



## EUROLIFE BRANDS INC.

### INFORMATION CIRCULAR

(Containing information as at November 13, 2019 unless indicated otherwise)

This Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Eurolife Brands Inc. (the “**Company**”) for use at the annual general meeting (the “**Meeting**”) of its shareholders to be held on **December 20, 2019** at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.

In this Circular, references to “the Company”, “we” and “our” refer to Eurolife Brands Inc. “**common shares**” means common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold common shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

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

#### Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Company. **IF YOU ARE A SHAREHOLDER ENTITLED TO VOTE AT THE MEETING, YOU HAVE THE RIGHT TO APPOINT A PERSON OR COMPANY OTHER THAN EITHER OF THE PERSONS DESIGNATED IN THE PROXY, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT FOR YOU AND ON YOUR BEHALF AT THE MEETING. YOU MAY DO SO EITHER BY INSERTING THE NAME OF THAT OTHER PERSON IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING AND DELIVERING ANOTHER SUITABLE FORM OF PROXY.** If your common shares are held in physical form (ie. paper form) and are registered in your name, then you are a registered shareholder (“**Registered Shareholder**”). However, if, like most shareholders, you keep your common shares in a brokerage account, then you are a Beneficial Shareholder. The manner for voting is different for Registered Shareholders and Beneficial Shareholders. The instructions below should be read carefully by all shareholders.

#### Voting by Proxyholder

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

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

**In respect of a matter for which a choice is not specified or where both choices have been specified, in favour of all matters described herein, the persons named in the Proxy will vote the common shares represented by the Proxy for the approval of such matter.**

### **Notice and Access**

The Company is not sending this Circular to registered or beneficial shareholders using “notice-and-access” as defined under National Instrument 54-101.

### **Registered Shareholders**

A registered shareholder, or a non-objecting beneficial owner (“**NOBO**”) whose name has been provided to the Company’s registrar and transfer agent, Computershare Investor Services Inc. (“**Computershare**”), will appear on a list of shareholders prepared by the registrar and transfer agent for purposes of the Meeting. To vote in person at the Meeting each registered shareholder or NOBO will be required to register for the Meeting by identifying themselves at the registration desk. Non-registered beneficial shareholders (other than NOBOs) must appoint themselves as a proxyholder to vote in person at the Meeting.

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company’s transfer agent, Computershare, by mail or by hand to 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1; or
- (b) using the Internet through the website of the Company’s transfer agent at <http://www.investorvote.com>. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder’s account number and the Proxy control number.

In all cases ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

### **Beneficial Shareholders**

The following information is of significant importance to shareholders who do not hold common shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of common shares).

These securityholder materials are being sent to both registered and non-registered owners of the securities 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 holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

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

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

Pursuant to National Instrument 54-101 of the Canadian Securities Administrators, the Company is sending proxy-related materials directly to NOBOs, which materials will include a scannable Voting Instruction Form (a “**VIF**”). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and Internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

Management of the Company does not intend to pay for intermediaries to forward to OBOs under National Instrument 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and, in the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

Every intermediary that mails proxy-related materials to Beneficial Shareholders has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should follow the instructions of their intermediary carefully to ensure that their common shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge mails a voting instruction form (the “**Broadridge VIF**”) which will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. The Broadridge VIF will appoint the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **If you receive a Broadridge VIF, you cannot use it to vote common shares directly at the Meeting – the Broadridge VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the common shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your common shares in that capacity. **If you wish to attend at the Meeting and indirectly vote your common shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.**

Alternatively, you can request in writing that your broker send you a legal Proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your common shares.

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or to the address of the registered office of the Company at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof.

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

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein. Directors and executive officers may, however, be interested in the annual approval of the Company's stock option plan as detailed in "Particulars of Matters to be Acted Upon –Re-approval of Stock Option Plan".

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed November 13, 2019 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their common shares voted at the Meeting.

As at the Record Date, there were 350,118,444 common shares issued and outstanding, each carrying the right to one vote.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare and will be available at the Meeting.

To the knowledge of the directors and executive 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 voting rights attached to the voting securities of the Company.

## SETTING NUMBER OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at three (3). The Board proposes that the number of directors remain at three (3). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at three (3).

