

IM Exploration Inc.
181 Bay Street
Brookfield Place, Suite 4400
Toronto, ON M5J 2T3

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

Notice is hereby given that an annual general and special meeting (the “Meeting”) of Shareholders of **IM Exploration Inc.** (the “Corporation”) will be held at McMillan LLP, Brookfield Place, Suite 4400, 181 Bay Street, Toronto, Ontario on September 19, 2019 at 10:00 a.m. for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for its financial year ended March 31, 2019, and the report of the auditor;
2. to determine the number of directors at three;
3. to elect directors of the Corporation for the ensuing year;
4. to appoint an auditor of the Corporation for the ensuing year; and
5. to ratify and approve the Corporation’s 10% rolling share option plan, for continuation until the next shareholders meeting of the Corporation, with or without amendment, as described in the Management Proxy Circular.

A Management Proxy Circular as well as the consolidated financial statements including the auditor’s report, and a copy of management’s discussion and analysis, for the Corporation’s fiscal year ended March 31, 2019, accompany this notice. The Management Proxy Circular contains details of matters to be considered at the Meeting.

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

A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder’s shares will be voted at the Meeting is requested to complete, date and execute the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Management Proxy Circular.

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

DATED at Toronto, Ontario, this 9th day of August, 2019.

BY ORDER OF THE BOARD

(signed) Joel Freudman

Joel Freudman
President and Chief Executive Officer

IM Exploration Inc.
181 Bay Street
Brookfield Place, Suite 4400
Toronto, ON M5J 2T3

INFORMATION CIRCULAR
as at August 9, 2019 *except as otherwise indicated*

This Information Circular (“Information Circular” or “Circular”) is furnished in connection with the solicitation of proxies by the management of IM Exploration Inc. (the “Corporation”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on September 19, 2019 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

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

GENERAL PROXY INFORMATION

Solicitation of Proxies

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

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**” or “**form of proxy**”) are officers and directors of the Corporation and legal counsel for the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you 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.**

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 in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

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 using one of the following methods:

- (a) complete, date and sign the enclosed form of proxy and return it to the Corporation's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario L4B 4R5 or hand deliver proxies to the Computershare Toronto location (8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1); or
- (b) use a touch-tone phone to transmit voting choices to the toll free number given in the proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) via Computershare's internet website www.investorvote.com. Registered Shareholders who choose this option 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 access number.

In each of the above cases Registered Shareholders must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or the adjournment thereof.

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 Corporation as the registered holders of Common Shares) or as set out in the following disclosure.

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

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

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

Pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") the Corporation distributes copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the "**Meeting materials**") to the depository and intermediaries for onward distribution to Beneficial Shareholders. The Corporation does not send Meeting materials directly to Beneficial Shareholders. Intermediaries are required to forward the Meeting materials

to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

These securityholder materials are being sent to both registered and non-registered (beneficial) owners of the securities of the Corporation. If you are a beneficial owner, and the Corporation or its agent sent these materials to you directly, your name, address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements by the intermediary holding securities on your behalf. Management of the Corporation does not intend to pay for intermediaries to forward the Meeting materials to OBOs, so OBOs will not receive the Meeting materials unless their intermediary assumes the cost of delivery.

If you are a Beneficial Shareholder:

If you are a Beneficial Shareholder you should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The proxy form supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a Voting Instruction Form (“**VIF**”) in lieu of the proxy provided by the Corporation. The VIF will name the same persons as are named on the Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), who is different from any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge will then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting to 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:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the 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, or at the address of the registered office of the Corporation at 181 Bay Street, Brookfield Place, Suite 4400, Toronto, ON M5J 2T3 at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder’s Common Shares.

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

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the “**Board**”) of the Corporation has fixed August 9, 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.

