



**NOTICE OF MEETING
AND
INFORMATION CIRCULAR
for the Annual General Meeting of the
Shareholders of
Cloud Nine Education Group Ltd.**

Dated as of December 16, 2016

Cloud Nine Education Group Ltd.
900 – 549 Howe Street
Vancouver, British Columbia, V6C 2C2
Tel: (604) 377.5572

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting (the "**Meeting**") of the shareholders of Cloud Nine Education Group Ltd. (the "**Company**" or "**Cloud Nine**") will be held at 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5, on **Friday, January 20, 2017, at 10:00 a.m.** (Pacific Time), for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company for the year ended September 30, 2015 together with the auditor's report thereon;
2. To fix the number of directors for the ensuing year at four (4);
3. To elect the directors for the ensuing year;
4. To appoint Morgan & Company LLP as the Company's auditors for the ensuing fiscal year;
5. To consider and, if thought fit, to approve an ordinary resolution confirming, ratifying and approving the Company's Advance Notice Policy, as more particularly described in Circular (as defined below); and
6. To transact such further or other business as may properly come before the Meeting and any adjournment(s) thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the information circular (the "**Circular**") accompanying this notice. The audited consolidated financial statements and related MD&A for the Company for the financial year ended September 30, 2015 and the auditor's report thereon, interim financial statements for the period ended December 31, 2015, interim financial statements for the six months ended March 31, 2016 and 2015, and interim condensed financial statements for the nine months ended June 30, 2016 and 2015 are available upon request to the Company or they can be found on SEDAR at www.sedar.com.

This notice is accompanied by the Circular, a form of proxy and a supplemental mailing list return card.

Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and to return it in the envelope provided for that purpose.

The board of directors of the Company (the "**Board**") has by resolution fixed the close of business on December 16, 2016 as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

Proxies to be used at the Meeting must be deposited with the Company, c/o the Company's transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 no later than **10:00 a.m. (Pacific time) on Wednesday, January 18, 2017**, or no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the date on which the Meeting or any adjournment(s) thereof is held.

Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

DATED at Vancouver, British Columbia this the 16th day of December, 2016.

BY ORDER OF THE BOARD

"Michael Hunter"

Michael Hunter

President and Chief Executive Officer

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Cloud Nine Education Group Ltd.
900 – 549 Howe Street
Vancouver, British Columbia, V6C 2C2
Tel: (604) 377.5572

INFORMATION CIRCULAR

(As at December 16, 2016, except as otherwise indicated)

Cloud Nine Education Group Ltd. (the "**Company**") is providing this Information Circular (the "**Circular**") and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of shareholders of the Company (the "**Shareholders**") to be held at 10th Floor, 595 Howe Street, Vancouver, British Columbia at **10:00 a.m.** (Pacific Time) on **January 20, 2017** and at any adjournment(s). The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

All dollar amounts referenced herein are expressed in Canadian Dollars unless otherwise stated.

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

A Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.

VOTING BY PROXY

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Common shares of the Company ("**Shares**") represented by a properly executed proxy will be voted for or against or withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, P.O. Box 4572, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment(s) thereof, unless the chairman of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

Only registered Shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Registered Shareholders are holders of Shares of the Company whose names appear on the share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. The Company's Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

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

The Company is not sending the Meeting materials directly to NOBOs in connection with the Meeting but rather has distributed copies of the Meeting materials to the Intermediaries for distribution to NOBOs. With respect to OBOs, in accordance with applicable securities law requirements, the Company has distributed copies of the Meeting materials to the clearing agencies and Intermediaries for distribution to OBOs. The Company intends to pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary* to OBOs.

Intermediaries are required to forward the Meeting materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Company, c/o Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.**

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of their Shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert their own name or such other person's name in the blank space provided. **Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

The Company is not sending the Meeting materials to Shareholders using "notice-and-access" as defined under NI 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a Shareholder, their attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment(s) thereof, or with the chairman of the Meeting on the day of the Meeting. Only registered Shareholders have the right to revoke a proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the "**shares**"), of which 32,104,210 shares are issued and outstanding. Persons who are registered shareholders at the close of business on the record date, December 16, 2016, will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of voting shares.