## ELECTION OF DIRECTORS

The term of office of each of the current directors expires at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as a director (a "**proposed director**"), the province and country in which he is ordinarily resident, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

<b>Name of Nominee, Province and Country of Ordinary Residence and Positions Held with the Company</b>	<b>Occupation, Business or Employment<sup>(1)</sup></b>	<b>Director of the Company Since</b>	<b>Common shares Beneficially Owned or Controlled, or Directed, Directly or Indirectly<sup>(1)</sup></b>
<b>Shawn Moniz<sup>(2)(3)</sup></b> Toronto, Canada  <i>Chairman, CEO and Director</i>	Self-employed management consultant. Strategic Marketing Technologist and Strategic Solutions Director.	June 9, 2017	46,899,739 <sup>(4)</sup>
<b>Marco Contardi<sup>(2)(5)</sup></b> Toronto, Canada  <i>Director</i>	Corporate Counsel, Grande Cheese Company.	April 4, 2018	Nil
<b>Lindsay Hamelin<sup>(2)(6)</sup></b> British Columbia, Canada  <i>Director</i>	Self-employed consultant to public companies (2014-2018); paralegal, Lawson Lundell LLP (2013-2014).	April 4, 2018	1,188,000 <sup>(7)</sup>

- (1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise indicated, each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years. The number of common shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by the nominees themselves.
- (2) Member of Audit Committee.
- (3) Shawn Moniz has served as a director of the Company since June 9, 2017, as CEO of the Company since September 12, 2017 and as Chairman of the Company since December 31, 2018.
- (4) Of these 46,899,739 common shares, 2,365,000 common shares are held directly by Mr. Moniz, 5,800,000 common shares are held indirectly by Mr. Moniz through 1202103 BC Ltd. and 38,734,739 common shares are held indirectly by Mr. Moniz through Fusionworx Investment Group Inc., two companies owned and operated by Mr. Moniz.
- (5) Marco Contardi has served as a director of the Company since April 4, 2018.
- (6) Lindsay Hamelin has served as a director of the Company since April 4, 2018.
- (7) Of these 1,188,000 common shares, 446,000 common shares are held directly by Ms. Hamelin and 742,000 are held indirectly through 1130970 BC Ltd., a company owned and operated by Ms. Hamelin.

None of the proposed directors of the Company is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and officers of the Company acting solely in such capacity.

### **CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES**

Except as disclosed below, as at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Company was a director, CEO or CFO of any company (including the Company) that:

- (a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or CFO; or

- (c) is as at the date of this Circular or has been within 10 years before the date of this Circular, a director or executive officer of any company, including the Company, 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; or
- (d) has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) 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 a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Lindsay Hamelin, a director of the Company, previously served as a director of Wind River Energy Corp. (“**Wind River**”). During the time Ms. Hamelin was a director, Wind River was subject to cease trade orders issued by the British Columbia Securities Commission on May 20, 2015 and the Alberta Securities Commission on November 19, 2015 for failure to file annual financial statements as required under securities laws. Ms. Hamelin has no further involvement with Wind River, which was dissolved by the British Columbia Registrar of Companies on April 4, 2017.

## APPOINTMENT OF AUDITOR

Dale Matheson Carr-Hilton Labonte, Chartered Accountants, of Suites 1500 and 1700, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1 will be nominated at the Meeting for appointment as auditor of the Company at a remuneration to be fixed by the Board. Dale Matheson Carr-Hilton Labonte, Chartered Accountants, were appointed the auditor of the Company on December 21, 2017.

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. The following disclosure relates to the constitution of the Company’s audit committee and its relationship with its independent auditor is required by Form 52-110F1, which includes the text of the audit committee’s charter, the composition of the audit committee, the relevant education and experience of each audit committee member and the fees paid to the external auditor.

### The Audit Committee’s Charter

The audit committee has a charter. A copy of the audit committee charter is attached hereto as Schedule “A”.

### Composition of the Audit Committee

The current members of the Audit Committee are Shawn Moniz (chair), Marco Contardi and Lindsay Hamelin.

All members of the Audit Committee are considered to be financially literate. Mr. Contardi and Ms. Hamelin are not executive officers of the Company and, therefore, are independent members of the Audit Committee. Mr. Moniz is an executive officer of the Company and is not considered to be an independent member of the Audit Committee.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

### **Relevant Education and Experience**

#### **Shawn Moniz**

Mr. Moniz has over 19 years of experience as a strategic marketing technologist and in the field of customer relationship management ("CRM"), where he was involved in brand positioning and loyalty focus, marketing automation, digital data strategy and omni-channel data driven marketing. Mr. Moniz has served as Strategic Solutions Director for three organizations, where he delivered strategic CRM solutions to numerous Fortune 500 companies with clients such as Astellas, Takeda, Abbvie, Shire, Novartis, Novo Nordisk, UCB, NBA, Air Canada, John Hancock, Yum! Brands (Taco Bell, Pizza Hut, KFC), Pitney Bowes, Tim Hortons and Kraft US / Canada, Astra Zeneca and XM Sirius Radio. His corporate leadership experience and technological expertise will help the Issuer to develop a presence in the growing cannabis economy. Mr. Moniz will devote 80% of his time to the Issuer as an independent contractor of the Issuer. Mr. Moniz has entered into a non-disclosure agreement with the Issuer.

