

## **Fox River Resources Corporation**

350 Bay Street, Suite 700  
Toronto, Ontario M5H 2S6

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

**NOTICE IS HEREBY GIVEN** that an annual and special meeting of the shareholders (the "**Meeting**") of Fox River Resources Corporation (the "**Corporation**") will be held at the offices of DSA Corporate Services Inc. at 82 Richmond Street East, Toronto, Ontario M5C 1P1 on April 26, 2018, at 10:30 a.m. (Toronto time) for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the fiscal year ended October 31, 2017, together with the report of the auditors thereon;
2. to appoint auditors and to authorize the directors to fix their remuneration;
3. to elect directors;
4. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying information circular of the Corporation dated as of March 16, 2018.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting (the "**Record Date**") is at the close of business on March 16, 2018. Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

**A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with the Secretary of the Corporation, c/o TSX Trust Company attention: proxy department, 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada M5H 4H1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment thereof at which the proxy is to be used, or delivering the completed proxy to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting.**

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a company, by a duly authorized officer or attorney thereof and, if the company has a corporate seal, its corporate seal must be affixed.

**The persons named in the enclosed form of proxy are each a director and/or officer of the Corporation. Each shareholder of the Corporation has the right to appoint a proxyholder other than such persons, who need not be a shareholder, to attend and to act for such shareholder and on such shareholder's behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.**

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a shareholder should be delivered by facsimile to TSX Trust Company at (416) 595-9593.

DATED at Toronto, Ontario as of the March 16, 2018.

BY ORDER OF THE BOARD

*"Stephen D. Case"*

Stephen D. Case  
President & Chief Executive Officer

**Fox River Resources Corporation**  
350 Bay Street, Suite 700  
Toronto, Ontario M5H 2S6

**INFORMATION CIRCULAR**  
**AS OF March 16, 2018.**

**SOLICITATION OF PROXIES**

**THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF FOX RIVER RESOURCES CORPORATION** (the "**Corporation**") of proxies to be used at the annual and special meeting of shareholders (the "**Meeting**") of the Corporation to be held at the time and place and for the purposes set forth in the enclosed notice of Meeting (the "**Notice of Meeting**"). **While it is expected that the solicitation will be primarily by mail, proxies may also be solicited personally by regular employees of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation.** The information contained herein is given as of March 16, 2018 unless indicated otherwise.

The Corporation may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of common shares of the Corporation (the "**Common Shares**") (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of the Notice of Meeting, this information circular ("**Information Circular**") and the form of proxy (collectively, the "**Meeting Materials**") to the beneficial owners of such Common Shares. The Corporation will provide, without cost to such persons, upon request to the Secretary of the Corporation, additional copies of the Meeting Materials required for this purpose.

**NON-REGISTERED HOLDERS**

Only registered holders of Shares as at the close of business on March 16, 2018 or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Shares beneficially owned by a person (a "**Non-Registered Holder**") are registered either: (i) in the name of a nominee such as an intermediary (an "**Intermediary**") with whom the Non-Registered Holder deals in respect of such Shares (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 CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation will have distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for onward distribution to certain Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to such Non-Registered Holders and the Non-Registered Holders will be given, in substitution for the proxy otherwise contained in the Meeting Materials, a request for voting instructions (the "**voting instructions**")

**form")** which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares they beneficially own.

Should a Non-Registered Holder who receives the voting instructions form or other proxy wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose on such document. Where applicable, a form of legal proxy will be sent to the Non-Registered Holder by the applicable Intermediary. **In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the voting instructions form.**

### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the enclosed form of proxy are each a director and/or officer of the Corporation. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM, HER OR IT AT THE MEETING MAY DO SO** either by crossing out the names of the nominees of management and inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, mailing the proxy so as to reach or be deposited with the Secretary of the Corporation, c/o TSX Trust Company attention: proxy department, 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada M5H 4H1, or by fax to (416) 595-9593 not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment thereof at which the proxy is to be used, or delivering the completed proxy to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting.

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so:

1. by delivering another properly executed form of proxy bearing a later date and depositing it as described above;
2. by depositing an instrument in writing revoking the proxy executed by such shareholder (or his, her or its duly authorized attorney):
  - (a) with TSX Trust Company at any time up to the close of business on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
  - (b) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, prior to the time of voting at the Meeting or any adjournment thereof, as applicable; or
3. in any other manner permitted by law.

Only a registered shareholder of the Corporation has the right to revoke a proxy. A Non-Registered Holder who wishes to change his, her or its vote must arrange for the Intermediary to revoke the proxy on his, her or its behalf in accordance with the instructions of such Intermediary set out in the voting instructions form.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **EXERCISE OF DISCRETION BY PROXIES**

The Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Shares represented by the proxy shall be voted accordingly. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE APPOINTMENT OF DIRECTORS RESOLUTION, THE ELECTION OF DIRECTORS AND THE APPOINTMENT OF AUDITORS AS STATED ELSEWHERE IN THIS INFORMATION CIRCULAR. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS OR HER JUDGMENT MAY DETERMINE.** At the time of printing this Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

### **COMPANY INFORMATION**

The Corporation was incorporated pursuant to the *Canada Business Corporations Act* (the "**CBCA**") under the name "9508309 Canada Inc." on November 12, 2015. Articles of amendment were subsequently filed on December 7, 2015 to change the name of the Corporation to "Fox River Resources Corporation". The Corporation became a reporting issuer as a consequence of an arrangement involving PhosCan Chemical Corp. ("**PhosCan**"), Petrus Resources Ltd., Petrus Acquisition Corp. and the Corporation on February 2, 2016 (the "**Arrangement**"). Prior to the Arrangement, the Corporation was a wholly-owned subsidiary of PhosCan. All references to PhosCan in this Information Circular are references to PhosCan prior to the Arrangement.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Persons registered on the books of the Corporation at the close of business on March 16, 2018 are entitled to vote at the Meeting.