Under the Company's articles, the quorum for the transaction of business at the Meeting consists of one person who is, or who represents by proxy, a shareholder who holds not less than one issued share entitled to be voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, the only person as of the date of this Information Circular who beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights of the Company is as follows:

Shareholder Name	Number of Common Shares	Percentage of Common Shares
Michael Hunter	7,000,360	21.80%

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the financial year ended September 30, 2015 and the auditor's report thereon, interim financial statements for the period ended December 31, 2015, interim financial statements for the six months ended March 31, 2016 and 2015, and interim condensed financial statements for the nine months ended June 30, 2016 and 2015, will be placed before the Meeting.

ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval will be sought to fix the number of directors of the Company at four (4).

The Company has an Audit Committee and a Disclosure Committee, the members of which are set out below.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Jurisdiction of Residence and Position	Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years	Previous Service as a Director	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly
Michael Hunter ⁽¹⁾⁽²⁾⁽³⁾ Vancouver, British Columbia Canada President, CEO and Director	President, CEO and Director of the Company	Director since April 30, 2015	7,000,360 shares 400,000 stock options
Dalton Larson ⁽¹⁾⁽²⁾ Surrey, British Columbia Canada Director	Arbitrator with The Arbitrators Group located in Vancouver, British Columbia	Director since April 30, 2015	2,293,750 shares 150,000 stock options
Kulwant Sandher ⁽⁴⁾⁽⁵⁾ Vancouver, British Columbia, Canada Director	President of Hurricane Corporate Services located in Vancouver, British Columbia; director and CFO of Delta Oil & Gas, Inc.	Director since December 9, 2015	60,000 shares 60,000 warrants
James Matkin Vancouver, British Columbia, Canada Proposed Director	Retired; a lawyer by education, Mr. Matkin served in the BC government ministries of Labour and Intergovernmental Affairs from 1972-1983	N/A	Nil

(1) Member of the Audit Committee.

(2) Member of the Disclosure Committee.

(3) Mr. Hunter is also President and CEO and director of the Company's subsidiaries, BHR Capital Corp. ("**BHR**"), Cloud Nine College Ltd. ("**CNC**") and English Canada World Organization Inc. ("**ECWO**").

(4) Proposed member of the Audit Committee.

(5) Proposed member of the Disclosure Committee.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

To the Company's knowledge and other than as disclosed herein, no proposed director is, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer (including the Company) that, (a) while that person was acting in that capacity, was the subject of a cease trading order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days; or (b) was subject to, after that person ceased to be a director, chief executive officer or chief financial officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

In addition, the Company's knowledge and other than as disclosed herein, no proposed director of the Company is, or within the ten years prior to the date of this Information Circular has been, a director, chief executive officer or chief financial officer of an issuer (including the Company) that: (a) was declared 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 the

assets of that person; or (b) was a director or officer of a corporation (including the Company) that, while that person was acting in that capacity or within a year of the person ceasing to act as a director or officer of the corporation became bankrupt or 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.

Further, no proposed director or any personal holding companies of a proposed director of the Company have been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director of the Company.

Kulwant Sandher has been a director and the CFO of Delta Oil & Gas Inc. since January 2007. On April 14, 2014, the British Columbia Securities Commission issued a cease trade order for failure to file financial statements due to lack of funds.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company is in the development stage and has an informal compensation program and strategy. The management team is committed to developing the operations of the Company and will establish a formal compensation program once it begins generating revenues sufficient to sustain operations.

The board of directors of the Company (the "**Board**" or "**Board of Directors**") is responsible for determining, by way of discussions at board meetings, the compensation to be paid to the executive officers of the Company. The Company does not have a formal compensation program with set benchmarks; however, the performance of each executive is considered along with the Company's ability to pay compensation and its results of operation for the period.

The Company relies solely on its Board to determine the executive compensation that is to be paid to NEOs (as defined below) without any formal objectives, criteria, or analysis.

Compensation Risk Management

The Board has reviewed the risks, if any, associated with the Company's current compensation policies and practices.

The Board relies on the general knowledge and experience of the directors to identify and mitigate any compensation policies and practices that could encourage inappropriate or excessive risks taking.

The Board has not identified any specific risks associated with the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company has not adopted a policy forbidding directors or executive officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by directors or executive officers. The Company is not, however, aware of any directors or executive officers having entered into this type of transaction.

Option-Based Awards

The Company's stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each

executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the Canadian Securities Exchange (the "CSE") and closely align the interests of the executive officers with the interests of shareholders.

The directors and officers of the Company from time to time may be granted incentive stock options in accordance with the policies of the CSE and pursuant to the stock option plan. See discussion of the Stock Option Plan under "Discussion of Incentive Plan Awards" below.