#### **Marco Contardi**

Mr. Contardi is a graduate of Osgoode Hall Law School, and a member of the Ontario Bar Association and the Law Society of Upper Canada. Mr. Contardi is General Counsel of a vertically integrated corporation within the manufacturing and retail sectors and has extensive corporate/commercial transactional experience. Mr. Contardi possesses demonstrable acumen in dealing with concerns associated with production, processing, and marketing activities, especially within governmentally mandated regulatory frameworks. He also has extensive experience advising and managing the structuring and implementing of acquisitions, joint ventures, strategic relationships, and corporate and project financings. Mr. Contardi advises on a wide range of complex long-term supply and other commercial agreements and arrangements.

#### **Lindsay Hamelin**

Ms Hamelin has been a self-employed consultant to public companies for the past four years. In this role, she has provided assistance to companies across a wide range of industries (including the cannabis industry) and at various stages of development. Prior to this, Ms. Hamelin spent one year at a Vancouver-based law firm as a corporate paralegal and before that, was a securities paralegal in a boutique law firm and worked in the legal department of a recruitment company in London.

Each member of the audit committee has adequate education and experience that would provide the member with:

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

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year has the audit committee made any recommendations to the Board to nominate or compensate an external auditor which were not adopted by the Board.

## Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

## Pre-Approval Policies and Procedures

The audit committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The audit committee is authorized to approve any non-audit services or additional work which the Chairman of the audit committee deems as necessary who will notify the other members of the audit committee of such non-audit or additional work.

## External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audited services provided by Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants to the Company to ensure auditor independence. The following table outlines the fees incurred with Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, who were appointed auditors of the Company on December 21, 2017 for audit and non-audit services in the last two fiscal years:

<u>Nature of Services</u>	<u>Fees Paid to Auditor in Year Ended December 31, 2018</u>	<u>Fees Paid to Auditor in Year Ended December 31, 2017</u>
Audit Fees <sup>(1)</sup>	\$26,317	\$12,750
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	\$4,500	\$3,000
All Other Fees <sup>(4)</sup>	<u>Nil</u>	<u>Nil</u>
<b>Total:</b>	<b><u>\$30,817</u></b>	<b><u>\$15,750</u></b>

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

## Exemption

The Company has relied upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers from the requirement to comply with the restrictions on the composition of its audit committee and the disclosure requirements of its audit committee in an annual information form as prescribed by NI 52-110.

## CORPORATE GOVERNANCE

### General

Corporate governance refers to the policies and structure of the Board of a company whose members are elected by and are accountable to the shareholders of the Company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure



the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making. Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

### **Board of Directors**

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

The Company’s Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Company’s Board requires management to provide complete and accurate information with respect to the Company’s activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Company’s Board is responsible for monitoring the Company’s officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The independent members of the Board are Marco Contardi and Lindsay Hamelin. The non-independent director is Shawn Moniz, the Chairman and CEO of the Company.

### **Directorships**

None of the Company’s directors are directors of other reporting issuers.

### **Orientation and Continuing Education**

The Corporate Governance and Nominating Committee, with the assistance of the management of the Company, is responsible for providing an orientation for new directors. Director orientation and ongoing training will include presentations by senior management to familiarize directors with the Company’s strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management’s assistance; and to attend related industry seminars and visit the Company’s operations. Board members have full access to the Company’s records.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors’ participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Further, the Company’s auditor has full and unrestricted access to the audit committee at all times to discuss the audit of the Company’s financial statements and any related findings as to the integrity of the financial reporting process.

### **Nomination of Directors**

When a Board vacancy occurs or is contemplated, any director or officer may make recommendations to the Corporate Governance and Nominating Committee as to qualified individuals for nomination to the Board.

In identifying new candidates, the Corporate Governance and Nominating Committee will take into account the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company at that time.