The Corporation is authorized to issue an unlimited number of Common Shares; which Common Shares are listed for trading on the Canadian Securities Exchange (the “**CSE**”). As of August 9, 2019 there were 10,400,000 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

Going Public Transaction

On May 29, 2019, the Corporation completed a public offering of Common Shares by way of prospectus offering (the “**Prospectus Offering**”). Following closing of the Prospectus Offering, the Corporation listed its Common Shares for trading on the Canadian Securities Exchange (the “**CSE**”). The Common Shares began trading on the CSE under the symbol “**IM**” on May 30, 2019.

No Principal Holders of Voting Securities

To the knowledge of the directors and executive officers of the Corporation, no persons or corporations beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares as at August 9, 2019.

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the fiscal year ended March 31, 2019, with the report of the auditor thereon, and the related management discussion and analysis will be tabled at the Meeting and will be available at the Meeting. These documents are also available on the Corporation’s SEDAR website at www.sedar.com. Additional information relating to these documents may be obtained by the shareholder upon request without charge by contacting the Corporation’s Chief Executive Officer at 181 Bay Street, Brookfield Place, Suite 4400, Toronto, ON M5J 2T3.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein.

If there are more nominees for election as directors or appointment of the Corporation’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

The articles of incorporation of the Corporation (the “**Articles**”) provided that the number of directors of the Corporation will be a minimum of 1 and a maximum of 10. The term of office of each of the three current directors will end at the conclusion of the Meeting. Unless the director’s office is vacated earlier in accordance with the provisions of the *Canada Business Corporations Act* (“the **Act**”), each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected. The shareholders will be asked at the Meeting to approve a resolution to determine that the number of directors to be elected at the Meeting be three.

The following table sets out the names of management’s three nominees for election as director, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment (for the last five years for each director nominee), the period of time during which each has been a director of the Corporation and the number of Common Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, at August 9, 2019.

Name of Nominee; Current Position with the Corporation and Province and Country of Residence	Period as a Director of the Corporation	Principal Occupations in Past Five Years¹	Common Shares Beneficially Owned or Controlled¹
Joel Freudman⁵ President, CEO and Director Toronto, ON Canada	Since January 25, 2018	President of Resurgent Capital Corp. (capital markets), 2016 - present; Legal Counsel at Industrial Alliance Insurance and Financial Services Inc., 2015 - 2017; Counsel at Royal Bank of Canada, 2014 - 2015	1,000,000 ²
Yaron Conforti⁵ Director Toronto, ON Canada	Since April 19, 2017	Principal of Emmarentia Capital Corp. (venture capital), 2010 – present	1,000,000 ³
Johnathan Dewdney⁵ Director Toronto, ON Canada	Since June 30, 2018	Corporate advisory professional, 2014 – present	500,000 ⁴

Notes:

1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.
2. These Common Shares are beneficially owned by Resurgent Capital Corp., a corporation whose investment decisions are controlled by Joel Freudman. Mr. Freudman also personally holds options to purchase an additional 200,000 Common Shares at \$0.10 each, expiring May 29, 2024.
3. 500,000 Common Shares are registered to and are beneficially owned by Yaron Conforti, and 500,000 Common Shares are registered to Emmarentia Management Corp., a corporation owned and controlled by Yaron Conforti. Mr. Conforti also personally holds options to purchase an additional 200,000 Common Shares at \$0.10 each, expiring May 29, 2024.
4. These Common Shares are held by 2411763 Ontario Incorporated, a company owned and controlled by Johnathan Dewdney. Mr. Dewdney also personally holds options to purchase an additional 200,000 Common Shares at \$0.10 each, expiring May 29, 2024.
5. Member of Audit Committee.

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

Penalties, Sanctions, Cease Trade Orders, Bankruptcies Etc.

No proposed director is, as at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation, in respect of which this Circular is being prepared) that:

- a. was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- b. was subject to an order 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 the capacity as director, chief executive officer or chief financial officer; or
- c. 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 ten (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, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Unless otherwise directed, the persons named in the enclosed Proxy intend to vote FOR the election of the nominees named herein as directors of the Corporation until the close of the next annual general meeting.

