

**1014379 B.C. LTD.  
810 – 789 West Pender Street  
Vancouver, BC V6C 1H2  
Telephone No.: (604) 687-2038**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**Take notice** that the annual general meeting of shareholders of 1014379 B.C. LTD. (the “Corporation”) will be held at Suite 810, 789 West Pender Street, Vancouver, British Columbia, on Thursday, February 7, 2020, at 10:00 a.m., local time, (the “Meeting”) for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for its financial years ended December 31, 2018 and 2017, and the reports of the auditor thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to set the number of directors at 3;
4. to appoint an auditor of the Corporation for the ensuing year; and
5. to approve the stock option plan as described in the information circular.

A Management Proxy Circular accompanies this Notice. The Management Proxy Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

**Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it by fax, by hand or by mail in accordance with the instructions set out in the form of proxy and in the Management Proxy Circular.**

**Unregistered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form and in the Management Proxy Circular to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are not a registered shareholder.**

**Dated** at Vancouver, British Columbia, January 3, 2020.

**BY ORDER OF THE BOARD**

***“Eugene Beukman”***

**Eugene Beukman  
Chief Executive Officer**

**1014379 B.C. LTD.  
810 – 789 West Pender Street  
Vancouver, BC V6C 1H2  
Telephone No.: (604) 687-2038**

**MANAGEMENT PROXY CIRCULAR**  
as at January 3, 2020 *(except as otherwise indicated)*

**This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of 1014379 B.C. Ltd. (the “Corporation”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on February 7, 2020 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Management Proxy Circular, references to “the Corporation”, “we” and “our” refer to 1014379 B.C. Ltd. “Common Shares” means common shares without par value in the capital of the Corporation. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

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

**Appointment of Proxyholders**

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

**Voting by Proxyholder**

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

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

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

### **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders who wish to submit a proxy may complete, date and sign the enclosed form of proxy and return it to the Corporation's transfer agent, National Securities Administrators Ltd. ("National Securities") by choosing one of the following methods: mail or hand delivery at 760 – 777 Hornby Street, Vancouver, BC V6Z 1S4; fax within North America at 604-559-8908; email at [proxy@transferagent.ca](mailto:proxy@transferagent.ca); or online as listed on the form of proxy or voting information card.

Regardless of the method a Registered Shareholder uses to vote, they must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Corporation's board of directors (the "Board") at its discretion without notice.

### **Beneficial Shareholders**

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

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "intermediary"). In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States of America (the "United States" or the "U.S."), under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

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

#### ***If you are a Beneficial Shareholder:***

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy that will be supplied by your broker will be similar to the Proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in Canada and in the United States. Broadridge mails a voting instruction form (a "VIF") in lieu of the Proxy provided by the Corporation. The VIF will name the same persons as the Corporation's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation) other than the persons designated in the VIF to represent your Common Shares at the Meeting, and that person may be you. **To exercise this right, insert the name of your desired representative (which may be you), in the blank space provided in the VIF.** The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in

accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, you cannot use it to vote Common Shares directly at the Meeting - the VIF must be returned to Broadridge, in accordance with its instructions, well in advance of the Meeting, in order to have your Common Shares voted or to have an alternate representative duly appointed to attend and vote your Common Shares at the Meeting.**

**If you wish to vote your Common Shares in person at the Meeting, please complete the enclosed VIF and insert your own name as the Appointee on the VIF. Be sure to send you're completed and signed VIF to Broadridge well before Broadridge's deadline. When you attend the Meeting, be sure to confirm with the Scrutineer before the start of the Meeting that you are appointed to vote your own Common Shares and that you will be voting those Common Shares in person at the Meeting.**

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

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

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

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to National Securities or to the Corporation's office at 810 – 789 West Pender Street, British Columbia, V6C 1H2, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) Personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

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

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

The Board has fixed January 3, 2020 as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting, except to the extent that:

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

The Corporation is authorized to issue an unlimited number of Common Shares. As of January 3, 2020, the Corporation had outstanding 506,022 fully paid and non-assessable Common Shares without par value, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Corporation, there are no persons beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as of January 3, 2020.