## **Compensation**

The Board as a whole determines compensation for the directors and officers. To make its recommendations on such compensation, the Board takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies, as well as the success of the directors and officers in helping the Company to achieve its objectives and the Company's financial resources.

## **Other Board Committees**

The Board has no other standing committees other than the Audit Committee, Compensation Committee, and the Corporate Governance and Nominating Committee.

## **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal periodic assessments of the effectiveness of the Board, its committees and the individual directors to satisfy itself that they are performing effectively. The assessment of the Board relates to the ongoing governance and operation of the Board and its effectiveness in discharging its responsibilities. The assessment of individual directors is comprised of an examination of each individual director's ability to contribute to the effective decision-making of the Board.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Executive Compensation**

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

During the year ended December 31, 2018, the Company had three NEOs: Shawn Moniz, Chairman and CEO of the Company, Steve Loutskou, COO and Secretary of the Company and Miroslav Beganovic, CFO of the Company.

### **Compensation Discussion and Analysis**

The Board has not appointed a compensation committee so the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. The Board receives independent competitive market information on compensation levels for executives.

The compensation for executives includes four components: base consulting fees, bonus (if applicable), stock options and perquisites. As a package, the compensation components are intended to satisfy the objectives of the compensation program (that is, to attract, retain and motivate qualified executives). There are no predefined or standard termination payments, change of control arrangements or employment contracts.

### **Philosophy and Objectives**

The Company's compensation policies and programs are designed to be competitive with similar mining exploration companies and to recognize and reward executive performance consistent with the success of the Company's business. The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including (a) attracting and retaining talented, qualified and effective executives, (b) motivating the short and long-term performance of these executives; and (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has encouraged equity participation and in furtherance thereof employs its stock option plan.

### Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation has been accomplished through the issuance of founder's shares and the Company's stock option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base consulting fees and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board.

Given the evolving nature of the Company's business, the Board continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

### Option-Based Awards

The Board has adopted a 10% rolling stock option plan (the "Plan").

The Plan provides incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All stock option grants require approval of the Board.

The stock option plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

*See Particulars of Matters to be Acted Upon – Approval of 10% Rolling Stock Option Plan* for further information on the Company's stock option plan.

### Summary Compensation Table

Name and Principal Positions	Year <sup>(1)</sup>	Salary (\$)	Share-based awards (\$)	Non-equity incentive plan compensation <sup>(3)</sup> (\$)		Pension value <sup>(3)</sup> (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans <sup>(2)</sup>	Long-term incentive plans <sup>(2)</sup>			
<b>Shawn Moniz</b> <sup>(3)</sup> Chairman, CEO and Director	2018	150,000	848,750	N/A	N/A	N/A	N/A	\$998,750
	2017	50,000	Nil	N/A	N/A	N/A	N/A	\$50,000
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Steve Loutskou</b> <sup>(4)</sup> COO and Secretary, Former CSO	2018	150,000	612,500	N/A	N/A	N/A	N/A	\$762,500
	2017	50,000	Nil	N/A	N/A	N/A	N/A	\$50,000
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Miroslav Beganovic</b> <sup>(5)</sup> CFO	2018	86,103	Nil	N/A	N/A	N/A	Nil	\$86,103
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Financial year ended December 31.

(2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.

(3) Mr. Moniz has served as a director of the Company since June 9, 2017, as CEO of the Company since September 12, 2017 and as Chairman of the Company since December 31, 2018.

(4) Mr. Loutskou served as Chief Strategy Officer of the Company from September 12, 2017 to April 1, 2018, as Corporate Secretary of the Company from January 15, 2018 to October 15, 2019 and as COO of the Company from April 1, 2018 to October 15, 2019.

(5) Mr. Beganovic has served as CFO of the Company since March 30, 2018.

### INCENTIVE PLAN AWARDS

#### Outstanding Option-Based Awards

The following table sets out all option-based awards outstanding as at December 31, 2018 for each NEO.

<b>Option-based Awards</b>				
<b>Name and Principal Position</b>	<b>Number of securities underlying unexercised options (#)</b>	<b>Option exercise price (\$)</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money options (\$)<sup>(1)</sup></b>
Shawn Moniz	Nil	N/A	N/A	Nil
Steve Loutskou	Nil	N/A	N/A	Nil
Miroslav Beganovic	200,000	\$0.25	May 4, 2020	11,000

(1) This amount is based on the difference between the market value of the securities underlying the options on December 31, 2018 which was \$0.305, being the last trading day of the Company's shares for the financial year, and the exercise price of any outstanding options.