APPOINTMENT OF AUDITOR

At the Meeting the Board will nominate Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants (“**DMCL**”), for appointment as auditor of the Corporation for the ensuing year or until their successors are sooner appointed. DMCL was first appointed as auditor of the Corporation effective January 25, 2018.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of DMCL as auditor of the Corporation until the close of the next annual general meeting or until their successors are sooner appointed.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

The provisions of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The Audit Committee’s Charter

The audit committee has a charter, a copy of which is attached as Schedule “A” to this Information Circular.

Composition of the Audit Committee

Pursuant to Section 6.1.1(3) of NI 52-110, a majority of the audit committee must not be executive officers, employees or control persons of the Corporation. Members of the audit committee are Yaron Conforti (Chair), Johnathan Dewdney and Joel Freudman. Mr. Conforti and Mr. Dewdney are not executive officers, employees or control persons of the Corporation, while Mr. Freudman is the President and CEO of the Corporation. All audit committee members are considered to be financially literate.

An audit committee member is financially literate if he has the ability to read and understand a set of financial statements that present a breadth 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 Corporation's financial statements.

Relevant Education and Experience

Each member of the Corporation's audit committee has adequate education and experience relevant to their performance as an audit committee member and, in particular, the requisite education and experience that provides the member with:

- (a) an understanding of the accounting principles used by the Corporation 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 Corporation's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

See further information for each audit committee member below.

Joel Freudman – President, CEO and Director

Mr. Freudman holds a B.Comm. from the University of Toronto and a J.D. from Western University. He is also President and a Director of Resurgent Capital Corp. (2016 to present), a private capital markets business, and President and Chief Executive Officer and a Director of Trius Investments Inc. (TSXV:TRU.H) (2017 to present). Previously, he was Legal Counsel at Industrial Alliance Insurance and Financial Services Inc. (2015 to 2017); Counsel at Royal Bank of Canada (2014 to 2015); and a Securities/M&A Associate at Peterson McVicar LLP (then Peterson & Company LLP) (2012 to 2014), a law firm focused on publicly-traded junior mining issuers.

Yaron Conforti – Director

Mr. Conforti is the principal of Emmarentia Capital Corp., a private company engaged in principal investments and advisory services for venture-stage companies. Mr. Conforti specializes in capital raising, M&A and business development for private and public companies. He previously served in senior roles at Canadian investment banks and in CEO, CFO and corporate director roles for publicly traded companies in various sectors.

Johnathan Dewdney – Director

Mr. Dewdney is a corporate advisory professional who has held senior management positions at several public and private companies, and who provides merger and acquisition, restructuring and general corporate advice and strategies to public and private companies. He is currently a Director of DC Acquisition Corp. (TSXV: DCA.P), a Capital Pool Company listed on the TSXV. Prior to that Mr. Dewdney acted in a variety

of capacities for public companies including acting as the CEO of Greenock Resources, a TSXV-listed company that completed a reverse takeover with BeWhere Holdings in February 2016.

Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than DMCL.

Reliance on Certain Exemptions

At no time has the Corporation 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.

The Corporation is a “venture issuer” as defined in NI 52-110 and is relying on the exemptions in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

Pre-Approval Policies and Procedures

See the Audit Committee Charter for specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by DMCL to the Corporation to ensure auditor independence. Fees incurred with DMCL for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

Nature of Services	Fees Paid to Auditor in Year Ended March 31, 2019	Fees Paid to Auditor for the Period from incorporation and ending March 31, 2018
Audit Fees ⁽¹⁾	\$7,500	\$7,000
Audit-Related Fees ⁽²⁾	\$5,000	Nil
Tax Fees ⁽³⁾	Nil	\$600
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$12,500	\$7,600

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Corporation’s 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.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices; as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

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

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

The independent member of the Board is Johnathan Dewdney. The non-independent directors are Joel Freudman (President, CEO and Promoter) and Yaron Conforti (Promoter).