Compensation Governance

In light of the Company's size and limited elements of executive compensation, the Board of Directors does not have a compensation committee and does not deem it necessary to consider at this time the implications of the risks associated with the Company's compensation policies and practices. Also, there are no risks which have been identified in the Company's practices to date which would reasonably be likely to have a material adverse effect on the Company. In addition, the Board from time to time determine the stock option grants to be made pursuant to the Stock Option Plan. The Board awards bonuses at its sole discretion and does not have pre-existing performance criteria or objectives.

Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6 – *Statement of Executive Compensation* ("Form 51-102F6")) sets forth all compensation for services in all capacities to the Company for the Company's completed financial years since April 14, 2015 (date of incorporation) in respect of:

- (a) each individual who acted as CEO or CFO for all or any portion of the most recently completed financial year;
- (b) 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, as determined in accordance with subsection 1.3(6), for that financial year; and
- (c) any individual who would have satisfied these criteria 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 the most recently completed financial year,

(collectively, the "Named Executive Officers" or "NEOs").

Name and principal position	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			
Michael Hunter President & CEO ⁽¹⁾	2016	120,000	-	-	-	-	-	-	120,000
	2015	108,300	-	32,965	-	-	-	-	141,265
Peter Lee CFO ⁽²⁾	2016	90,000	-	-	-	-	-	-	90,000
	2015	78,750	-	8,241	-	-	-	-	86,991

- (1) Michael Hunter was appointed as the President and CEO of the Company on April 30, 2015. Mr. Hunter is also President and CEO and director of BHR, CNC and WCWO.
- (2) Peter Lee was appointed as the CFO of the Company on April 30, 2015.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table (presented in accordance with Form 51-102F6) sets forth all awards outstanding at the end of the year ended September 30, 2015:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Michael Hunter	400,000	0.10	04/22/2020	N/A ⁽¹⁾	Nil	N/A	N/A
Peter Lee	100,000	0.10	04/22/2020	N/A ⁽¹⁾	Nil	N/A	N/A

(1) As at September 30, 2015, the Company's shares were not listed on any stock exchange and were subject to restrictions on transfer.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the year ended September 30, 2015.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Hunter	N/A ⁽²⁾	N/A	-
Peter Lee	N/A ⁽²⁾	N/A	-

(1) This amount is the aggregate dollar value that would have been realized if the options had been exercised on the vesting dates. The amount is computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

(2) As at September 30, 2015, the Company's shares were not listed on any stock exchange and were subject to restrictions on transfer.

Discussion of Incentive Plan Awards

Stock Option Plan

The Board adopted a stock option plan (the "Stock Option Plan") on April 22, 2015 whereby a maximum of 10% of the issued and outstanding Shares, from time to time, may be reserved for issuance pursuant to the exercise of options. Under the terms of the Stock Option Plan, options may be granted only to: (i) employees, officers, directors, and consultants of the Company; and (ii) employees, officers, directors, and consultants of an affiliate of the Company.

Subject to a minimum price of \$0.10 per Share, the exercise price of any option may not be less than the closing market price of the Shares on the trading day immediately preceding the date of grant of the option, less any applicable discount allowed by the Exchange or any other stock exchange on which the Shares are listed for trading (the "Minimum Exercise Price"). If any options are granted within 90 days of a public distribution of

Shares by prospectus, then the minimum exercise price shall be the greater of the Minimum Exercise Price and the price per Share paid by the investors for Shares acquired under the public distribution. The 90 day period shall commence on the date the Company is issued a final receipt for the prospectus.

The options are non-assignable and non-transferable. Options granted under the Stock Option Plan have a maximum term of five years and can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Stock Option Plan or within 90 days (or as otherwise determined by the Board) after ceasing to be an eligible optionee, or, if the optionee dies, within one year from the date of the optionee's death.

Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time.

As of the date hereof, the maximum aggregate number of shares reserved and available for issuance under the Stock Option Plan is 3,210,421 representing 10% of the shares outstanding, on a non-diluted basis. In addition, any option granted to eligible persons who undertake "investor relations activities" (as such term is defined in the policies of the CSE) will not exceed 2% in the aggregate of the total number of issued and outstanding shares.

As of the date hereof an aggregate of 820,000 stock options are outstanding exercisable to purchase an aggregate of 820,000 shares (representing 2.5% of the shares outstanding).

