

# **STONE RIDGE EXPLORATION CORP.**

200 – 551 Howe Street  
Vancouver, BC V6C 2C2

## **INFORMATION CIRCULAR**

### **SOLICITATION OF PROXIES BY MANAGEMENT**

**This management information circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Stone Ridge Exploration Corp. (the “Company”) for use at the special general meeting (the “Meeting”) of the shareholders of the Company (the “Shareholders”) to be held at Suite 1750, 1185 West Georgia Street, Vancouver, British Columbia on Thursday, February 8, 2018 at 10:00 a.m. (Vancouver time) and at any adjournments thereof for the purposes set out in the accompanying Notice of Meeting.** Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally, electronically or by telephone by directors, officers, employees or consultants of the Company. Arrangements will also be made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of common shares of the Company (“**Common Shares**”) pursuant to the requirements of National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**National Instrument 54-101**”).

The Canadian securities regulators have adopted new rules under National Instrument 54-101 which permit the use of notice-and-access for proxy solicitation, instead of the traditional physical delivery of material. This new process provides the option to post meeting related materials, including management information circulars, as well as annual financial statements, and related management’s discussion and analysis, on a website in addition to SEDAR. Under notice-and-access, such meeting related materials will be available for viewing for up to one year from the date of posting, and a paper copy of the material can be requested at any time during this period. The Company is not relying on the notice-and-access provisions of National Instrument 54-101 to send proxy related materials to registered shareholders or beneficial owners of shares in connection with the Meeting.

The Company may reimburse shareholders’ nominees or intermediaries (including brokers or their agents holding shares on behalf of clients) for the cost incurred in obtaining from their principals authorization to execute forms of proxy. The cost of any such solicitation will be borne by the Company. Unless otherwise stated, the information contained in this Information Circular is given as at January 2, 2018.

### **APPOINTMENT OF PROXYHOLDERS AND COMPLETION AND REVOCATION OF PROXIES**

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 named in the enclosed proxy (the “**Management Designees**”) have been selected by the directors of the Company.

**A Shareholder has the right to designate a person (who need not be a Shareholder), other than the Management Designees to represent the Shareholder at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the proxy the name of the person to be designated, and by deleting from the proxy the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Company.** Such Shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxyholder and attend the Meeting, and provide instructions on how the Shareholder’s shares are to be voted. The nominee should bring personal identification with them to the Meeting.

To be valid, the proxy must be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy). The proxy must then be delivered to the Company’s registrar and transfer agent, TSX Trust Company (“**TSX Trust**”), at its offices located on 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1 or by fax (416-595-9593), at least 48 hours,

excluding Saturdays, Sundays and holidays, before the time of the Meeting or any adjournment thereof. Proxies received after that time may be accepted by the Chairman of the Meeting in the Chairman's discretion, but the Chairman is under no obligation to accept late proxies. In addition, TSX Trust provides an internet voting option, as described in the Proxy.

Any registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. A proxy may be revoked by a registered Shareholder personally attending at the Meeting and voting their shares. A Shareholder may also revoke their proxy in respect of any matter upon which a vote has not already been cast by depositing an instrument in writing, including a proxy bearing a later date executed by the registered Shareholder or by their authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the office of the Company's registrar and transfer agent at the foregoing address or the head office of the Company, at Suite 200 – 551 Howe Street, Vancouver, BC, V6C 2C2, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting, or any adjournment thereof. **Only registered Shareholders have the right to revoke a proxy. Non-registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective nominees to revoke the proxy on their behalf.**

### VOTING OF PROXIES

Voting at the Meeting will be by a show of hands, each registered Shareholder and each proxyholder (representing a registered or unregistered Shareholder) having one vote, unless a poll is required or requested, whereupon each such Shareholder and proxyholder is entitled to one vote for each Common Share held or represented, respectively. Each Shareholder may instruct their proxyholder how to vote their Common Shares by completing the blanks on the proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting when a poll is required or requested and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the proxy, the Management Designees, if named as proxyholder, will vote in favour of the matters set out therein.**

**The enclosed proxy confers discretionary authority upon the Management Designees, or other person named as proxyholder, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Company is not aware of any amendments to, variations of or other matters which may come before the Meeting. If other matters properly come before the Meeting, then the Management Designees intend to vote in a manner which in their judgment is in the best interests of the Company.**

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "**ordinary resolution**"), unless the motion requires a "**special resolution**" in which case a majority of 66 2/3% of the votes cast will be required.