Directorships

The current directors are directors of other reporting issuers as follows:

Name of Director	Name of Reporting Issuer	Exchange
Joel Freudman	Trius Investments Inc.	TSX-V (NEX)
Yaron Conforti	The Hash Corporation	N/A
	Hinterland Metals Inc.	TSX-V
Johnathan Dewdney	DC Acquisition Corp.	TSX-V

Orientation and Continuing Education

New directors participate in an informal orientation program regarding the role of the Board, the Audit Committee, and its directors, and the nature and operations of the Corporation’s business. Members of the Board are encouraged to communicate with management of the Corporation, external legal counsel and auditors, and other external consultants to educate themselves about the Corporation’s business, the mineral exploration industry, and applicable legal and regulatory developments.

Ethical Business Conduct

The Corporation has not adopted formal guidelines to encourage and promote a culture of ethical business conduct, but does so by nominating board members it considers ethical, by avoiding or minimizing conflicts of interest and by having at least one independent director. It is not anticipated that the Board will adopt formal guidelines in the 12 months following the date of this Circular.

Nomination of Directors

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

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

Compensation

Non-executive directors of the Corporation were not paid fees for the year ending March 31, 2019. Directors of the Corporation will be reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Board, committees of the Board or meetings of the shareholders of the Corporation. The Corporation has not obtained directors’ and officers’ liability insurance or indemnification agreements for the benefit of its directors.

Other Board Committees

The Corporation does not have any committees of the Board other than the Audit Committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independent oversight.

Assessments

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

No formal policy has been established to monitor the effectiveness of the directors, the Board and its committees. However, the Corporation believes that its corporate governance practices are appropriate and effective given the Corporation's developmental stage.

Disclosure, Confidentiality and Insider Trading Policy

The Board has adopted a disclosure policy (the "**Policy**") for the purpose of ensuring that:

- (a) the Corporation complies with its timely disclosure obligations as required under applicable Canadian securities laws, including the Securities Act (Ontario);
- (b) the Corporation prevents the selective disclosure of material changes to investors, analysts, market professionals and others;
- (c) documents released publicly by the Corporation or public oral statements made by an authorized spokesperson of the Corporation that relate to the business and affairs of the Corporation do not contain a misrepresentation;
- (d) all persons to whom the Policy applies understand their obligations to preserve the confidentiality of undisclosed material information; and
- (e) all appropriate parties who have undisclosed material information are prohibited from trading in securities of the Corporation and/or tipping on such undisclosed material information under applicable laws, CSE rules and the Policy.

All of the Corporation's executives and directors are subject to the Policy, which prohibits trading in the Corporation's securities while in possession of material undisclosed information about the Corporation.

STATEMENT OF EXECUTIVE COMPENSATION

The following information is provided as required under *Statement of Executive Compensation – Venture Issuer*, Form 51-102F6V (the "**F6V**"), as such form is defined in National Instrument 51-102 ("**NI 51-102**") and relates to the Corporation's year ended March 31, 2019 and the period from incorporation to March 31, 2018.

References in the F6V to "**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, all share compensation units granted or issued by the Corporation for services provided or to be provided, directly or indirectly, to the Corporation.

All currency references in this section are expressed in Canadian dollars unless otherwise specified.

Named Executive Officer

In this section “Named Executive Officer” (“NEO”) means any individual who, during the Corporation’s most recently completed financial year ended March 31, 2019 was:

- (a) the chief executive officer (“CEO”) (or an individual who acted in a similar capacity) of the Corporation;
- (b) the chief financial officer (“CFO”) (or an individual who acted in a similar capacity) of the Corporation;
- (c) each of the three other most highly compensated executive officers of the Corporation or the three most highly compensated individuals acting in a similar capacity (except those whose total salary and bonus does not exceed C\$150,000); and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer nor a director of the Corporation, nor acting in a similar capacity, at the end of the Corporation’s fiscal years ended March 31, 2019 and 2018.