In addition, as of the date hereof, there were no stock options outstanding under any arrangements other than the Stock Option Plan.

Pension Plan Benefits

The Company does not provide a defined benefit plan or a defined contribution plan for any of its executive officers, nor does it have a deferred compensation plan for any of its executive officers

Termination and Change of Control Benefits

The Company has not granted any termination or change of control benefits. There are no compensatory plans or arrangements with respect to the NEOs resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of NEOs' responsibilities following a change of control. In case of termination of NEOs, common law and statutory law applies.

Compensation of Directors

There are no other arrangements from those disclosed above under which directors were compensated by the Company to the date hereof.

Other than compensation paid to the NEOs, no compensation was paid to the Company's directors in their capacity as directors of the Company, in their capacity as members of a committee of the Board or as consultants or experts, during the Company's most recently completed financial year. A formal compensation program for the Company's directors will be established once the Company begins generating revenues sufficient to sustain operations.

Director Compensation Table

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the non-executive directors, other than NEOs, for the year ended September 30, 2015.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Dalton Larson	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brian Gusko	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Kulwant Sandher	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Discussion of Director Compensation Table

The Company has not defined financial entitlements for directors. Directors of the Company are, however, eligible to participate in the Stock Option Plan.

Incentive Option-Based Awards for Directors*Outstanding Share-Based Awards and Option-Based Awards*

The following table (presented in accordance with Form 51-102F6) sets forth for each non-executive director all awards outstanding for the year ended September 30, 2015.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Dalton Larson	150,000	\$0.10	04/22/2020	N/A ⁽¹⁾	Nil	Nil
Brian Gusko	Nil	Nil	Nil	Nil	Nil	Nil
Kulwant Sandher	Nil	Nil	Nil	Nil	Nil	Nil

(1) As at September 30, 2015, the Company's shares were not listed on any stock exchange and were subject to restrictions on transfer.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table (presented in accordance with Form 51-102F6) sets forth for each non-executive director the details of the value vested or earned for the year ended September 30, 2015 for each incentive plan award.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based-awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dalton Larson	N/A	N/A	N/A
Brian Gusko	N/A	N/A	N/A
Kulwant Sandher	N/A	N/A	N/A

(1) This amount is the aggregate dollar value that would have been realized if the options had been exercised on the vesting dates. The amount is computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

Discussion of Incentive Plan Awards for Directors

Additional factors necessary to understand the information disclosed above include the terms of the Stock Option Plan. See "Statement of Executive Compensation — Discussion of Incentive Plan Awards — Stock Option Plan".

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table (presented in accordance with Form 51-102F5) sets forth all compensation plans under which equity securities of the Company are authorized for issuance as of September 30, 2015.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	N/A	N/A	N/A
Equity compensation plans not approved by securityholders	N/A ⁽¹⁾	N/A	N/A
Total	N/A	N/A	N/A

(1) As of the date hereof an aggregate of 820,000 stock options are outstanding, exercisable to purchase an aggregate of 820,000 shares (representing 2.5% of the shares outstanding). As at September 30, 2015, the Company's shares were not listed on any stock exchange and were subject to restrictions on transfer.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At the date of this Circular, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or, which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries; or
- (iii) is indebted in relation to a securities purchase program or any other related program.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than the election of directors or the appointment of auditors, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting, except that the directors and executive officers of the

Company may have an interest in the resolution regarding the annual approval of the Company's Stock Option Plan, as such persons are eligible to participate in such plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as defined in National Instrument 51-102, *Continuous Disclosure*) or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

APPOINTMENT OF AUDITOR

Morgan & Company LLP, Chartered Professional Accountants, of 11th Floor - 1050 Pender Street, Vancouver, British Columbia are the auditors of the Company. Morgan & Company LLP were first appointed as auditors of the Company on June 10, 2015. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Morgan & Company LLP as the auditors of the Company to hold office for the ensuing year at remuneration to be fixed by the directors.

MANAGEMENT CONTRACTS

No management functions of the Company or its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or its subsidiaries.

AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee (the "**Committee**") and its relationship with its independent auditor, as set forth in the following.

The Audit Committee's Charter

The Company has adopted a Charter of the Audit Committee of the board of directors (the "**Board**"), a copy of which is attached as Appendix "A".

Composition of the Audit Committee

The following are the current members of the Committee:

Michael Hunter	Not Independent ¹	Financially literate ¹
Dalton Larson	Independent ¹	Financially literate ¹
Brian Gusko	Independent ¹	Financially literate ¹

¹As defined by NI 52-110.