As of March 16, 2018, the Corporation has outstanding 41,278,527 Common Shares, each of which carries one vote per share.

All Common Shares rank equally with respect to payment of dividends and return of any residual capital in the event of the liquidation, winding-up or any other distribution of the assets of the Corporation. To the knowledge of the directors and officers of the Corporation, the only persons or companies beneficially owning, or controlling or directing, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of the voting securities of the Corporation are:

Name of Shareholder <sup>(1)</sup>	Number of Securities Owned or Controlled or Directed, Directly or Indirectly	Percentage of the Class of Outstanding Securities so Owned, Controlled or Directed
Stephen D. Case	7,580,542 Common Shares	18.4%

**Notes:**

- (1) The information set out above and below with respect to the number of Common Shares beneficially owned, controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the relevant person.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information as of October 31, 2017, with respect to the Corporation's equity compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	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 <sup>(1)</sup>
Equity compensation plans approved by security holders	2,200,000	\$0.05	1,927,853
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	2,200,000	\$0.05	1,927,853

**Notes:**

- (1) The Plan (as defined below) provides for the grant of Options (as defined below) for the purchase of up to 10% of the total issued and outstanding Common Shares.
- (2) See "Director and Named Executive Officer Compensation – Stock Option Plan" in this Information Circular for a detailed description of the Plan.

## **DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

### **Compensation Discussion and Analysis**

The purpose of this Compensation Discussion and Analysis ("**CD&A**") is to provide information about the Corporation's director and executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation's directors and senior officers.

"Named Executive Officers" means the President & Chief Executive Officer (the "**CEO**") and the Chief Financial Officer (the "**CFO**"), and each of the Corporation's two most highly compensated executive officers, other than the CEO and the CFO, who were serving as executive officers at the end of the most recent fiscal year whose total salary and bonus during the most recent fiscal year exceeded \$150,000. The Corporation currently has two Named Executive Officers: Stephen D. Case, CEO and a director, Fraser Laschinger, CFO (the "**Named Executive Officers**" or "**NEOs**").

The Corporation notes that it is in an exploration and evaluation phase with respect to its properties and has to operate with limited financial resources and control costs to ensure that funds are available to complete scheduled programs and otherwise fund its operations. The Board has to consider the current and anticipated financial position of the Corporation at the time of any compensation determination. The Board has attempted to keep the cash compensation paid to the Corporation's directors and NEOs relatively modest, while providing long-term incentives through the granting of stock options to purchase Common Shares (each, an "**Option**").

### **Summary Compensation Tables**

The following table provides a summary of the compensation earned by the NEOs and directors for services rendered in all capacities during the financial year ended October 31, 2017.

<i>Table of compensation excluding compensation securities</i>							
Name and Principal Position	Financial Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	All other Compensation (\$)	Total Compensation (\$)
<b>Stephen D. Case</b> President & CEO & Director	<b>October 31, 2016<sup>(1)</sup></b>	Nil	Nil	Nil	Nil	Nil	Nil
	<b>October 31, 2017</b>	Nil	Nil	Nil	Nil	Nil	Nil <sup>(2)</sup>
<b>Fraser Laschinger</b> CFO	<b>October 31, 2016<sup>(3)</sup></b>	\$31,500 <sup>(4)</sup>	Nil	Nil	Nil	Nil	\$31,500
	<b>October 31, 2017</b>	\$42,000	Nil	Nil	Nil	Nil	\$42,000
<b>John D. Yokley</b> Director	<b>October 31, 2016<sup>(1)</sup></b>	Nil	Nil	Nil	Nil	Nil	Nil
	<b>October 31, 2017</b>	Nil	Nil	Nil	Nil	Nil	Nil
<b>Gordon S. McKinnon</b> Director	<b>October 31, 2016<sup>(1)</sup></b>	Nil	Nil	Nil	Nil	Nil	Nil
	<b>October 31, 2017</b>	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) The Corporation became a reporting issuer on February 2, 2016 and therefore the amounts in this row refer to compensation received from: (i) PhosCan for the period between November 1, 2015 and February 1, 2016, and (ii) the Corporation for the period between February 2, 2016 and October 31, 2016.
- (2) Stephen D. Case did not receive a salary or any benefits to provide his services as President and Chief Executive Officer of the Corporation.
- (3) Fraser Laschinger became an employee of the Corporation on February 2, 2016 and was not employed by the Corporation or any predecessor entities prior to the Arrangement.
- (4) The Corporation pays consulting fees of \$3,500 per month to Fraser Laschinger. This amount reflects consulting fees paid from February 2, 2016 to October 31, 2016.



## Compensation Securities

The following table provides details regarding outstanding NEO and director compensation securities granted or issued to each NEO and director during the financial years ended October 31, 2017 and 2016.

<i>Compensation Securities</i>							
Name and Principal Position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Stephen D. Case</b> President & CEO & Director	Options	800,000 <sup>(1)</sup>	April 1, 2016	\$0.05	\$0.045	\$0.04	April 1, 2021
<b>Fraser Laschinger</b> CFO	Options	400,000 <sup>(1)</sup>	April 1, 2016	\$0.05	\$0.045	\$0.04	April 1, 2021
<b>John D. Yokley</b> Director	Options	500,000 <sup>(1)</sup>	April 1, 2016	\$0.05	\$0.045	\$0.04	April 1, 2021
<b>Gordon S. McKinnon</b> Director	Options	500,000 <sup>(1)</sup>	April 1, 2016	\$0.05	\$0.045	\$0.04	April 1, 2021

Notes:

- (1) This is the only grant of Options made by the Corporation and therefore this amount constitutes the total amount of compensation securities held by each NEO and director as of October 31, 2017. The Options are exercisable for Common Shares and vested immediately on the date of grant. See "Directors and Named Executive Officers Compensation – Stock Option Plan" for details as to any restrictions or conditions for exercising the Options.