For the purposes of this section, the following are the NEOs: Joel Freudman, President, CEO and Director and Victor Hugo, Chief Financial Officer and Secretary.

During the year ended March 31, 2019 and the period from incorporation to March 31, 2018, the following persons were directors of the Corporation who were not also NEOs: Yaron Conforti and Johnathan Dewdney.

Director and NEO compensation, excluding compensation securities

The following table sets forth all annual and long term compensation for services paid to or earned by each of the NEOs and directors during the Corporation’s year ended March 31, 2019 and the period from incorporation to March 31, 2018.

Table of compensation excluding compensation securities							
Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Joel Freudman ¹ President, CEO and Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Victor Hugo ² Chief Financial Officer and Secretary	2019	Nil	Nil	Nil	Nil	28,531	28,531
	2018	Nil	Nil	Nil	Nil	3,090	3,090
Yaron Conforti ³ Director and Former President	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Johnathan Dewdney ⁴ Director	2019	Nil	Nil	Nil	Nil	7,500 ⁵	7,500
	2018	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. Mr. Freudman was appointed to these positions on January 25, 2018.
2. Mr. Hugo was appointed to these positions on January 25, 2018. For the year ended March 31, 2019, the Corporation expensed \$28,531, (period from April 19, 2017 (incorporation) to March 31, 2018 - \$3,090) to MSSSI (as defined herein) for bookkeeping services. Victor Hugo, CFO of the Corporation, is an employee of MSSSI.
3. Mr. Conforti served as President from April 19, 2017 to January 25, 2018. He has served as a director since April 19, 2017.

4. Mr. Dewdney was appointed to the board of directors on June 30, 2018.
5. For the year ended March 31, 2019 the Corporation expensed \$7,500 (period from April 19, 2017 (incorporation) to March 31, 2018 - \$nil), to a corporation controlled by the director, for strategic advisory services provided to the Corporation.

Stock Options and Other Compensation Securities

Summary of Stock Option Plan

The Corporation has an incentive-based compensation plan, being the rolling stock option plan which was adopted by the Board on November 26, 2018 and amended on July 15, 2019 (the “**Stock Option Plan**” or the “**Plan**”). The Stock Option Plan is designed to promote the long-term success of the Corporation by strengthening the ability of the Corporation to attract and retain highly competent employees and by promoting greater alignment of interests between executives and shareholders in the creation of long-term shareholder value. A copy of the Stock Option Plan is available under the Corporation’s profile at www.sedar.com.

On July 15, 2019 the Corporation amended its Stock Option Plan to continue to be fully compliant with the CSE policy on hold periods. The below definition of the Stock Option Plan was amended as follows:

“(ee) Regulatory Rules” means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities or of the Exchange;”

The Corporation also amended the Stock Option Plan to contain updated U.S. option holder disclosure and other amendments of an administrative nature that do not affect the rights of the Corporation’s securityholders.

The purpose of granting incentive stock options (“**Options**” or “**options**”) is to assist the Corporation in compensating, attracting, retaining and motivating its executive officers and to closely align the personal interests of such persons to that of the shareholders. No options were granted during the years ended March 31, 2019 or 2018.

On May 29, 2019, upon closing of its Prospectus Offering, the Corporation granted an aggregate of 725,000 Options to certain directors, officers and a consultant of the Corporation with an exercise price of \$0.10 per Common Share for a period of 5 years.

On July 2, 2019, the Corporation granted 100,000 Options to a consultant of the Corporation with an exercise price of \$0.10 per Common Share for a period of 5 years.

The Board has the authority either to grant Options or to delegate to any Board committee the ability to grant Options to the Corporation’s directors, management, employees and consultants. Options can be granted, from time to time at the sole discretion of the Board or such committee, to persons eligible to receive Options under the Stock Option Plan. Option exercise prices are set in accordance with CSE policies.