The members of the Committee are appointed by the Board of directors at its first meeting following the annual shareholders' meeting. Unless a chair is elected by the full Board of Directors, the members of the Committee designate a chair by a majority vote of the full Committee membership. At the Company's first Board meeting following the Meeting, the Company intends to appoint Michael Hunter, Dalton Larson, and Brian Gusko to the Committee for the ensuing year.

Relevant Education and Experience

Michael Hunter - Mr. Hunter has business and finance experience having worked in executive management positions for the past 11 years serving on boards of directors for both private and publically listed companies on the TSX, the NYSE and the Frankfurt exchange(s). In such capacity, he has played a direct or leading role in raising public and private equity.

Dalton Larson - Mr. Larson has considerable business and finance experience including serving for several years as a director of several investment funds managed by the CW Funds group of companies affiliated with Ventures West Management Inc. Mr. Larson was a founding shareholder and first Chairman of the board of directors of First Coal Corporation which started operations in 2004 and was sold to Xstrata Ltd. in 2011 for over \$150 million.

Brian Gusko – Mr. Gusko brings with him resource, technology and international business experience. He has a B.A. from Carleton University and an MBA from the Haskayne School of Business at the University of Calgary. He also completed the Canadian Securities Course. Mr. Gusko has gained diverse international business experience, having worked in corporate development, finance, planning and marketing functions in South Africa, Holland, Japan, and Mexico. More recently, he has been active in the private and public markets in helping to raise equity for private and public companies. Mr. Gusko was the CFO of UC Resources Ltd., and became the CFO of Vodis Pharmaceuticals (CSE:RZX) on July 1, 2015 when it started trading on the CSE. Mr. Gusko also sits on the board of directors of Lomiko Metals Inc. (TSX-V:LMR) and Pacific Therapeutics Ltd. (CSE:PT) and has further been on the audit committee of four public companies. Mr. Gusko is also a Partner at Howe & Bay Financial Corporation, a leading Canadian Capital Markets advisory firm.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor 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:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110; or
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110; or
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) 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 Committee has adopted specific policies and procedures for the engagement of non-audit services as set out under the heading "External Auditors" in the Charter of the Audit Committee, a copy of which is attached as Appendix "A".

External Auditors Service Fees (By Category)

The fees billed by the Company's external auditors for the financial period from April 14, 2015 (date of incorporation) to September 30, 2015 for audit fees including Q2 and Q3 review engagements are as follows:

Audit Fees ⁽¹⁾	Amount (\$)
2015 YE audit	13,125
2015 Q2 and Q3 Review	11,760
2016 Q1 and Q2 Review	10,237
Total	35,122

(1) *Audit fees consist of fees for the audit of our annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.*

Exemption for Venture Issuers

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Company from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with day-to-day management of the Company.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices, as summarized below. The Board will monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. The Board has adopted a Code of Business Conduct and Ethics, which addresses, but is not limited to, the following issues:

- (i) conflicts of interest;
- (ii) compliance with laws, rules, and regulations;
- (iii) protection and proper use of corporate opportunities;
- (iv) protection and proper use of corporate assets;
- (v) confidentiality of corporate information;
- (vi) fair dealing with securityholders, customers, competitors, and employees; and
- (vii) accuracy of business records.

In addition, the Company has adopted a Disclosure Policy, which addresses, but is not limited to addressing, the following issues:

- (i) timely disclosure of material information;

- (ii) insider trading;
- (iii) the development and mandate of the Company's Disclosure Committee;
- (iv) rumours and speculation; and
- (v) designation of spokespersons of the Company.

Independence of Members of Board

As at the date of this Information Circular, the Company's Board consists of four directors, three of whom the Company believes to be independent based upon the tests for independence set forth in NI 52-110. Dalton Larson, Brian Gusko and Kulwant Sandher are independent. Michael Hunter is not considered to be independent as he is the current President and CEO of the Company.