The following table provides details regarding the exercise by an NEO or director of compensation securities during the year ended October 31, 2017:

<i>Exercise of Compensation Securities by NEOs and Directors</i>							
Name and Position	Type of Compensation Security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
<b>Stephen D. Case</b> President & CEO & Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Fraser Laschinger</b> CFO	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>John D. Yokley</b> Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Gordon S. McKinnon</b> Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## **Stock Option Plan**

The Corporation's Stock Option Plan (the "**Plan**") is a rolling stock option plan that sets the number of Options issuable thereunder at a maximum of 10% of the Common Shares issued and outstanding at the time of any grant. As of the date of the Circular, 2,200,000 Options have been granted.

The following is a summary of the material terms of the Plan:

- (a) persons who are Eligible Persons (as defined in the Plan) of the Corporation are eligible to receive grants of Options under the Plan (each, an "**Optionee**");
- (b) Options granted under the Plan are non-assignable and non-transferable;
- (c) Options granted under the Plan are exercisable for a maximum of 10 years from the date of grant;
- (d) except as otherwise determined by the Board:
  - i. if an Optionee ceases to be an Eligible Person as a result of his or her retirement from the Corporation, each unvested Option held by such Optionee shall automatically vest on the date of his or her retirement, and thereafter each vested Option held by such Optionee will cease to be exercisable on the earlier of the original expiry date of the Option and 90 days after the date of his or her retirement if the Optionee is a director or officer of the Corporation and 30 days if the Optionee is not a director or officer of the Corporation;
  - ii. if the service, consulting relationship, or employment of an Optionee with the Corporation or its subsidiaries is terminated for cause, each vested and unvested Option held by an Optionee will be automatically cancelled and become void on such date of termination; and
  - iii. if an Optionee dies or becomes disabled, the Option shall automatically vest and be exercisable for a period until the earlier of the original expiry date of the Option and 365 days after the date of the Optionee's death or disability, and
- (e) the exercise price of each Option will be set by the Compensation Committee on the date such Option is granted, and will not be less than the Market Price (as defined in the Plan).

The Plan was last approved by the shareholders of the Corporation at the previous Annual and Special Meeting of Shareholders on April 6, 2017.

## **Employment, Consulting and Management Agreements**

Given the minimal nature of the compensation paid to the NEOs, the Corporation has not entered into formal agreements with any NEOs.

## **Oversight and Description of Director and NEO Compensation**

Among its other duties, the Board is responsible for (i) overseeing the Corporation's human resources policies, director and executive compensation, management succession and development, and equity compensation plans, and (ii) ensuring that the Corporation's director and executive compensation policies and programs are competitive and reflect the long-term interest of the Corporation and its shareholders. Given the size of the Corporation and the number of directors on the Board, the Board has not delegated any of the above responsibilities to a committee of the Board and performs such functions itself from time to time. In performing its duties, the Board has the authority to engage such advisors, including executive compensation consultants, as it considers necessary.

The CEO was a member of the board in 2017 and was not considered to be "independent" within the meaning ascribed thereto in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") (see "Corporate Governance" in this Information Circular for details regarding such Board members' independence). In order to ensure that the process for determining executive compensation remains objective, the Board (i) requires that directors who are also NEOs remove themselves from any deliberations or determinations relating to their own compensation, (ii) ensures that any decisions relating to the compensation of such directors are reviewed and approved by the independent members of the Board prior to finalization or implementation, and (iii) seeks external, independent advice when requested or deemed appropriate by any member of the Board. The Board considers the experience and insight of the directors who are also executive officers to be an asset in the Board's discussions and decisions relating to human resources and general compensation matters and relies on their input in matters that are not directly related to their own compensation.

### **Compensation Process**

The Board relies on its knowledge and experience to set appropriate levels of compensation for NEOs, however there is no compensation committee for the Corporation. The Corporation does not currently have any contractual arrangement with any executive compensation consultant or advisor who has a role in determining or recommending the amount or form of senior officer or director compensation.

The Board reviews the various elements of the NEOs' compensation in the context of the total compensation package (including salary and prior awards under the Plan) and determines the NEOs' compensation packages.

From time to time, the Board grants Options as part of an officer's compensation or in recognition of the achievement of a particular goal or extraordinary service. The Board determines the particulars with respect to all Options granted. The exercise price of each Option awarded under the Plan is generally the closing price of the Common Shares on the day preceding the grant, subject to any allowable discounts under the rules of the Canadian Securities Exchange (the "CSE"), if so determined by the Board.

## Compensation Program

### *Principles/Objectives of the Compensation Program*

The primary goal of the Corporation's executive compensation program is to attract, motivate and retain top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Corporation's senior officers is determined with regard to the Corporation's business strategy and objectives and within the limited financial resources of the Corporation, such that the financial interests of the senior officers are matched with the financial interests of the shareholders.

### *Compensation Program Design and Analysis of Compensation Decisions*

Standard compensation arrangements for the Corporation's senior officers are composed of the following elements, which are linked to the Corporation's compensation and corporate objectives as follows:

<b>Compensation Element</b>	<b>Link to Compensation Objectives</b>	<b>Link to Corporate Objectives</b>
Base Salary	Attract, Retain and Reward	Competitive pay is intended to ensure access to and retention of skilled employees necessary to achieve corporate objectives and rewards senior officers for the performance of their duties to the Corporation.
Options	Motivate and Reward Align interests with Shareholders	Long-term incentives motivate and reward senior officers for the achievement of long-term corporate strategies and objectives, thereby increasing shareholder value.  Interests of NEOs are intended to be further aligned with shareholders and corporate objectives as the value of the Options granted is linked to the market value of the Common Shares.

### *2017 Performance and Compensation*

The Corporation is an exploratory stage mining company and will not be generating revenues from operations in the foreseeable future. As a result, the use of traditional performance criteria or goals, such as corporate profitability, is not considered by the Board to be appropriate in the evaluation of corporate or NEO performance. The compensation of senior officers is based, in substantial part, on trends in the junior mineral exploration industry as well as achievement of the Corporation's business plans. The Board did not establish any quantifiable criteria in 2017 with respect to base salaries payable or the amount of equity compensation granted to NEOs and did not benchmark against a peer group of companies.