## **FINANCIAL STATEMENTS**

The audited financial statements of the Corporation for the fiscal years ended December 31, 2018 and 2017, the reports of the auditor thereon and the related management discussion and analysis will be placed before the Meeting. Additional information may be obtained upon request from the Secretary of the Corporation at Suite 810, 789 West Pender Street, Vancouver, BC V6C 1H2, telephone no. (604) 687-2038. These documents and additional information are also available via the internet on [www.sedar.com](http://www.sedar.com).

## **VOTES NECESSARY TO PASS RESOLUTIONS**

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

## **ELECTION OF DIRECTORS**

Pursuant to the By-Laws the Corporation is administered by the Board of Directors (the "Board"). The term of office of each of the current directors will end at the conclusion of the Meeting. At the Meeting the shareholders will be

asked to elect directors to the Board. The current Board has determined that three (3) directors will be elected to the Board. Unless the director's office is vacated earlier in accordance with the provisions of the BCBCA, or the current governing legislation of the Corporation, each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's three nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at January 3, 2020.

<b>Nominee Position with the Corporation and Residence</b>	<b>Occupation, Business or Employment(1)</b>	<b>Period as a Director of the Corporation</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Eugene Beukman British Columbia, Canada CEO, President and Director	See " <i>Occupation, Business or Employment of Director Nominees</i> " below	July 17, 2019	0
Alexander Somjen Toronto, Canada Director	See " <i>Occupation, Business or Employment of Director Nominees</i> " below	November 7, 2019	0
Joel Dumaresq British Columbia, Canada Director Nominee	See " <i>Occupation, Business or Employment of Director Nominees</i> " below	November 7, 2019	0

Note:

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

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

### **Penalties, Sanctions and Cease Trade Orders**

Within the last 10 years before the date of this management proxy circular no proposed nominee for election as a director of the Corporation was a director or executive officer of any company (including the Corporation in respect of which this management proxy circular is prepared) acted in that capacity for a company that was:

- a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- 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; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

- d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- e) Subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director,

other than Eugene Beukman, who was appointed as a director of the Corporation when it was subject to a cease trade order issued by the British Columbia Securities Commission on May 6, 2019 for failure to file its financial statements within the required time period. The cease trade order was revoked on November 7, 2019.

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

#### *Eugene Beukman – CEO, President and Director*

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 - Director*

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 - Director*

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.

## APPOINTMENT OF AUDITOR

Smythe LLP, Chartered Accountants, Vancouver, British Columbia have been the auditors of the Corporation since 2014. It is proposed that Smythe LLP be re-appointed as the auditor of the Corporation; to hold office until the next annual meeting of Shareholders of the Corporation at such remuneration as may be determined by the Board of Directors.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of the firm of Smythe LLP, Chartered Professional Accountants, as auditors of the Corporation until the close of the next annual meeting of shareholders.**

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Corporation, as a venture issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

### The Audit Committee’s Charter

The audit committee has a charter. A copy of the audit committee charter is available on [www.sedar.com](http://www.sedar.com).

### Composition of the Audit Committee

The current members of the audit committee are Eugene Beukman, Joel Dumaresq and Alexander Somjen. Messrs. Dumaresq and Somjen are independent members of the audit committee as contemplated by NI 52-110. Mr. Beukman is not an independent member of the audit committee. 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.

Please see “*Occupation, Business or Employment of Director Nominees*” for a description of the relevant education and experience of each of the audit committee members.



## 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 Corporation'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 Corporation during the two most recently completed fiscal years ended December 31, 2018 and 2017 to ensure auditor independence. Fees incurred with Smythe LLP for audit and non-audit services in the last two fiscal years are outlined in the following table:

Nature of Services	Year Ended December 31, 2018	Year Ended December 31, 2017
Audit Fees <sup>(1)</sup>	\$4,500	\$4,000
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
Total	\$4,500	\$4,000

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation'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 Corporation 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*).

## CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is

committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

### Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment or which is deemed to be a material relationship under NI 52-110.

The sole non-independent director of the Corporation is Eugene Beukman. The independent directors are Joel Dumaresq and Alexander Somjen.