Participation of Directors in Other Reporting Issuers

The following directors of the Company also serve as directors of other reporting issuers:

Name of Director	Other Reporting Issuer	Name of Exchange or Market
Dalton Larson	Energizer Resources Inc.	TSX: EGZ
	SmartCool Systems Inc.	TSX-V: SSC
Brian Gusko	Pacific Therapeutics Ltd.	CSE: PT
	Lomiko Metals Inc.	TSX-V: LMR
Kulwant Sandher	Delta Oil & Gas, Inc.	OTCBB: DLTA

Orientation and Continuing Education

Each new director of the Company is briefed about the nature of the Company's business, its corporate strategy and current issues within the Company. New directors will be encouraged to review the Company's public disclosure records as filed on under its profile at www.sedar.com after the Company becomes a reporting issuer. Directors are also provided with access to management to better understand the operations of the Company, and to the Company's legal counsel to discuss their legal obligations as directors of the Company.

Ethical Business Conduct

The Board has adopted a formal code of business conduct and ethics (the "**Code**") which all directors, officers, and employees shall abide by and be required to sign a certificate of compliance annually. A copy of the Code is posted under the Company's profile at www.sedar.com.

The Board is also required to comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia) and relevant securities regulation in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his interest and is not entitled to vote on any matter that is the subject of the conflict of interest.

Nomination of Directors

The Company's management is in contact with individuals involved in the technology, education and other relevant sectors. From these sources management has made a number of contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company will conduct reference and background checks on suitable candidates. New nominees generally must have a track record in business management, areas of strategic interest to the Company, the ability to devote the time required to carry out the obligations and responsibilities of a director and a willingness to serve in that capacity.

Compensation

At present, the Board as a whole determines the compensation of the Company's Chief Executive Officer and Chief Financial Officer and does so with reference to industry standards and the financial situation of the Company. The Board has the sole responsibility for determining the compensation of the directors of the Company. For information regarding the steps taken to determine compensation for the directors and the CEO, see "Statement of Executive Compensation – Compensation Governance" above.

Other Board Committees

In addition to the audit committee, the Company also has a disclosure committee which implements and monitors compliance with the Company's Disclosure Policy. See "Corporate Governance Disclosure" above.

Assessments

Neither the Company nor the Board has developed a formal review system to assess the performance of the directors or the Board as a whole. The contributions of individual directors are monitored by other members of the Board on an informal basis through observation.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Ratification and Approval of Advance Notice Policy

On December 16, 2016, the Board adopted an advance notice policy (the "**Advance Notice Policy**") for the purpose of providing shareholders, directors and management of the Company with a clear framework for nominating directors of the Company in connection with any annual or special meeting of shareholders.

The purpose of the Advance Notice Policy is to (i) ensure that all shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of shareholders of the Company. The Advance Notice Policy fixes the deadlines by which shareholders of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in a written notice to the Company for any director nominee to be eligible for election at such annual or special meeting of shareholders.

A copy of the Company's Advance Notice Policy is attached to this Circular as Appendix "B". In order to remain effective following the Meeting, the Advance Notice Policy must be ratified, confirmed and approved by the shareholders of the Company at the Meeting.

The following is a brief summary of certain provisions of the Advance Notice Policy and is qualified in its entirety by the full text of the Advance Notice Policy.

1. Other than pursuant to (i) a proposal made in accordance with the *Business Corporations Act* (British Columbia) (the "**Act**"), or (ii) a requisition of the shareholders made in accordance with the provisions of the Act, shareholders of the Company must give advance written notice to the Company of any nominees for election to the board of directors.
2. The Advance Notice Policy fixes a deadline by which shareholders of the Company must submit, in writing, nominations for directors to the Corporate Secretary of the Company prior to any annual or special meeting of shareholders, and sets forth the specific information that such shareholders must include with their nominations in order to be effective. Only persons who are nominated in accordance with the Advance Notice Policy are eligible for election as directors of the Company.
3. For an annual meeting of shareholders, notice to the Company must be not less than 30 days and not more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the

annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, notice may be given not later than the close of business on the 10th day following such public announcement.

4. For a special meeting of shareholders (that is not also an annual meeting), notice to the Company must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of such special meeting was made.
5. The time periods for giving notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting and/or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders, or the reconvening of any adjourned or postponed meeting of shareholders, or the announcement thereof, commence a new time period for the giving of notice as described above.

For the purposes of the Advance Notice Policy, “public announcement” means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on SEDAR at www.sedar.com.

The Board may, in its sole discretion, waive any provision or requirement of the Advance Notice Policy.

If approved at the Meeting, the Advance Notice Policy will continue to be effective in accordance with its terms. The Advance Notice Policy will be subject to annual review by the Board, and will be updated from time to time to reflect changes required by securities regulatory agencies or stock exchange, or to conform to industry standards, as determined by the Board.