### **Incentive Plan Awards - Value Vested or Earned During the Year**

The following table sets forth for the NEOs, the value vested during the financial year ended on December 31, 2018 for options awarded under the Plan, as well as the value earned under non-equity incentive plans for the same period:

<b>Name</b>	<b>Option-based awards - Value vested during the year (\$)<sup>(1)</sup></b>	<b>Share-based awards - Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation - Value earned during the year (\$)</b>
Shawn Moniz	Nil	Nil	Nil
Steve Loutskou	Nil	Nil	Nil
Miroslav Beganovic	11,000	Nil	Nil

(1) This amount is based on the difference between the market value of the securities underlying the options on December 31, 2018 which was \$0.305, being the last trading day of the Company's shares for the financial year, and the exercise price of any outstanding options.

### **PENSION PLAN BENEFITS**

The Company does not have any non-cash compensation plans, long-term incentive plans, pension or retirement plans for its officers or directors and it did not pay or distribute any non-cash compensation during the financial year ended December 31, 2018.

### **TERMINATION AND CHANGE OF CONTROL BENEFITS**

#### **Termination and Change of Control Benefits**

None.

### **DIRECTOR COMPENSATION**

#### **Director Compensation Table**

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive stock options.

### ***Narrative Discussion***

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, for involvement in special assignments during the most recently completed financial year.

The Company has a Plan for the granting of incentive stock options to the directors, officers, employees and consultants. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors, officers, employees and consultants and to closely align the personal interests of such persons to that of the shareholders.

### **Incentive Plan Awards – Value Vested or Earned During the Year**

During the most recently completed financial year ended December 31, 2018, the directors who were not NEOs received the following compensation for services provided to the Company:

<b>Name</b>	<b>Fees earned (\$)</b>	<b>Share- based awards (\$)</b>	<b>Option- based awards (\$)</b>	<b>Non-equity incentive plan compensati on (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensati on (\$)</b>	<b>Total (\$)</b>
Marco Contardi <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Lindsay Hamelin <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Contardi has served as a director of the Company since April 4, 2018.

(2) Ms. Hamelin has served as a director of the Company since April 4, 2018.

### **Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the year ended December 31, 2018:

<b>Name</b>	<b>Option-based awards - Value vested during the year (\$)<sup>(1)</sup></b>	<b>Share-based awards - Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation - Value earned during the year (\$)</b>
Marco Contardi	2,750	Nil	Nil
Lindsay Hamelin	2,750	Nil	Nil

(1) This amount is based on the difference between the market value of the securities underlying the options on December 31, 2018 which was \$0.305, being the last trading day of the Company's shares for the financial year, and the exercise price of any outstanding options.

### **Narrative Discussion**

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, for involvement in special assignments during the most recently completed financial year.

As disclosed elsewhere in this Circular, the Company has a Stock Option Plan for the granting of options to its officers, employees, directors and consultants. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at the end of the year ended December 31, 2018. See *Particulars of Other Matters to be Acted Upon – Re-approval of Stock Option Plan*.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<sup>(1)</sup></b>
Equity compensation plans approved by securityholders.	2,804,500	\$0.29	1,737,946
Equity compensation plans not approved by securityholders.	N/A	N/A	N/A
<b>TOTAL:</b>	<b>2,804,500</b>	<b>\$0.29</b>	<b>1,737,946</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end most recently completed financial year or as at the date hereof.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the Company's last completed financial year, no informed person of the Company, nominee for election as a director of the Company, or any associate or affiliate of an informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

## MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Approval of Stock Option Plan

As at the date of this Circular, the Company's only incentive plan is the Plan which was adopted by the Board and the shareholders of the Company on September 19, 2017.

The Plan was established to provide incentive to directors, officers and employees and consultants. As a 10% rolling plan the aggregate number of common shares issuable as options under the Plan may be up to 10% of the Company's issued and outstanding common shares on the date on which an option is granted, less common shares reserved for issuance on exercise of options then outstanding under the Plan. The purpose of the Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of common shares of the Company. The Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees (an "Optionee").

### ***Eligible Optionees***

To be eligible to receive a grant of options under the Plan, regulatory authorities require an Optionee to be either a director, officer, employee, consultant or an employee of a company providing management or other services to the Company or a subsidiary at the time the option is granted.

Options may be granted only to an individual eligible, or to a non-individual that is wholly-owned by individuals eligible, for an option grant. If the option is granted to a non-individual, it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the option remains in effect.