### *Base Salaries*

The Corporation provides senior officers with base salaries which represent their minimum compensation for services rendered during the fiscal year. NEOs' base salaries depend on the scope of their experience, responsibilities, leadership skills, performance, length of service, general industry trends and practices, competitiveness, and the Corporation's existing financial resources. Base salaries are reviewed annually by the Board. No significant events occurred in the financial year ended October 31, 2017 that significantly affected the compensation.

See the section "Summary Compensation Tables - Table of compensation excluding compensation securities" above for information relating to the base salaries of NEOs in 2017.

### *Options*

The grant of Options pursuant to the Plan is an integral component of the compensation packages of the senior officers of the Corporation. The Board believes that the grant of Options to senior officers and share ownership by such officers serves to motivate achievement of the Corporation's long-term strategic objectives and the result will benefit all shareholders. Options are awarded to senior officers of the Corporation by the Board, which bases its decisions upon the level of responsibility and contribution of the individuals toward the Corporation's goal and objectives. The Board considers the overall number of Options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of Options and the size of such grants. See "Directors and Named Executive Officers Compensation – Stock Option Plan" in this Information Circular for a detailed description of the Plan.

Please see "Summary Compensation Tables - Compensation Securities" for the details of Option grants made to NEOs in the financial year ended October 31, 2017.

### *Managing Compensation-Related Risk*

Although the Corporation does not have a formal policy relating to the management of compensation-related risk, the Board considers and assesses, as necessary, risk relating to compensation prior to entering into or amending employment contracts with NEOs and when setting the compensation of directors. The Board believes that the Corporation's compensation policies and practices are appropriate for its industry and stage of business and that such policies and practices do not have associated with them any risks that are reasonable likely to have a material adverse effect on the Corporation or which would encourage a NEO to take inappropriate or excessive risks. The Board will continue to review the Corporation's compensation policies, including its compensation-related risk profile, as necessary, to ensure its compensation policies and practices are not reasonably likely to have a material adverse effect on the Corporation or encourage a NEO to take inappropriate or excessive risks.

### *Restrictions on Financial Instruments*

The Corporation does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value

of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

### **Director Compensation**

As of the date hereof, the Board has not adopted a cash compensation program for its directors for cash retainers, meeting fees or for serving on committees. However, directors are reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or shareholder meetings and otherwise incurred in carrying out their duties as directors of the Corporation.

Directors may receive Option grants as determined by the Board. The exercise price of such Options is determined by the Board and is generally the closing price of the Common Shares on the day preceding the grant, subject to any allowable discounts under the rules of the CSE, if so determined by the Board. Please see "Directors and Named Executive Officers Compensation – Stock Option Plan" in this Information Circular for a detailed description of the Plan. Please see "Securities Authorized for Issuance under Equity Compensation Plans" in this Information Circular for details relating to outstanding Options under the Plan as at October 31, 2017.

Directors are also entitled to receive compensation to the extent that they provided services to the Corporation at rates that would otherwise be charged by such directors for such services to arm's length parties or less.

## **AUDIT COMMITTEE**

### ***Composition of the Audit Committee***

The audit committee of the Board (the "**Audit Committee**") operates under a written charter that sets out its responsibilities and composition requirements. A copy of the charter is attached to this Information Circular as Schedule "A". The members of the Audit Committee are Stephen D. Case, Gordon S. T. McKinnon and John D. Yokley. Mr. McKinnon and Mr. Yokley and are the members of the Audit Committee that are considered to be independent within the meaning of NI 52-110. All of the members of the Audit Committee are considered "financially literate" within the meaning of NI 52-110. In considering criteria for the determination of financial literacy, the Board looks at the individual's ability to read and understand financial statements that present the range and level of complexity of accounting issues that are generally comparable to those issues that can be reasonably expected to be raised by the Corporation's financial statements.

### ***Education and Experience***

Each member of the Audit Committee has acted as a director or audit committee member of a number of public issuers in the past and, as such, has obtained experience that is relevant to the performance of his responsibilities as a member of the Audit Committee. As well, each member of the Audit Committee owns or has owned his own business and in such capacity has

experience in the preparation, analysis and/or evaluation of financial statements generally and an understanding of internal controls and procedures for financial reporting. Given the scope and nature of the Corporation's business, its financial statements and the accounting issues arising therefrom are relatively uncomplicated. Based on the foregoing, it is the Board's conclusion that each of the members of the Audit Committee has an understanding of the accounting principles used by the Corporation to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves and experience in evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

### ***Audit Committee Oversight***

During the fiscal year ended October 31, 2017, all recommendations of the Audit Committee to nominate or compensate the Corporation's external auditor were adopted by the Board.

### ***Pre-Approval Policies and Procedures***

Included as part of the Audit Committee's charter is the responsibility of the Audit Committee to pre-approve all non-audit services to be provided to the Corporation by its external auditor.

### ***External Auditor Service Fees***

The following tables summarize the fees billed by MNP LLP external auditor to the Corporation during the financial year ending October 31, 2017.

#### **Fees for MNP LLP**

<b>Category</b>	<b>2017 (\$)</b>
Audit Fees	12,500
Audit Related Fees	nil
Tax Fees	1,500
All Other Fees	nil
<b>Total</b>	<b>14,000</b>

### ***Exemption***

In respect of the most recently completed financial year, the Corporation is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## CORPORATE GOVERNANCE

The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the shareholders, but that it also promotes effective decision making at the Board level.