### BENEFICIAL HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" or "beneficial" 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. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the "**Beneficial Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Beneficial Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities

Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Beneficial Holders.

Intermediaries are required to forward the Meeting Materials to Beneficial Holders unless a Beneficial Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Beneficial Holders. Generally, Beneficial Holders who have not waived the right to receive Meeting Materials will either:

- (a) 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 Beneficial Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Beneficial Holder when submitting the proxy. In this case, the Beneficial Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deposit it with the Company’s transfer agent as provided above; or**
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Beneficial Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Beneficial Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Beneficial Holders to direct the voting of the shares which they beneficially own. Should a Beneficial Holder who receives one of the above forms wish to vote at the Meeting in person, the Beneficial Holder should strike out the names of the Management Designees named in the form and insert the Beneficial Holder’s name in the blank space provided. **In either case, Beneficial Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

### **NON-OBJECTING BENEFICIAL OWNERS**

The Company is taking advantage of those provisions of National Instrument 54-101 - Communication with Beneficial Owners of Securities of a reporting issuer of the Canadian Securities Administrators, which permit the Company to deliver proxy-related materials directly to its non-objecting beneficial owners (“**NOBOs**”). As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from TSX Trust. The VIF is to be completed and returned to TSX Trust as set out in the instructions provided on the VIF. Upon receipt of the completed VIF, TSX Trust will tabulate the results from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs received.

This Information Circular, with related material, is being sent to both registered and non-registered owners of the shares of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary who holds your shares on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding your shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in your request for voting instructions that you receive.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares, without nominal or par value, of which as at the date hereof 16,239,500 common shares are issued and outstanding.

The holders of common shares of record at the close of business on the record date, set by the directors of the Company to be January 2, 2018, are entitled to vote such common shares at the Meeting on the basis of one vote for each common share held.

The Articles of the Company provide that a quorum for the transaction of business at the Meeting is two (2) Shareholders, or one or more proxyholders representing two Shareholders, or one Shareholder and a proxyholder representing another Shareholder.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the outstanding voting rights of the Company

Those shareholders so desiring may be represented by proxy at the Meeting.

### PARTICULARS OF MATTERS TO BE ACTED UPON

TO THE KNOWLEDGE OF THE COMPANY'S DIRECTORS, THE ONLY MATTERS TO BE PLACED BEFORE THE MEETING ARE THOSE REFERRED TO IN THE NOTICE OF MEETING ACCOMPANYING THIS INFORMATION CIRCULAR. HOWEVER, SHOULD ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE SHARES REPRESENTED BY THE PROXY.

Additional detail regarding each of the matters to be acted upon at the Meeting is set forth below.

#### **I. Consolidation of Share Capital**

To assist the Company in attracting future equity financing, and to more accurately reflect the business direction of the Company, the Board of Directors proposes to consolidate the share capital on the basis of up to two (2) existing common shares for one (1) new common share basis. The Company does not propose to change its name as a result of the share consolidation.

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass with or without amendment an ordinary resolution that the issued common share capital of the Company be altered by consolidating all of the 16,239,500 issued common shares without par value into 8,119,750 issued common shares without par value, on the basis that every two (2) common shares be consolidated into one (1) common share without par value, or on such lesser basis as may be approved by the Board of Directors and the Canadian Securities Exchange.

Under the *Business Corporations Act* (British Columbia), any company may, by the type of resolution as specified in its Articles, alter its constating documents to consolidate its issued share capital. The Articles of the Company specify that these alterations may be implemented by an ordinary resolution of the shareholders of the Company.

The proposed consolidation will not alter or change in any way any shareholder's proportion of votes to total votes, however, the total votes capable of being cast by shareholders at a General Meeting of the Company in the future will be reduced if the resolution is passed. Any resulting fractional share will be dealt with by taking the number of shares issuable on the exchange to the nearest lower whole share. In addition, the common shares reserved for issuance under the Company's Stock Option Plan will be reduced to 811,975 common shares upon

the share consolidation. In the event that the consolidation is not approved by the ordinary resolution of the shareholders, the Company will not proceed with these matters.