In determining the number of Options to be granted to the executive officers, the Board considers a number of factors including the amount and term of Options previously granted, base salary and annual performance incentives awarded to the executives and commensurate with those offered by other companies in the mineral exploration industry; and the exercise price of any outstanding options to ensure that such grants are in accordance with CSE policies. Options vest on terms established by the Board at the time of grant.

The Stock Option Plan is a rolling plan. Under the Plan, options totalling a maximum of 10% of the Common Shares outstanding from time to time are available for grant.

As at August 9, 2019 there were 10,400,000 Common Shares issued and outstanding. Accordingly, under the Stock Option Plan the Corporation has the authority to grant options to purchase up to a total of 1,040,000 Common Shares. At the date of this Information Circular, options to purchase an aggregate of 825,000 Common Shares are granted and outstanding under the Stock Option Plan, representing 7.9% of the outstanding Common Shares.

Stock Option Grants

During the Corporation's year ended March 31, 2019 and the period from incorporation to March 31, 2018 there were no Options granted.

Exercise of Compensation Securities by NEOs and Directors

During the Corporation's year ended March 31, 2019 and the period from incorporation to March 31, 2018 no Options were exercised.

Employment, consulting and management agreements

Victor Hugo provides CFO services to the Corporation through an external management company, Marrelli Support Services Inc. ("MSSI"), which has been engaged by the Corporation to provide these services and of which Mr. Hugo is an employee. Pursuant to the management agreement, the Corporation pays MSSI \$1,500 per month in consulting fees for the provision of CFO services by Mr. Hugo on behalf of MSSI.

Other than as set out immediately above, and under "Director and NEO compensation, excluding compensation securities", and below under "Actions after the Corporation's March 31, 2019 Financial Year End", the Corporation has no agreements or arrangements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Corporation that were performed by a director or NEO.

Oversight and description of director and NEO compensation

Due to the Corporation's early stage of development and limited financial resources, its directors and NEOs do not receive any cash compensation for their services, except as described above under "Employment, consulting and management agreements". The Corporation's only equity compensation mechanism is its Stock Option Plan as described above under "Summary of Stock Option Plan".

Actions after the Corporation's March 31, 2019 Financial Year End

On May 29, 2019, under the Corporation's long form prospectus dated March 29, 2019, the Corporation completed its Prospectus Offering of 3,000,000 Common Shares at a price of \$0.10 per share for gross proceeds of \$300,000.

On May 29, 2019 the Corporation granted an aggregate of 725,000 Options to certain directors and officers and a consultant of the Corporation. Each Option is exercisable at a price of \$0.10 for a period of 5 years.

On May 29, 2019, certain NEOs and directors were awarded cash bonuses as follows: Yaron Conforti: \$7,500, Joel Freudman: \$10,500 and Johnathan Dewdney: \$2,500. With the concurrence of such NEOs and directors, payment of all such bonuses has been deferred.

On July 2, 2019 the Corporation granted 100,000 Options to a consultant of the Corporation. Each Option is exercisable at a price of \$0.10 for a period of 5 years.

Pension Disclosure

The Corporation does not have any deferred compensation plan or pension plan in place that provides for payments or benefits at, following or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

See disclosure under “*Stock Options and Other Compensation Securities*” under “*Statement of Executive Compensation*” above for disclosure on the Corporation’s equity compensation regime.

The following table sets out equity compensation plan information as at the end of the financial year ended March 31, 2019, when there was 7,100,000 Common Shares outstanding. Accordingly, there was an aggregate maximum of 710,000 Common Shares available for exercise of Options pursuant to the Stock Option Plan. Currently, as of the date hereof, there are 10,400,000 Common Shares outstanding. Accordingly, there are an aggregate maximum of 1,040,000 Common Shares available for exercise of Options pursuant to the Stock Option Plan. Currently, 825,000 Options are outstanding, leaving a total of 215,000 available for grant.