### *Mandate of the Board*

The Board has responsibility for the stewardship of the Corporation. In carrying out this mandate, the Board meets regularly and a broad range of matters are discussed and reviewed for approval. These matters include overall corporate plans and strategies, budgets, internal controls and management information systems, risk management as well as interim and annual financial and operating results. The Board is also responsible for the approval of all major transactions, including equity issuances, acquisitions and dispositions, as well as the Corporation's debt and borrowing policies. The Board strives to ensure that actions taken by management correspond closely with the objectives of the Board and the shareholders.

The Board believes that it functions independently of management. To enhance its ability to act independently of management, the Board reviews its procedures on an ongoing basis to ensure that it can function independently of management. The Board meets, as required, without management present. When conflicts do arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, the Board intends to continue to convene meetings of independent directors in the future, at which non-independent directors and members of management are not in attendance as may be deemed necessary.

### *Composition of the Board*

The members of the Board provide a diversity of business experience to the leadership of the Corporation. During 2017, the Board consisted of three members at all times, as follows: Stephen D. Case, John D. Yokley and Gordon S. McKinnon. Stephen D. Case was not an "independent" director due to his position as President and CEO of the Corporation. Messrs. Yokley and McKinnon are independent directors.

### *Directorships*

Details of directorships held by the directors in other public issuers, if any, are set out below:

<b>Name of Director</b>	<b>Name of Issuer</b>
Gordon S. McKinnon	Canadian Orebodies Inc. Capha Pharmaceuticals Inc. Noble Mineral Exploration Incorporated Macdonald Mines Exploration Ltd.



### *Orientation and Continuing Education*

The Corporation does not have a formal process of orientation or continuing education for new directors. However, the Corporation has historically provided such orientation and education on an informal basis. As new directors join the Board, management will provide these individuals with information about the Corporation, its corporate plan, and an outline of the general duties and responsibilities entailed in carrying out their role as directors. Directors are also encouraged to undertake educational initiatives as they see fit. The Board believes this to be a practical and effective approach in light of the Corporation's particular circumstances, including the size and stage of development of the Corporation and the experience and expertise of the members of the Board.

### *Ethical Business Conduct*

The Board has not yet adopted a written ethical business conduct code for directors, officers and employees of the Corporation. However, the Board believes it promotes a culture of ethical business conduct through its mandate, as disclosed above. In circumstances where a director or executive officer has a material interest in a transaction or agreement which the Corporation is considering, the individual is required to fully disclose his or her interest therein and, when appropriate or required, an ad hoc committee of disinterested directors will be appointed for review purposes to confirm, among other things, that such transaction or agreement is being entered into on arm's length commercially reasonable terms. Such committee may obtain advice from the Corporation's counsel and other professional advisors and/or appoint independent counsel and/or advisors.

### *Nomination of Directors*

The Board has not appointed a formal nominating committee. However, any member of the Board is free to recommend additional members, as required, and the Board will consider such recommendations as a whole. Until a committee is formed, the Board as a whole will be responsible for assessing the effectiveness of the Board, the committees of the Board and the contribution of individual directors, taking into account the competencies and skills that the Board as a whole should possess as well as the competencies and skills that each committee and director should possess for the purposes of determining whether nominations or appointments to the Board should be made.

### *Compensation*

Given the size of the Board and the stage of development of the Corporation, the Board has not had and does not currently intend to establish a compensation committee. The Board sets the level of compensation for directors and senior management. The Board reviews directors' and officers' compensation as needed and on an objective basis, taking into account the Corporation's existing financial resources as well as, among other things, the time commitment required of directors and officers, trends in the junior mineral exploration industry, and risks and responsibilities, to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director or officer and makes adjustments as deemed necessary. In order to ensure that the process for determining executive compensation remains

objective, the Board (i) requires that directors who are also executive officers remove themselves from any deliberations or determinations relating to their own compensation, (ii) ensures that any decisions relating to the compensation of such directors are reviewed and approved by the independent members of the Board prior to finalization or implementation, and (iii) seeks external, independent advice when requested or deemed appropriate by any member of the Board. See "Director and Named Executive Officer Compensation" above.

#### *Other Board Committees*

The Corporation does not have any standing committees of the Board other than the Audit Committee.

#### *Assessments*

Based upon the Corporation's size, its current state of development and the number of individuals on the Board, the Board considers a formal process for assessing regularly the effectiveness and contribution of the Board, as a whole, the Audit Committee or individual directors, to be unnecessary at this time. In light of the fact that the Board and the Audit Committee meet on numerous occasions during each year, directors have significant opportunity to assess other directors to ensure that the Board, as a whole, the Audit Committee and each individual director, is performing effectively. The Board plans to continue evaluating its own effectiveness as well as that of the Audit Committee and individual members of the Board on an ad hoc basis.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### **Financial Statements**

The shareholders will receive and consider the audited financial statements of the Corporation for the fiscal year ended October 31, 2017 together with the auditors' report thereon.

#### **Appointment of Auditors**

Shareholders will be asked to pass an ordinary resolution to appoint MNP LLP, Chartered Accountants ("MNP") (111 Richmond St. W. Suite 300 Toronto, Ontario M5H 2G4), as auditors for the Corporation, to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the Board. The appointment of MNP as auditors of the Corporation and the authorization of the Board to fix their remuneration must be approved by a majority of the votes cast at the Meeting. Management recommends the appointment. MNP was appointed as the auditor of the Corporation effective December 21<sup>st</sup>, 2016.

**Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of MNP, as auditors of the Corporation to hold office until the next annual meeting of shareholders, at a remuneration to be fixed by the Corporation's directors.**

## Election of Directors

The Corporation's Articles provide that its Board shall consist of not less than one (1) and not more than ten (10) directors. Each elected director will hold office from the date on which he or she is elected until the next annual meeting of shareholders or until his or her successor is duly elected unless his or her office is earlier vacated in accordance with the Corporation's by-laws. There are no directors of the Corporation presently in office whose term of office will continue after the date on which the Meeting is held.