**Management of the Company recommends that shareholders vote in favour of the resolution to consolidation of share capital and the persons named in the enclosed form of proxy intend to vote for the approval of the resolution at the Meeting, unless otherwise directed by the shareholders appointing them.**

## **II. Amendment of Articles**

### **Share Consolidations**

To assist the Company in attracting future equity financing, the Board of Directors may consider consolidating the Company's share capital. Article 9.2 of the Company's current form of Articles requires that any share consolidation and any share subdivisions of the Company's unissued or fully paid issued shares, other than by way of a stock dividend, be subject to the approval of the shareholders. The Company is proposing that its Articles be amended to allow it to proceed with share consolidations and all subdivisions of the Company's unissued or fully paid issued shares based solely on a Directors' resolution, without shareholder approval. This change will serve to eliminate the need to hold a special general meeting for purposes of approving a share consolidation and certain share subdivisions and the costs associated with such meeting. It will also allow the Company to complete share consolidations and certain share subdivisions much sooner than would be the case if shareholder approval were required.

Accordingly, at the Meeting, shareholders will be asked to approve a special resolution to delete Article 9.2 and expand Article 9.1 to authorize directors to approve share consolidations and certain share subdivisions of the Company's unissued or fully paid issued shares, other than by way of a stock dividend to eliminate the requirement that shareholders approve a share consolidation.

The text of the special resolution to be considered and, if thought fit, approved at the Meeting is as follows:

*"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:*

1. *Article 9.2 of the existing Articles of the Company be deleted.*
2. *Articles 9.3, 9.4 and 9.5 of the Articles of the Company be renumbered as Articles 9.2, 9.3 and 9.4 respectively.*
3. *Article 9.1 of the existing Articles of the Company be deleted and the following substituted therefor:*

#### **9.1 Alteration of Authorized Share Structure**

**Subject to Article 9.3 and the *Business Corporations Act*, the Company may by resolution of the directors:**

- (1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;**
- (2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;**
- (3) if the Company is authorized to issue shares of a class of shares with par value:**

- (a) decrease the par value of those shares; or
  - (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (4) consolidate or subdivide all or any of its unissued or fully paid issued shares in any manner;
  - (5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
  - (6) alter the identifying name of any of its shares; or
  - (7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;
- and, if applicable, alter its Notice of Articles and, if applicable, its Articles accordingly.

- 4. *Any one director or officer of the Company be and is hereby authorized to do all things and execute all instruments necessary or desirable to give effect to this special resolution, including without limitation delivering a certified copy of this special resolution to the British Columbia Registrar of Companies.*
- 5. *Notwithstanding that this special resolution has been duly passed by the shareholders of the Company, the directors of the Company be and are hereby authorized and empowered to revoke this resolution at any time prior to the effective date hereof, and to determine not to proceed with the alteration of the Articles of the Company without further approval of the shareholders of the Company."*

Approval of the special resolution to amend the Company's Articles will require the affirmative votes of the holders of not less than two-thirds of the votes cast at the Meeting in respect thereof.

**Management of the Company recommends that shareholders vote in favour of the special resolution altering the Articles of the Company.**

There are no other matters to be acted upon at the Meeting.

#### **ADDITIONAL INFORMATION**

Financial information is provided in the Company's audited annual financial statements and accompanying management's discussion and analysis ("MD&A") for the year ended February 28, 2017.

Under National Instrument 51-102 - *Continuous Disclosure Obligations*, any person or company who wishes to receive financial statements from the Company may deliver a written request for such material to the Company or the Company's agent, together with a signed statement that the persons or company is the owner of securities of the Company. Shareholders who wish to receive financial statements are encouraged to send the enclosed mail card, together with the completed form of proxy, in the addressed envelope provided, to the Company's registrar and transfer agent, TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1. The Company will maintain a supplemental mailing list of persons or companies wishing to receive financial statements.

Shareholders may obtain copies of the Company's financial statements and related MD&A by contacting the Company at 200 - 551 Howe Street, Vancouver, BC, V6C 2C2 or by telephone at (604) 683-8610. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com)

### GENERAL

Unless otherwise specified, all matters referred to herein for approval by the Shareholders require a simple majority of the Shareholders voting, in person or by proxy, at the Meeting.

Where information contained in this Information Circular, rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

The contents of this Information Circular have been approved and this mailing has been authorized by the Directors of the Company.

DATED at Vancouver, British Columbia as of the 2<sup>nd</sup> day of January, 2018.

BY THE ORDER OF THE BOARD OF DIRECTORS  
OF STONE RIDGE EXPLORATION CORP.

*s/ "Robert Coltura"*

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Robert Coltura  
President, Chief Executive Officer and  
Chief Financial Officer