The Company's auditor has not provided any material non-audit services.

Pre-Approval Policies and Procedures

The audit committee has adopted specific policies and procedures for the engagement of non-audit services, which procedures are described in the audit committee charter.

External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by the auditor, Smythe LLP, to the Company during the two most recently completed fiscal years ended December 31, 2018 and 2017 to ensure auditor independence. Fees incurred by Smythe LLP for audit and non-audit services in the last two fiscal years are outlined in the following table:

Nature of Services	Fees paid in Year Ended December 31, 2018	Fees paid in Year Ended December 31, 2017
Audit Fees ⁽¹⁾	\$4,500	\$4,000
Audit-Related Fees ⁽²⁾	\$Nil	\$Nil
Tax Fees ⁽³⁾	\$Nil	\$Nil
All other Fees ⁽⁴⁾	\$Nil	\$Nil
Total	\$4,500	\$4,000

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemption

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

SCHEDULE “A”

CHARTER OF THE AUDIT COMMITTEE OF 1014379 B.C. LTD. (the “Company”)

1. Purpose

- 1.1. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee’s role is to:
 - (a) support the Board of Directors in meeting its responsibilities to shareholders;
 - (b) enhance the independence of the external auditor;
 - (c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;
 - (d) increase the credibility and objectivity of the Company’s financial reports and public disclosure.
- 1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee’s responsibilities as described herein.
- 1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2. Membership

- 2.1. Each member of the Audit Committee must be a director of the Company.
- 2.2. The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.
- 2.3. The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

3. Authority

- 3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

- (a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities; and
- (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement.
- (c) Approve interim financial statements and interim MD&A on behalf of the Board of Directors.

4. Duties and Responsibilities

4.1. The duties and responsibilities of the Audit Committee include:

- (a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;
- (b) recommending to the Board of Directors the compensation of the external auditor;
- (c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;
- (d) overseeing the work of the external auditor;
- (e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;
- (f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;
- (g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
- (h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;
- (i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;

- (j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;
- (k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to its dissemination to the public;
- (l) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;
- (m) ensuring the integrity of disclosure controls and internal controls over financial reporting;
- (n) resolving disputes between management and the external auditor regarding financial reporting;
- (o) establishing procedures for:
 - i. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto; and
 - ii. the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters.
- (p) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (q) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
- (r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.

4.2. The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

5. Meetings

5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company.

- 5.2. The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.
- 5.3. The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.
- 5.4. The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.
- 5.5. A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.
- 5.6. The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.
- 5.7. The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.
- 5.8. The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

6. Reports

- 6.1. The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. Minutes

- 7.1. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.