The Board is currently comprised of three (3) directors and it is proposed that three (3) directors be elected to the Board. All such Nominees are presently directors of the Corporation. Unless otherwise directed, the persons named in the accompanying form of proxy intend to vote in favour of the election, as directors of the Corporation, of the nominees (the "**Nominees**") whose names are set forth below. Management does not contemplate that any of the Nominees will be unable to serve as a director of the Corporation.

The following table provides the names of the Nominees, the province and country of residence, all positions and offices in the Corporation held by each of them, the date on which each was first elected a director of the Corporation and the approximate number of voting securities of the Corporation that each Nominee has advised are beneficially owned, controlled or directed, directly or indirectly, by him or her. Information regarding the present principal occupation, business or employment of each Nominee within the preceding five years is set out following the table below.

<b>Name, Office and Residence</b>	<b>Director Since</b>	<b>Number of Voting Securities Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>
<b>Stephen D. Case<sup>(2)</sup></b> Director and President and Chief Executive Officer <i>Toronto, Ontario, Canada</i>	November 12, 2015	7,580,542 Common Shares
<b>Gordon S. T. McKinnon<sup>(2)</sup></b> Director <i>Toronto, Ontario, Canada</i>	December 15, 2015	807,500 Common Shares
<b>John D. Yokley<sup>(2)</sup></b> Director <i>Palmyra, Wisconsin, USA</i>	December 15, 2015	100,000 Common Shares

**Notes:**

- (1) The information as to voting securities beneficially owned, controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the relevant Nominee.
- (2) Member of the Audit Committee.

*Stephen D. Case*

Stephen D. Case serves as President of the Corporation. Mr. Case was the President and Chief Executive Officer and a director of PhosCan from 1996 to 2016. Mr. Case has over 25 years' experience in the financing and development of mineral assets. He also served as a director and was one of the three co-founders of RFC Resource Finance Corporation ("**RFC**"). RFC's principal asset was the Pend Oreille zinc lead deposit in the state of Washington. RFC is now a wholly-owned subsidiary of Teck Resources Ltd.

*Gordon S. T. McKinnon*

Gordon S. T. McKinnon is the President and Chief Executive Officer and a director of Canadian Orebodies Inc. He was a founder and Chief Executive Officer of Mineral Streams Inc., a private mineral royalty and streaming company, until its sale to AuRico Metals Inc. in 2015. Mr. McKinnon is also a principal of McKinnon Prospecting Ltd., a private exploration company and a board member for Noble Mineral Exploration Inc. and Capha Pharmaceuticals Inc. Mr. McKinnon was a director of PhosCan from 2008 to 2016. He was previously Manager of Corporate Development with Baltic Resources Inc. Mr. McKinnon graduated with an Honours Bachelor Degree in Management and Organizational Studies from the University of Western Ontario.

*John D. Yokley*

John D. Yokley has spent his entire career in the fertilizer products business retiring in June 2006 as Senior Vice President, Specialties Business of Agrium Inc. During his 10-year employment with Agrium, Mr. Yokley held various positions, including responsibility for the Strategic Development and Planning Group, Vice President of Marketing and Senior Vice President of Marketing and Distribution. Prior to joining Agrium in 1995, Mr. Yokley was employed by Nu-West Industries, a Western U.S. phosphate producer, as Vice President responsible for national account sales, distribution and raw material purchasing. Mr. Yokley has been a director of PhosCan from 2006 to 2016. Mr. Yokley holds a B.Sc. in Business Administration/Marketing from Southern Illinois University.

***Corporate Cease Trade Orders and Corporate Bankruptcies***

No proposed director of the Corporation is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that,

1. was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in that capacity; or
2. was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer

and which resulted from an event that occurred while that person was acting in that capacity.

No proposed director of the Corporation is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### ***Personal Bankruptcies***

No proposed director of the Corporation or any personal holding company of such person has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### ***Penalties and Sanctions***

No proposed director of the Corporation or any personal holding company of such person has 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 securityholder in deciding whether to vote for a proposed director.

**If any of the Nominees is for any reason unavailable to serve as a director, proxies in favour of management will be voted for another nominee in their discretion unless the shareholder has specified in the proxy that his, her or its shares are to be withheld from voting in the election of directors.**

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE CORPORATION**

No executive officer, director or employee, or former executive officer, director or employee of the Corporation was indebted to the Corporation or any other entity (where such indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation) as at the date of this Information Circular.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER SECURITIES PURCHASE AND OTHER PROGRAMS**

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, no Nominee, nor any associate of any such director, executive officer or Nominee, is or at any time since the beginning of the most

recently completed financial year has been, indebted to the Corporation or another entity (where such indebtedness to such other entity 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 Corporation) in respect of any security purchase program or any other program.

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

No person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, no Nominee and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Information Circular.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth in this Information Circular, no director, executive officer, Nominee, any person or company beneficially owning, controlling or directing, directly or indirectly (or a combination thereof), Common Shares carrying more than ten percent of the voting rights attached to the Common Shares, any directors or executive officers of such shareholders, or any associate or affiliate of the foregoing persons, have had a material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that has materially affected or would materially affect the Corporation.

### **MANAGEMENT CONTRACTS**

The management functions of the Corporation are performed by the directors and/or executive officers of the Corporation, and not, to any substantial degree, by any other person. See "Director and Named Executive Officer Compensation – Employment, Consulting and Management Agreements" above.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's comparative financial statements and Management Discussion and Analysis for the year ended October 31, 2017. Copies of the Corporation's financial statements and Management Discussion and Analysis may be obtained through [www.sedar.com](http://www.sedar.com) or upon written request to the Secretary of the Corporation at 350 Bay Street, Suite 700 Toronto, Ontario, M5H 2S6.

**DIRECTORS' APPROVAL**

The contents of this Information Circular and the sending of it to each director of the Corporation, to the auditors of the Corporation, to the appropriate governmental agencies, and to the shareholders have been approved by the Board.