### Directorships

The following directors, or director nominee, are currently serving on boards of the following other reporting companies (or equivalent) as set out below:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Exchange Listed</b>
Eugene Beukman	Bard Ventures Ltd.	TSXV
	Black Isle Resources Corporation	Reporting Issuer
	BluKnight Aquafarms Inc.	Reporting Issuer
	Integrated Cannabis Company	CSE
	International Cobalt Corp.	CSE
	ICC International Cannabis Company	CSE
	La Jolla Capital Inc.	Reporting Issuer
	Osino Resources Corp.	TSXV
	Reliq Health Technologies Inc.	TSXV
	SLAM Exploration Ltd.	TSXV
Joel Dumaresq	Vinergy Cannabis Capital Inc.	CSE
	Molori Energy Inc.	TSXV
	Sojourn Exploration Inc.	TSXV
	Organic Flower Investments Group	TSXV
	Eastern Zinc Corp.	CSE

### Orientation and Continuing Education

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

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

### Ethical Business Conduct

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

## **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

## **Compensation**

The Board regularly assesses the Corporation's compensation policies in view of practices in the marketplace, the practices and risks typical of the industry and the inherent responsibilities of being an effective director. The Corporation's main activity is mining exploration and, at the present time, it is not generating any profits.

In order to determine the compensation of the directors and the CEO, the Board takes into account the contribution made by each person to the Corporation, the financial resources available to the Corporation and the compensation given to people occupying similar positions in comparable Canadian companies. To date, the Corporation's directors have not received any compensation in cash for the services they have rendered in their capacity as directors.

## **Other Board Committees**

The Board has no committees other than the audit committee and the Human Resources and Corporate Governance Committee.

## **Assessments**

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

## **STATEMENT OF EXECUTIVE COMPENSATION** *(Venture Issuers)*

### **Named Executive Officer**

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

Anthony Jackson, former CEO, CFO and director, is the NEO of the Corporation for purposes of the following disclosure. Anthony Jackson resigned as CEO, CFO and director on July 9, 2019.

### **Compensation Discussion and Analysis**

The executive compensation policy of the Corporation is designed to offer competitive compensation enabling the Corporation to attract and retain qualified, high-calibre staff. It will seek to motivate executive officers to exceed strategic objectives so as to maximize the long-term return on shareholders' investment.

These strategic objectives that guide management and directors can be summarized as follows:

- Discovery of new mineralized zones
- Definition of mineral resources
- Acquisition of new mining properties that meets objectives
- Signature of joint-venture agreements
- Completion of financings that secure the continuation of the mission.

### **Components of Aggregate Compensation**

The aggregate compensation of the NEO currently consists of one or more of the following elements:

- (a) A base monetary compensation which is competitive; and
- (b) Option grants designed to attract experienced personnel and encourage them to promote the Corporation’s interests and activities to the best of their knowledge.

### **Base Compensation**

The base cash compensation review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base compensation is not evaluated against a formal “peer group”. The Board relies on the general experience of its members in setting base compensation amounts.

## Incentive compensation

Option grants are designed to attract and retain key personnel. Option grants to Beneficiaries are established by the Board of Directors on a continuous basis, based on the progress of the Corporation.

## Summary Compensation Table

The compensation paid to the Corporation's NEOs and Directors during the Corporation's two most recently completed financial years ended December 31, 2018 and 2017 is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Anthony Jackson Former CEO, CFO & Director	2018	63,000	Nil	Nil	Nil	Nil	63,000
	2017	60,000	Nil	Nil	Nil	Nil	60,000

## Stock Options and Other Compensation Securities

There were no compensation securities granted or issued directors or named executive officers in the most recently completed financial year.

As at December 31, 2018 and 2017, there was no value vested or earned by any of the NEOs or Directors under incentive plans during the Corporation's fiscal years ended December 31, 2018 and 2017.

### Exercise of Compensation Securities during the Year

There was no exercise by Directors or NEOs of any compensation securities during the most recently completed financial year.

See "Securities Authorized under Equity Compensation Plans" for further information on the Corporation's share option plan.

## Pension Plan Benefits

The Corporation does not have a defined benefits pension plan or a defined contribution pension plan.

## Liability Insurance

The Corporation subscribes to insurance on behalf of its Directors and officers to cover for potential liabilities incurred in connection with their services to the Corporation.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The current stock option plan of the Corporation (the “Plan”) has been established in accordance with the policies of the TSX Venture Exchange (the “Exchange”). Pursuant to the Plan, the Board may, from time to time and at its discretion, grant to directors, officers, employees or consultants of the Corporation (the “Optionees”) options to acquire Common Shares of the Corporation for a maximum of 50,602 Common Shares.