Equity Compensation Plan Information

	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 (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans to be approved by securityholders - (the Stock Option Plan)	Nil	N/A	710,000
Equity compensation plans not approved by securityholders	N/A	N/A	Nil
Total	Nil	N/A	710,000

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 Corporation were indebted to the Corporation or have any indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, as of the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation during the year ended March 31, 2019, or has any interest in any material transaction in the current year or as of the date hereof, other than as set out above under “Actions after the Corporation’s March 31, 2019 Financial Year End”.

MANAGEMENT CONTRACTS

Except as disclosed above under “Employment, consulting and management agreements” with respect to MSSI, there are no management functions of the Corporation, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

Items of Business

1. Financial Statements – see page 4 above;
2. Election of Directors – see pages 5-6 above;
3. Appointment of Auditor – see page 6 above; and
4. Ratification of Option Plan – see page 15 below.

Ratification of the Stock Option Plan

Under the Stock Option Plan, an aggregate of 10% of the issued and outstanding Common Shares at the time an option is granted, less any outstanding options, are available for issuance to eligible optionees.

Material Terms of the Plan

As the Corporation is now listed on the CSE, pursuant to CSE policies covering option grants, namely CSE Policy 6, the Corporation must:

- (a) not grant options with an exercise price lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the options; and (b) the date of grant of the options;
- (b) comply with the provisions of National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”), under which the Corporation is deemed to be an “unlisted issuer” for the purposes of Division 4 of NI 45-106;
- (c) post notice of option grants or amendments in CSE Form 11 immediately following each grant of options by the Corporation;
- (d) upon first grant of options under the Plan, provide the CSE with an opinion of counsel that all the securities issuable under the Plan will be duly issued and be outstanding as fully paid and non-assessable shares;
- (e) abide by the requirement that terms of an option granted under the Plan may not be amended once issued. If an option is cancelled prior to its expiry date, the Corporation must post notice of the cancellation and shall not grant new options to the same person until 30 days have elapsed from cancellation of the previous options.

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

Eligible Optionees

To be eligible to receive a grant of options under the Plan an optionee must be an executive, or an employee, or a consultant of the Corporation providing services to the Corporation or a subsidiary at the time the option is granted.

Restrictions

The Plan is subject to the following restrictions, with capitalized terms as defined in the Plan:

- (a) The maximum number of Options granted to any one Option Holder within any 12 month period shall be 5% of the outstanding Common Shares issued, unless the Corporation has obtained disinterested shareholder approval if required under regulations, to do so;
- (b) If required under regulations to do so, the Corporation must obtain disinterested shareholder approval, in order to grant to Insiders under the Plan within a 12 month period, a number of Options

which, when added to the number of outstanding Options granted to Insiders within the previous 12 months, will exceed 10% of the issued Common Shares;

- (c) The maximum number of Options which may be granted to any one Consultant within any 12 month period must not exceed 2% of the issued Common Shares;
- (d) The maximum number of Options that may be granted within any 12 month period to Employees or Consultants engaged in investor relations activities must not exceed 2% of the issued Common Shares, and such Options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period.

Administration and Terms of the Plan

- (a) The Plan is administered by the Board or its appointed committee.
- (b) The expiry date of an Option shall be no later than the tenth anniversary of the date of grant of the Option.
- (c) Grant and expiry dates, the exercise price, the vesting schedule and the number of Common Shares which may be purchased pursuant to an Option shall be fixed by the Board or its committee appointed to grant options.
- (d) The Corporation may implement such procedures and conditions as the Board or its committee 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.
- (e) 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 Black-Out (as defined in the Plan, generally meaning circumstances where sensitive negotiations or other like information is not yet public), options may not be exercised during a Black-Out unless the Board or its appointed committee determines otherwise.
- (f) An Option granted to any Option Holder will continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days (or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Corporation is guaranteed either by statute or by contract.) If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the 91st day of such leave.
- (g) An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder, who may exercise an Option in whole or in part at any time and from time to time following vesting and up to the expiry of the Option by delivering the required notice and payment pursuant to the terms of the Plan. Options may not be exercised during a Black-Out unless the Board or its appointed committee determines otherwise.
- (h) The Board reserves the right, subject to regulatory requirements, in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Common Shares in respect of options which have not yet been granted under the Plan. Where any amendment relates to an existing Option, if the amendment would:
 - materially decrease the rights or benefits accruing to an Option Holder; or
 - materially increase the obligations of an Option Holder;