### ***Restrictions***

The Plan is subject to the following restrictions:

- (a) The Company must not grant an option to a director, employee, consultant, or consultant company (the “**Service Provider**”) in any 12-month period that exceeds 20% of the outstanding common shares of the Company, unless the Company has obtained approval by a majority of the Disinterested Shareholders (defined below) of the Company;
- (b) The aggregate number of options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 1% of the outstanding shares calculated at the date of the grant, without prior regulatory approval;
- (c) The aggregate number of common shares reserved for issuance under options granted to Insiders (defined below) must not exceed 10% of the outstanding shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (d) The number of optioned shares issued to Insiders in any 12 month period must not exceed 10% of the outstanding shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (e) The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so; and
- (f) The Company may implement such procedures and conditions as the Board deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

### ***Definitions***

“**Disinterested Shareholder Approval**” means the approval by a majority of the votes cast by all shareholders of the Company at the Meetings excluding votes attached to listed common shares beneficially owned by Insiders (defined below) of the Company and Associates (as defined in the British Columbia *Securities Act*) of Insiders.

An “**Insider**” is a director or senior officer of the Company, a director or senior officer of a company that is an Insider or subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, voting common shares carrying more than 10% of the voting rights attached to all outstanding voting common shares of the Company.

### ***Material Terms of the Plan***

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

- (a) persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) all options granted under the Plan expire on a date not later than 10 years after the issuance of such options. However, should the expiry date for an option fall within a trading Blackout Period (as defined in the Plan,

generally meaning circumstances where sensitive negotiations or other like information is not yet public), within 9 business days following the expiration of a Blackout Period;

- (c) for options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) an Option granted to (i) directors or officers will expire 90 days and (ii) to all others including, but not limited to, employees and consultants, will expire 30 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) if an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period;
- (i) in the event of a takeover bid being made to the shareholders generally, immediately upon receipt of the notice of the takeover bid, the Company shall notify each Optionee currently holding any Options, of the full particulars of the takeover bid, and all outstanding options may, notwithstanding the vesting terms contained in the Plan or any vesting requirements subject to regulatory approval; and
- (j) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the Plan may be made by the Board without further shareholder approval. Accordingly, the Board proposes that the Plan also provide the following:

The Board may, without shareholder approval:

- (i) amend the Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the Plan, if applicable;
- (iii) change the termination provision of an option granted under the Plan if it does not entail an extension beyond the original expiry date of such option;
- (iv) make such amendments to the Plan as are necessary or desirable to reflect changes to securities laws applicable to the Company;
- (v) make such amendments as may otherwise be permitted by regulatory authorities;
- (vi) if the Company becomes listed or quoted on a stock exchange or stock market senior to the CSE, make such amendments as may be required by the policies of such senior stock exchange or stock market; and



- (vii) amend the Plan to reduce the benefits that may be granted to Service Providers.

### ***Shareholder Approval***

At the Meetings, the Company's shareholders will be asked to consider and vote on the ordinary resolution to re-approve the Plan, with or without variation, as follows:

**"UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT** the Company's stock option plan be ratified, confirmed and approved, subject to any amendments that may be required by any applicable stock exchange or regulatory authority, as the directors of the Company may deem necessary or advisable."

**The Board recommends that shareholders vote in favour of the Plan. Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the foregoing ordinary resolution.**

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

A copy of the Plan will be available for inspection at the Meeting.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available for review by the public on SEDAR at [www.sedar.com](http://www.sedar.com) and may also be obtained by a shareholder upon request without charge from the Corporate Secretary of the Company at 804 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, telephone: (604) 682-2928; fax (604) 685-6905.

Financial information is provided in the Company's comparative audited financial statements of the Company for the year ended December 31, 2018, and in the related Management Discussion and Analysis.

### **OTHER MATTERS**

The Board is not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Circular.

## **SCHEDULE “A”**

### **EUROLIFE BRANDS INC. (the “Company”)**

#### **AUDIT COMMITTEE CHARTER**

##### **Purpose of the Committee**

The purpose of the audit committee (the “**Audit Committee**”) of the directors of the Company (the “**Board**”) is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Audit Committee shall also perform any other activities consistent with this Charter, the Company’s articles and governing laws as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Audit Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board. Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with IFRS, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

##### **Authority and Responsibilities**

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company’s CFO and CEO and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Company’s accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related

documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
  - receipt, retention and treatment of complaints regarding accounting, financial disclosure,
  - internal controls or auditing matters; and
  - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.