Options are not transferable and are valid for 5 years from the date of grant. Options granted to an Optionee who is no longer eligible under the Plan will expire twelve (12) months following the date such person ceases to be an Optionee for the purposes of the Plan.

The following table sets out equity compensation plan information as at the December 31, 2018 financial year end.

### Equity Compensation Plan Information

Plan	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders - the Plan	Nil	N/A	50,602
Equity Compensation plans not approved by securityholders.	Nil	N/A	Nil
Total	Nil	--	50,602

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the fiscal years ended December 31, 2018 and 2017 and during the following financial periods, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as at the date hereof.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who generally speaking is a director or executive officer or a 10% shareholder of the Corporation. To the knowledge of management of the Corporation, no informed person or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the years ended December 31, 2018 and 2017, or has any interest in any material transaction in the current year other than as set out herein and in a document previously disclosed to the public.

## MANAGEMENT CONTRACTS

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

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### APPROVAL OF STOCK OPTION PLAN

The purpose of the Plan, is to encourage directors, officers and key employees of the Corporation and its subsidiaries and persons providing ongoing services to the Corporation to participate in the growth and development of the Corporation by providing incentive to qualified parties to increase their proprietary interest in the Corporation by permitting them to purchase Common Shares and thereby encouraging their continuing association with the Corporation. The stock options are non-transferable and will expire upon the sooner of the expiry date stipulated in the particular stock option agreement or after a certain period following the date the optionee ceases to be a qualified party by reason of death or termination of employment. A copy of the proposed Plan is attached to this Information Circular as Schedule A.

The Plan provides that the number of Common Shares which may be made the subject of options cannot exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at any time. Approximately 50,602 Common Shares are available under the Plan. The stock options granted under the Plan together with all of the Corporation's other previously established Plans or grants, shall not result at any time in: (a) the number of Common Shares reserved for issuance pursuant to stock options granted to Insiders exceeding 10% of the issued and outstanding Common Shares; (b) the grant to Insiders within a 12 month period, of a number of stock options exceeding 10% of the outstanding Common Shares; (c) the grant to any one Optionee within a 12-month period, of a number of stock options exceeding 5% of the issued and outstanding Common Shares unless the Corporation obtains the requisite disinterested shareholder approval; (d) the grant to all persons engaged by the Corporation to provide Investor Relations Activities, within any twelve-month period, of stock options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares; or (e) the grant to any one Consultant, in any twelve-month period, of stock options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares.

The term of an option shall be not more than 10 years from the date the option is granted. If an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Optionee may, but only within ninety (90) days after the Optionee's ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Optionee engaged in investor relations activities) or prior to the expiry of the exercise period, whichever is earlier, exercise any stock option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the stock option at the date of such cessation. In the event of the death of an Optionee, the stock option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the stock option Period, whichever is earlier, and then only: (a) by the person or persons to whom the Optionee's rights under the stock option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and (b) to the extent that the Optionee was entitled to exercise the stock option at the date of the Optionee's death.

In the event of (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or (b) any change in control of the Corporation, the Plan gives the Corporation the power to make such arrangements as it shall deem appropriate for the exercise of outstanding Options continuance of

outstanding Options, including to amend any stock option agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction.

Subject to any required approvals under applicable securities legislation or stock exchange rules, the Corporation may amend or modify the Plan or the terms of any option as the board of directors deems necessary or advisable provided that no such amendment shall adversely affect any accrued and vested rights of an optionee or alter or impair any option previously granted to that optionee, without the consent of the optionee (provided such a change would materially prejudice the optionee's rights under the Plan).

At the Meeting, the Shareholders will be asked to approve the following resolution:

**“BE IT RESOLVED THAT:**

1. The current incentive stock option plan of 1014379, as described in the Information Circular of 1014379 (and as may be amended to comply with the policies of the Exchange from time to time), be and is hereby affirmed, ratified and approved; and
2. Any one (1) director or officer of the 1014379 be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of 1014379 or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing.”