then, unless otherwise excepted out by the Plan, the Board or committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the exercise price of an Option is reduced the Option Holder is an Insider of the Corporation, the Insider must not exercise the option at the reduced exercise price until the reduction in exercise price has been approved by

the disinterested shareholders of the Corporation, if such disinterested shareholder approval is required by the CSE.

- (i) A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

A copy of the Plan is available under the Corporation's SEDAR profile at www.sedar.com.

Shareholder Approval

At the Meeting, Shareholders will be asked to consider and vote on an ordinary resolution to ratify, confirm and approve the amended Plan, with or without variation, as follows:

“**RESOLVED** as an ordinary resolution, that:

- (a) the Stock Option Plan dated for reference November 26, 2018 as amended on July 15, 2019 (the “**Plan**”) be ratified, confirmed and approved;
- (b) the number of Common Shares reserved for issuance under the Plan shall not exceed 10% of the Corporation's issued and outstanding share capital at the time any stock option is granted; and
- (c) any one or more of the directors or officers of the Corporation be authorized to perform all such acts, deeds and things and execute all such documents and make all such filings with the CSE that may be required to give effect to this resolution.”

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the ratification of the Stock Option Plan.

ADDITIONAL INFORMATION

Financial information is provided in the audited financial statements of the Corporation for the year ended March 31, 2019 and in the related management discussion and analysis (together, the “**Financial Statements**”). Copies of the Financial Statements are available on www.sedar.com and will be available at the Meeting.

Additional information relating to the Corporation is available as filed on www.sedar.com and upon request from the Corporation's Chief Executive Officer at 181 Bay Street, Brookfield Place, Suite 4400, Toronto, ON M5J 2T3. Copies of documents will be provided free of charge to security holders of the Corporation. The Corporation may require the payment of a reasonable charge from any person or company who is not a security holder of the Corporation, who requests a copy of any such document.

OTHER MATTERS

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

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

APPROVED by the Board at Toronto, Ontario, this 9th day of August, 2019.

BY ORDER OF THE BOARD

(signed) Joel Freudman

Joel Freudman
President and Chief Executive Officer

SCHEDULE A

IM EXPLORATION INC. (the “Corporation”)

AUDIT COMMITTEE CHARTER

1. Mandate

The audit committee will assist the board of directors (the “**Board**”) in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each audit committee member must obtain an understanding of the principal responsibilities of audit committee membership as well and the Corporation’s business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

2.1 Independence

As long as the Corporation is a venture issuer, a majority of the members of the audit committee will not be executive officers, employees or control persons of the Corporation.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the audit committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The audit committee shall meet quarterly, whether in person, or via written consent resolutions, and at other times that the audit committee may determine. The audit committee shall meet with the Corporation’s Chief Financial Officer and external auditors in separate executive sessions as business dictates.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, including the resolution of disagreements between

management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 *Internal Control*

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 *Financial Reporting*

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and

the results of the audit, including any difficulties encountered; and

(c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

(a) review and approve the interim financial statements prior to their release to the public; and

(b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

(a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

Delegation of Authority

(a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

(a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:

(i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or

(ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

(a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit

services, if:

- (i) the pre-approval policies and procedures are detailed as to the particular service;
- (ii) the audit committee is informed of each non-audit service; and
- (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 *Other Responsibilities*

The audit committee shall:

- (a) handle the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
- (b) handle confidential, anonymous submissions by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter in response to business needs or changing regulatory requirements and receive approval of changes to this Charter from the Board.

4.6 *Reporting Responsibilities*

The audit committee shall regularly update the Board about audit committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