If not approved at the Meeting, the Advance Notice Policy will terminate and be of no further force and effect from and after the termination of the Meeting.

Accordingly, at the Meeting, shareholders will be asked to approve the following ordinary resolution approving the Advance Notice Policy in the following form:

“UPON MOTION IT WAS RESOLVED that:

1. the Company's Advance Notice Policy (the “**Advance Notice Policy**”) as set forth in the Company's Information Circular dated December 16, 2016 be and is hereby ratified, confirmed, authorized and approved;
2. the board of directors of the Company be and is hereby authorized, in its sole discretion, to administer the Advance Notice Policy and amend or modify the same from time to time in accordance with the provisions thereof, without further shareholder approval, to reflect the changes required by securities regulatory agencies or stock exchanges, to conform to industry standards, or as otherwise determined to be in the best interests of the Company and its shareholders; and
3. any one director or officer of the Company is hereby authorized and directed to carry out any act for and on behalf of the Company and to execute and deliver such deeds, documents and other instruments in writing as he or she in his or her discretion may consider necessary for the purpose of giving effect to these resolutions and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the intent of these resolutions.”

Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval of the Advance Notice Policy.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at (604) 377.5572 to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative audited consolidated financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

DIRECTORS' APPROVAL

DATED at Vancouver, British Columbia this the 16th day of December, 2016.

APPROVED BY THE BOARD OF DIRECTORS

"Michael Hunter"

Michael Hunter
President and Chief Executive Officer

APPENDIX "A"
AUDIT COMMITTEE CHARTER

CLOUD NINE EDUCATION GROUP LTD.
(formerly, Anterior Education Holdings Ltd.)
(the "Company")

AUDIT COMMITTEE CHARTER

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee, or its Board of Directors in lieu thereof (the "**Audit Committee**"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

1. Composition

- (a) *Number of Members.* The Audit Committee must be comprised of a minimum of three directors of the Company.
- (b) *Chair.* If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "**Chair**") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- (c) *Financial Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

2. Meetings

- (a) *Quorum.* The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- (b) *Agenda.* The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- (c) *Notice to Auditors.* The Company's auditors (the "Auditors") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.
- (d) *Minutes.* Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

3. Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

External Auditor

The Audit Committee will:

- (a) *Selection of the external auditor.* Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.

- (b) *Scope of Work.* Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.
- (c) *Compensation.* Recommend to the Board the compensation to be paid to the external auditors.
- (d) *Replacement of Auditor.* If necessary, recommend the replacement of the Auditor to the Board of Directors.
- (e) *Approve Non-Audit Related Services.* Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.
- (f) *Responsibility for Oversight.* Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.
- (g) *Resolution of Disputes.* Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

Consolidated Financial Statements and Financial Information

The Audit Committee will:

- (a) *Review Audited Financial Statements.* Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.
- (b) *Review of Interim Financial Statements.* Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.
- (c) *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports.* Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.
- (d) *Auditor Reports and Recommendations.* Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

Risk Management, Internal Controls and Information Systems

The Audit Committee will:

- (a) *Internal Control.* Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.
- (b) *Financial Management.* Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.
- (c) *Accounting Policies and Practices.* Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.

- (d) *Litigation.* Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.
- (e) *Other.* Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

Complaints

- (a) *Accounting, Auditing and Internal Control Complaints.* The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.
- (b) *Employee Complaints.* The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

4. Authority

- (a) *Auditor.* The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.
- (b) *Independent Advisors.* The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

5. Reporting

The Audit Committee will report to the Board on:

- (a) the Auditor's independence;
- (b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
- (c) the reappointment and termination of the Auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;
- (e) the Audit Committee's review of the annual and interim consolidated financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other material matters dealt with by the Audit Committee.

APPENDIX "B"
ADVANCE NOTICE POLICY

INTRODUCTION

The Company is committed to: (i) facilitating an orderly and efficient process for holding annual general meetings and, when the need arises, special meetings of its shareholders; (ii) ensuring that all shareholders receive adequate advance notice of the director nominations and sufficient information regarding all director nominees; and (iii) allowing shareholders to register an informed vote for directors of the Company after having been afforded reasonable time for appropriate deliberation.