**IF NAMED AS PROXY, THE MANAGEMENT DESIGNEES INTEND TO VOTE THE COMMON SHARES REPRESENTED BY SUCH PROXY AT THE MEETING FOR THE APPROVAL OF THE 1014379 STOCK OPTION PLAN, UNLESS THE SHAREHOLDER HAS OTHERWISE DIRECTED IN HIS PROXY.**

**ADDITIONAL INFORMATION**

Additional information relating to the Corporation is included in the audited financial statements for the years ended December 31, 2018 and 2017, the auditor’s reports thereon and related management discussion and analysis, copies of which are filed on [www.Sedar.com](http://www.Sedar.com). Copies of the Corporation’s most current interim financial statements and the accompanying management discussion and analysis may also be obtained from [www.Sedar.com](http://www.Sedar.com). Copies of the annual general meeting materials are also available on [www.Sedar.com](http://www.Sedar.com) or upon request from the Corporation at Suite 810, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2 or by telephone number: (604) 687-2038.

**OTHER MATTERS**

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

**SHAREHOLDER PROPOSALS**

Pursuant to Canadian law, shareholder proposals to be considered for inclusion in the management proxy circular for the 2020 annual general meeting of the Corporation (expected to be held in February 2021) must be received by Eugene Beukman, CEO, President and Director of the Corporation, on or before the close of business on November 7, 2020.



## **DIRECTORS' APPROVAL**

The contents of this management proxy circular and its distribution to shareholders have been approved by the Board of Directors of the Corporation.

**DATED** at Vancouver, British Columbia, January 3, 2020.

### **THE BOARD OF DIRECTORS**

***“Eugene Beukman”***

**Eugene Beukman**  
**Chief Executive Officer**

This is Schedule A to the Management Proxy Circular of

**1014379 B.C. Ltd. STOCK OPTION PLAN**

**1. Purpose**

The purpose of the Plan is to: (i) provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer objectives of the Corporation; (ii) give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and (iii) attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

**2. Definitions and Interpretation**

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) **“Board of Directors”** means the Board of Directors of the Corporation;
- (b) **“Common Shares”** means common shares in the capital of the Corporation;
- (c) **“Corporation”** means 1014379 B.C. Ltd. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (d) **“Discounted Market Price”** means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (e) **“Exchange”** means the TSX Venture Exchange;
- (f) **“Exchange Policies”** means the policies of the Exchange;
- (g) **“Market Price”** at any date in respect of the Common Shares shall be the closing price of such Common Shares on the Exchange (and if listed on more than one stock exchange, then the highest of such closing prices) on the last business day prior to the date of grant (or, if such Common Shares are not then listed and posted for trading on the Exchange, on such stock exchange in Canada on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Board of Directors). In the event that such Common Shares did not trade on such business day, the Market Price shall be the average of the bid and asked prices in respect of such Common Shares at the close of trading on such date. In the event that such Common Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such Common Shares as determined by the Board of Directors in its sole discretion;
- (h) **“Option”** means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;
- (i) **“Option Period”** means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted;

- (j) **“Optionee”** means a person who is a director, officer, employee, consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan;
- (k) **“Plan”** shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended;
- (l) **“Securities Act”** means the *Securities Act* (British Columbia), as amended, or such other successor legislation as may be enacted, from time to time; and
- (m) **“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject, including, without limitation, the Securities Act.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including without limitation “Consultant”, “Disinterested Shareholder Approval”, “Employee”, “Insider”, “Investor Relations Activities” and “Management Company Employee”.

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

### **3. Administration**

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

### **4. Eligibility**

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionees.

### **5. Participation**

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Optionee any right with respect to continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time employee of or a consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

## **6. Common Shares Subject to Options**

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at any time, and such aggregate number of Common Shares shall automatically increase or decrease as the number of issued and outstanding Common Shares changes. The Options granted under the Plan together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the issued and outstanding Common Shares;
- (b) the grant to Insiders within a 12-month period, of a number of Options exceeding 10% of the outstanding Common Shares;
- (c) the grant to any one (1) Optionee within a twelve-month period, of a number of Options exceeding 5% of the issued and outstanding Common Shares unless the Corporation obtains the requisite Disinterested Shareholder Approval;
- (d) the grant to all persons engaged by the Corporation to provide Investor Relations Activities, within any twelve- month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares; or
- (e) the grant to any one Consultant, in any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares.