**DATED as of the 16<sup>th</sup> day of March, 2018.**

**BY ORDER OF THE BOARD OF  
DIRECTORS**

*"Stephen D. Case"*

Stephen D. Case  
President and Chief Executive Officer

## SCHEDULE "A"

### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

#### MANDATE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of Fox River Resources Corporation (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities with respect to the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation.

#### AUTHORITY AND DUTIES

1. The Committee is a committee of the Board and exercises such powers of the Board as have been delegated to it.
2. The Committee's primary duties and responsibilities are to:
  - (a) review and assess management's overall process to identify principal risks that could affect financial reporting and the achievement of the Corporation's business plans, and to monitor the process to manage such risks.
  - (b) oversee and monitor the Corporation's compliance with legal and regulatory requirements.
  - (c) be directly responsible for overseeing the work of the external auditor (the "**Auditor**") engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the Auditor regarding financial reporting.
  - (d) oversee audits of the Corporation's financial statements.
  - (e) oversee and monitor the qualifications, independence and performance of the Auditor.
  - (f) oversee and monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance.
  - (g) provide an avenue of communication among the Auditor, management, and the Board.
  - (h) report to the Board regularly.
3. The Committee has the authority to conduct any review or investigation appropriate to fulfilling its responsibilities. The Committee shall have unrestricted access to personnel and information in the Corporation, and to the Auditor, and to any resources necessary to carry out its responsibility including the ability to retain and to set and pay compensation



for such resources, at the Corporation's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

## **MAJOR RESPONSIBILITIES AND FUNCTIONS**

### **Review Procedures**

1. Review and update the Committee's charter at least annually and provide a summary of the Committee's composition and responsibilities in the Corporation's annual report or other public disclosure documentation.

### **Financial Disclosure Reporting**

2. Discuss and review with management and the Auditor the Corporation's annual audited financial statements and related documents prior to their filing with securities regulatory authorities or distribution including:
  - (a) year-end audited financial statements, related footnotes and the Auditor's report on the financial statements;
  - (b) Management's Discussion and Analysis;
  - (c) any significant changes to the Corporation's accounting principles;
  - (d) the use of off-balance sheet financing including management's risk assessment and adequacy of disclosure;
  - (e) any major issues as to the adequacy of the Company's internal controls; and
  - (f) any special steps adopted in light of material control deficiencies.
3. Review with management and, where applicable the Auditor, and either approve, including authorization for public release, or formally recommend for approval to the Board the Corporation's:
  - (a) quarterly unaudited financial statements and related documents, including Management's Discussion and Analysis;
  - (b) if applicable, the Auditor's report of its review of the interim financial reports;
  - (c) any significant changes to the Corporation's accounting principles;
  - (d) the use of off-balance sheet financing including management's risk assessment and adequacy of disclosure;
  - (e) any major issues as to the adequacy of the Company's internal controls; and
  - (f) any special steps adopted in light of material control deficiencies.
4. Where applicable, review and discuss quarterly reports from the Auditor regarding:
  - (a) all critical accounting policies and practices to be used;

- (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor; and
  - (c) other material written communications between the Auditor and management, such as any management letter or schedule of unadjusted differences.
5. Review:
- (a) the Corporation's Annual Information Form, or other similar report filed with securities regulatory authorities, as to financial information;
  - (b) any prospectus, offering memorandum and information circular of the Company as to financial information;
  - (c) the Corporation's annual and interim earnings press releases before the Company discloses this information; and
  - (d) any financial information contained in any other formal announcement or other document.

### **Internal Control Environment**

- 6. Review the Corporation's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures.
- 7. Ensure that management provide to the Committee an annual report on the Corporation's control environment as it pertains to the Corporation's financial reporting process and controls.
- 8. Review and discuss significant financial risks or exposures and assess the steps management has taken to monitor, control, report and mitigate such risk to the Corporation.
- 9. Review the effectiveness of the overall process for identifying the principal risks affecting the achievement of business plans and provide the Committee's view to the Board.
- 10. Review significant findings prepared by the Auditor, together with management's responses.

### **Other Review Items**

- 11. Review policies and procedures with respect to officers' and directors' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the Auditor.

12. Review all insider transactions and related party transactions between the Corporation and any officers or directors.
13. Review legal and regulatory matters, including correspondence with regulators and governmental agencies that may have a material impact on the interim or annual financial statements, related corporation compliance policies, and programs and reports received from regulators or governmental agencies.
14. Review policies and practices with respect to off-balance sheet transactions and trading and hedging activities, and consider the results of any review of these areas by the Auditor.
15. Review with the Chief Executive Officer, the Chief Financial Officer of the Corporation and the Auditor:
  - (a) all significant deficiencies identified and material weaknesses in the design or operation of the Corporation's internal controls and procedures for financial reporting which could adversely affect the Corporation's ability to record, process, summarize and report financial information required to be disclosed by the Corporation in the reports that it files or submits under governing legislation; and
  - (b) any fraud, whether or not material, that involves management of the Corporation or other employees who have a significant role in the Corporation's internal controls and procedures for financial reporting.

### **Auditors**

16. Be directly responsible, in the Committee's capacity as a committee of the Board and subject to the rights of shareholders and applicable law, for the nomination, compensation and oversight of the work of the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The Auditor shall report directly to the Committee.
17. Meet on a regular basis with the Auditor (without management present) and have the Auditor be available to attend Committee meetings or portions thereof at the request of the Chairperson of the Committee or a majority of the members of the Committee.
18. Review and discuss with the Auditor all significant relationships that the Auditor and their affiliates have with the Corporation and its affiliates in order to determine the Auditor's independence, including, without limitation:
  - (a) receiving and reviewing, as a part of the auditor's report, a formal written statement from the Auditor delineating all relationships that may reasonably be thought to bear on the independence of the Auditor with respect to the Corporation and its affiliates; and
  - (b) discussing with the Auditor any disclosed relationships or services that the Auditor believe may affect the objectivity and independence of the Auditor.