PURPOSE

The purpose of this Advance Notice Policy (the "**Policy**") is to provide shareholders, directors and management of the Company with a clear framework for nominating directors of the Company. This Policy fixes a deadline by which director nominations must be submitted to the Company prior to any annual or special meeting of shareholders and sets forth the information that must be included in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the board of directors of the Company (the "**Board**") that this Policy is in the best interests of the Company, its shareholders and other stakeholders. This Policy will be subject to an annual review by the Board, which shall revise the Policy if required to reflect changes by securities regulatory authorities or stock exchanges, and to address changes in industry standards from time to time as determined by the Board.

NOMINATIONS OF DIRECTORS

1. Only persons who are qualified to act as directors under the *Business Corporations Act* (British Columbia) (the "**Act**") and who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. At any annual meeting of shareholders, or at any special meeting of shareholders at which directors are to be elected, nominations of persons for election to the Board may be made only:
 - a. by or at the direction of the Board, including pursuant to a notice of meeting;
 - b. by or at the direction or request of one or more shareholders pursuant to a valid "proposal" as defined in the Act and made in accordance with Part 5, Division 7 of the Act;
 - c. pursuant to a requisition of the shareholders that complies with and is made in accordance with section 167 of the Act, as such provisions may be amended from time to time; or
 - d. by any person (a "**Nominating Shareholder**") who:
 - (i) at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below and at the close of business on the record date fixed by the Company for such meeting, (a) is a "registered owner" (as defined in the Act) of one or more shares of the Company carrying the right to vote at such meeting, or (b) beneficially owns shares carrying the right to vote at such meeting and provides evidence of such ownership that is satisfactory to the Company, acting reasonably. In cases where a Nominating Shareholder is not an individual, the notice set forth in paragraph 4 below must be signed by an authorized representative, being a duly authorized director, officer, manager, trustee or partner of such entity who provides such evidence of such authorization that is satisfactory to the Company, acting reasonably; and

(ii) in either case, complies with the notice procedures set forth below in this Policy.

2. In addition to any other requirements under applicable laws, for a nomination to be validly made by a Nominating Shareholder in accordance with this Policy, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Corporate Secretary of the Company at the principal executive offices of the Company.
3. To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made:
 - a. in the case of an annual meeting of shareholders, not less than thirty (30) days nor more than sixty-five (65) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (50) days after the date (the "**Notice Date**") on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be given not later than the close of business on the tenth (10th) day following the Notice Date; and
 - b. in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder's notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting and/or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders, or the reconvening of any adjourned or postponed meeting of shareholders, or the announcement thereof, commence a new time period for the giving of a Nominating Shareholder's notice as described above.

4. To be in proper written form, a Nominating Shareholder's notice must be addressed to the Corporate Secretary of the Company, and must set forth:
 - a. as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the present principal occupation or employment of the person and the principal occupation or employment within the five years preceding the notice; (iii) the citizenship of such person; (iv) the class or series and number of shares in the capital of the Company which are, directly or indirectly, controlled or directed or which are owned, beneficially or of record, by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (v) a statement as to whether such person would be "independent" of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110, *Audit Committees*, of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination;
 - b. the full particulars regarding any oral or written proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company; and
 - c. any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as a director of the Company or that would reasonably be expected to be material to a reasonable shareholder's understanding of the experience, independence and/or qualifications, or lack thereof, of such proposed nominee.

As soon as practicable following receipt of a Nominating Shareholder's notice (and such other information referred to above, as applicable) that complies with this Policy, the Company shall publish through a public announcement the names of the nominees named in such notice and such other details of such notice as the Company may deem appropriate.

5. No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the Act or at the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the provisions of this Policy and, if the Chairman determines that any proposed nomination was not made in compliance with this Policy, to declare that such defective nomination shall be disregarded.
6. For purposes of this Policy:
 - a. "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com; and
 - b. "**Applicable Securities Laws**" means, collectively, the applicable securities statutes of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada, and all applicable securities laws of the United States.
7. Notwithstanding any other provision of this Policy, notice given to the Corporate Secretary of the Company pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the principal executive offices of the Company, sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) or received by email (at the address as aforesaid); provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Pacific Time) on a business day, then such delivery or electronic communication shall be deemed to have been made on the next business day.
8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any provision or requirement of this Policy.

GOVERNING LAW

This Policy shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

EFFECTIVE DATE

This Policy was approved and adopted by the Board on December 16, 2016 and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date, provided that if this Policy is not ratified and approved by an ordinary resolution of shareholders of the Company at the Company's next shareholder meeting following the effective date of this Policy, the Policy shall, from and after the date of such shareholder meeting, cease to be of any force and effect.