Appropriate adjustments shall be made as set forth in Section 15 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

## **7. Option Agreement**

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and

any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the “**Stock Option Agreement**”). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

## **8. Option Period and Exercise Price**

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the “**Expiry Date**”), subject to earlier termination as provided in Sections 11 and 12 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulator) authority, the exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

In addition to any resale restrictions under Securities Laws, any Option granted under this Plan and any Common Shares issued upon the due exercise of any such Option so granted will be subject to a four-month Exchange hold period commencing from the date of grant of the Option, if the exercise price of the Option is granted at less than the Market Price, in which case the Option, and the Common Shares issued upon due exercise of the Option, if applicable, will bear the following legend:

“Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [four months and one day from the date of grant].”

## **9. Exercise of Options**

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 11 and 12 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

Notwithstanding any other provision hereof, Options granted to persons engaged to provide Investor Relations Activities shall vest in stages over a period of 12 months from the date of grant with no more than 1/4 of any such Options granted vesting in any three-month period.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of: (i) a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised; (ii) cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised; and (iii) make suitable arrangements with the Corporation, in accordance with Section 10, for the receipt by the Corporation of an amount sufficient to satisfy any withholding tax requirements under applicable tax legislation in respect of the exercise of an Option (the “**Withholding Obligations**”).

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the 1933 Act, the United States Securities and Exchange Act of 1934, as amended, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the

requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time. As a condition to the exercise of an Option, the Corporation may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

#### **10. Withholding Taxes**

Upon the exercise of an Option by an Optionee, the Corporation shall have the right to require the Optionee to remit to the Corporation an amount sufficient to satisfy any Withholding Obligations relating thereto under applicable tax legislation. Unless otherwise prohibited by the Board of Directors or by applicable law, satisfaction of the amount of the Withholding Obligations (the **“Withholding Amount”**) may be accomplished by any of the following methods or by a combination of such methods as determined by the Corporation in its sole discretion:

- (i) the tendering by the Optionee of cash payment to the Corporation in an amount less than or equal to the Withholding Amount; or
- (ii) the withholding by the Corporation from the Common Shares otherwise due to the Optionee such number of Common Shares as it determines are required to be sold by the Corporation, as trustee, to satisfy the Withholding Amount (net of selling costs). By executing and delivering the option agreement, the Optionee shall be deemed to have consented to such sale and have granted to the Corporation an irrevocable power of attorney to effect the sale of such Common Shares and to have acknowledged and agreed that the Corporation does not accept responsibility for the price obtained on the sale of such Common Shares;
- (iii) the withholding by the Corporation from any cash payment otherwise due by the Corporation to the Optionee, including salaries, directors’ fees, consulting fees and any other forms of remuneration, such amount of cash as is required to pay and satisfy the Withholding Amount; provided, however, in all cases, that the sum of any cash so paid or withheld and the fair market value of any Common Shares so withheld is sufficient to satisfy the Withholding Amount.

The provisions of the option agreement shall provide that the Optionee (or their beneficiaries) shall be responsible for all taxes with respect to any Options granted under the Plan and an acknowledgement that neither the Board of Directors nor the Corporation shall make any representations or warranties of any nature or kind whatsoever to any person regarding the tax treatment of Options or payments on account of the Withholding Amount made under the Plan and none of the Board of Directors, the Corporation, nor any of its employees or representatives shall have any liability to an Optionee (or its beneficiaries) with respect thereto.

#### **11. Ceasing to be a Director, Officer, Employee or Consultant**

If an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Optionee may, but only within ninety (90) days after the Optionee's ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of the Plan.

## **12. Death of Optionee**

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

- (a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and
- (b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

## **13. Optionee's Rights Not Transferable**

No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

## **14. Takeover or Change of Control**

The Corporation shall have the power, in the event of:

- (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or
- (b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

## **15. Anti-Dilution of the Option**

In the event of:

- (a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;
- (b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from

such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change; or

- (c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

#### **16. Costs**

The Corporation shall pay all costs of administering the Plan.

#### **17. Termination and Amendment**

- (a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.
- (b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 17(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.
- (c) The Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.



**18. Applicable Law**

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

**19. Effective Date**

This Plan will become effective as of and from February 7, 2020.