19. Review and evaluate:
  - (a) the Auditor's and the lead partner of the Auditor's team's performance, and make a recommendation to the Board regarding the reappointment of the Auditor at the annual meeting of the Corporation's shareholders or regarding the discharge of such Auditor;
  - (b) the terms of engagement of the Auditor, together with their proposed fees;
  - (c) external audit plans and results;
  - (d) any other related audit engagement matters; and
  - (e) the process for and the engagement of the Auditor to perform non-audit services, together with the fees therefore, and the impact thereof, on the independence of the Auditor.
20. Upon reviewing and discussing the information provided to the Committee in accordance with paragraphs 18 and 19, evaluate the Auditor's qualifications, performance and independence, and consider whether the provision of permitted non-audit services is compatible with maintaining auditor independence, taking into account the opinions of management. The Committee shall present its conclusions with respect to the Auditor to the Board.
21. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Consider whether, in order to assure continuing external auditor independence, it is appropriate to adopt a policy of rotating the external auditing firm on a regular basis.
22. Consider with management and the Auditor the rationale for employing audit firms other than the principal Auditor, including a review of management consulting services and related fees provided by the Auditor compared to those of other audit firms.

### **Approval of Audit and Non-Audit Services**

23. Review and, where appropriate, approve the provision of all audit services (including the fees and terms thereof) in advance of the provision of those services by the Auditor.
24. Review and, where appropriate, approve the provision of all permitted non-audit services (including the fees and terms thereof) in advance of the provision of those services by the Auditor (subject to the de minimus exception for non-audit services prescribed in National Instrument 52-110 – *Audit Committees* ("NI 52-110") which are approved by the Committee prior to the completion of the audit).
25. If the pre-approvals contemplated in paragraphs 23 and 24 are not obtained, approve, where appropriate and permitted, the provision of all audit and non-audit services promptly after the Committee or a member of the Committee to whom authority is delegated becomes aware of the provision of those services.

26. Delegate, if the Committee deems necessary or desirable, to subcommittees consisting of one or more independent members of the Committee, the authority to grant the pre-approvals and approvals described in paragraphs 23 through 25. The decision of any such subcommittee to grant pre-approval shall be presented to the full Committee at the next scheduled Committee meeting.

### **Other matters**

27. Review and concur in the appointment, replacement, reassignment, or dismissal of the Chief Financial Officer, and other key financial executives in the financial reporting process.
28. Review and approve hiring policies regarding partners, employees and former partners and employees of the present and former Auditor of the Corporation.
29. Report Committee actions to the Board with such recommendations, as the Committee may deem appropriate.
30. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities.
31. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the Auditors for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee.
32. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
33. The Committee shall evaluate its performance, constitution and terms of reference annually to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
34. Perform such other functions as required by law, the Corporation's charter or bylaws, or the Board.
35. Consider any other matters referred to it by the Board.
36. Establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters, and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting controls or auditing matters.

### **OPERATION OF COMMITTEE**

#### **Reporting**

1. The Committee shall report to the Board. The full Board shall be kept informed of the Committee's activities by a report following each Committee meeting.

### **Composition of Committee**

2. Members of the Committee shall be appointed from time to time by the Board, in consultation with the Chairperson of the Committee.
3. The Committee shall consist of not less than three Directors as determined by the Board. A majority of the members of the Committee shall not be executive officers, employees or control persons of the Corporation.

### **Appointment of Committee Members**

4. Members shall serve one-year terms and may serve consecutive terms to ensure continuity of experience. Members of the Committee shall be appointed at a meeting of the Board, typically held immediately after the annual shareholders' meeting, provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Committee upon ceasing to be a member of the Board.

### **Vacancies**

5. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

### **Chairperson**

6. The Corporate Governance Committee of the Corporation shall recommend a director as Chairperson of the Committee to the Board for approval. The Board shall appoint the Chairperson of the Committee and determine the period for which the Chairperson of the Committee holds office.
7. If the Chairperson of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.

### **Secretary**

8. The Committee shall appoint a Secretary who need not be a member of the Committee or a Director of the Corporation. The Secretary shall keep minutes of the meetings of the Committee.

### **Committee Meetings**

9. The Committee shall meet at least quarterly at the call of the Chairperson. The Chairperson of the Committee may call additional meetings as required. In addition, a meeting may be called by any Director or by the Auditor.
10. Committee meetings may be held in person, by video-conference, by means of telephone or by any combination of any of the foregoing.

## **Notice of Meeting**

11. Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by electronic communication to each member of the Committee and to the Auditor at least 48 hours prior to the time fixed for such meeting.
12. A member and the Auditor may, in any manner, waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

## **Quorum**

13. A majority of Committee members, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum.

## **Attendance at Meetings**

14. The Chief Executive Officer and the Chief Financial Officer are expected to be available to attend meetings, but a portion of every meeting will be reserved for in-camera discussion without members of management being present.
15. The Committee should meet, on a regular basis, without management present, with the Auditor and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee.
16. The Committee may by specific invitation have other resource persons in attendance.
17. The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.
18. Matters for decision by the Committee shall be decided by a majority decision of the members. In the case of an equality of votes, the Chairperson of the Committee will not be entitled to a casting vote.

## **Minutes**

19. The Secretary of the Committee shall:
  - (a) minute the proceedings and resolutions of Committee meetings and record the names of those present and in attendance;
  - (b) ascertain, at the start of each Committee meeting, the existence of any conflicts of interest and minute them accordingly;
  - (c) circulate, for comment, draft minutes to each member who was present at the meeting following each meeting of the Committee; and
  - (d) send the minutes of Committee meetings to all Committee members and to the Auditor, unless a conflict of interest exists, after approval and signing of the minutes by the Chairperson of the Committee meeting.

## **Engaging Outside Resources**

20. The Committee is empowered to engage such outside resources, as it deems advisable to perform its duties, and to set and pay the compensation for any such outside resources, at the expense of the Corporation.