



**THC BIOMED INTL. LTD.**  
**NOTICE OF MEETING AND INFORMATION CIRCULAR**  
**FOR THE ANNUAL GENERAL AND SPECIAL MEETING**  
**OF THE SHAREHOLDERS**  
**TO BE HELD ON NOVEMBER 7, 2017**

Dated October 6, 2017

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should contact your advisor immediately.*

**THC BIOMED INTL. LTD.**  
P.O. Box 20033 Towne Centre  
Kelowna B.C. V1Y 9H2

**NOTICE OF MEETING**

NOTICE IS HEREBY GIVEN THAT the annual general and special meeting (the "**Meeting**") of the holders of common shares (the "**Shareholders**") of THC BioMed Intl. Ltd. (the "**Company**") will be held at the 29<sup>th</sup> Floor, 595 Burrard Street, Vancouver, BC V7X 1J5, on Tuesday, November 7, 2017 at 11:00 a.m. (Pacific time), for the following purposes:

**2013 Annual General and Special Meeting:**

1. to receive the audited financial statements of the Company for the fiscal year ended July 31, 2013;
2. to ratify, confirm and approve the election of the directors of the Company for the 2013 annual general and special meeting;
3. to ratify, confirm and approve the delay and postponement of the 2013 annual general meeting to the date of the Meeting;
4. to ratify, confirm and approve all acts of the directors of the Company from September 25, 2013, being the date of the 2012 annual general meeting, to the date of the Meeting with respect to the 2013 annual general meeting;

**2014 Annual General and Special Meeting:**

5. to receive the audited financial statements of the Company for the fiscal year ended July 31, 2014;
6. to ratify, confirm and approve the election of the directors of the Company for the 2014 annual general and special meeting;
7. to ratify, confirm and approve the delay and postponement of the 2014 annual general meeting to the date of the Meeting;
8. to ratify, confirm and approve all acts of the directors of the Company from September 25, 2013, being the date of the 2012 annual general meeting, to the date of the Meeting with respect to the 2014 annual general meeting;

**2015 Annual General and Special Meeting:**

9. to receive the audited financial statements of the Company for the fiscal year ended July 31, 2015;
10. to ratify, confirm and approve the election of the directors of the Company for the 2015 annual general and special meeting;
11. to ratify, confirm and approve the delay and postponement of the 2015 annual general meeting to the date of the Meeting;

12. to ratify, confirm and approve all acts of the directors of the Company from September 25, 2013, being the date of the 2012 annual general meeting, to the date of the Meeting with respect to the 2015 annual general meeting;

**2016 Annual General and Special Meeting:**

13. to receive the audited financial statements of the Company for the fiscal year ended July 31, 2016 and the interim unaudited financial statements of the Company for the period ended April 30, 2017;
14. to set the number of directors of the Company at four (4);
15. to elect the directors of the Company to hold office until the next annual meeting of Shareholders of the Company;
16. to appoint Wolrige Mahon LLP as the Company's auditor for the fiscal year ending July 31, 2017 and to authorize the Board of Directors to fix the remuneration to be paid to the auditor;
17. to consider and, if thought advisable, to pass, with or without amendment, a special resolution to amend the Articles of the Company, as more particularly described in the accompanying Information Circular;
18. to ratify, confirm and approve the delay and postponement of the 2016 annual general meeting to the date of the Meeting; and
19. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Board of Directors has fixed October 2, 2017 as the record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered Shareholder at the close of business on that date is entitled to receive notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered Shareholder and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company's transfer agent, Computershare Investor Services Inc., at its office located on the 2nd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9, by no later than 11:00 a.m. (Pacific time) on Friday, November 3, 2017, or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting.

If you are a non-registered Shareholder and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

Dated at Vancouver, British Columbia as of October 6, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

*“/s/ John Miller”*

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**John Miller**  
President, Chief Executive Officer and Director

**THC BIOMED INTL. LTD.**  
P.O. Box 20033 Towne Centre  
Kelowna B.C. V1Y 9H2

## **INFORMATION CIRCULAR**

### **INTRODUCTION**

This Information Circular accompanies the notice of annual general and special meeting (the “**Notice**”) and is being furnished to the holders of common shares of THC BioMed Intl. Ltd. (the “**Company**”) in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of shareholders to be held at 11:00 a.m. (Pacific time) on Tuesday, November 7, 2017 at the 29<sup>th</sup> Floor, 595 Burrard Street, Vancouver, BC V7X 1J5, or at any adjournment or postponement thereof.

#### **Date and Currency**

The date of this Information Circular is October 6, 2017. Unless otherwise stated, all amounts herein are in Canadian dollars.

### **PROXIES AND VOTING RIGHTS**

#### **Management Solicitation**

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

The Company has arranged for intermediaries to forward the Meeting materials to beneficial owners of common shares of the Company held of record by those intermediaries. The Company has distributed or made available for distribution, copies of the Notice, this Information Circular and form of proxy to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to holders (the “**Beneficial Shareholders**”) of the Company’s common shares held of record by those Intermediaries. Such Intermediaries are required to forward such documents to the Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Company will pay the permitted fees and costs of the Intermediaries for reasonable fees and disbursements incurred in connection with the distribution of these materials.

The Company will pay for intermediaries to forward to non-objecting beneficial owners under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary*. The Company does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner’s intermediary assumes the cost of delivery.

These materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer 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.

### **Appointment of Proxy**

Registered shareholders are entitled to vote at the Meeting. On a show of hands, every registered shareholder is entitled to one vote for each common share that such registered shareholder holds on the record date of October 2, 2017 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting. The list of registered shareholders is available for inspection during normal business hours at the offices of the Company’s registrar and transfer agent, Computershare Investor Services Inc. (the “**Transfer Agent**”), and will be available at the Meeting.

The person named as proxyholders (the “**Designated Person**”) in the enclosed form of proxy is John Miller, the President, CEO and a director of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.**

**TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

In order to be voted, the completed form of proxy must be received by the Transfer Agent at its offices located at 2nd Floor, 510 Burrard Street Vancouver, BC V6C 3B9, by mail or fax, no later than 11:00 a.m. (Pacific time) on Friday, November 3, 2017, or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting. The Company may extend the deadline to accept proxies in its complete and sole discretion.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder’s attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially-certified copy thereof, must accompany the form of proxy.

## Revocation of Proxy

A registered shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chair of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a registered shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

## Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. **The common shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF THE BOARD OF DIRECTORS FOR DIRECTORS AND AUDITOR.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the common shares on any matter, the common shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

## ADVICE TO BENEFICIAL SHAREHOLDERS

**The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting.** 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 depository 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). **Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to the names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of common shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the common shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form as a proxy to vote common shares directly at the Meeting. Rather, such a voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend the Meeting and vote his or her common shares.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company is authorized to issue an unlimited number of common shares without par value. As of the date of this Information Circular, a total of 105,070,423 common shares were issued and outstanding. Each common share carries the right to one vote at the Meeting.



Only registered shareholders as of October 2, 2017, being the record date, are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement thereof.

As of the date of this Information Circular, to the knowledge of the directors and senior officers of the Company, the following persons or companies beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to the outstanding common shares of the Company:

- John Miller, Chief Executive Officer, President, and a director of the Company, holds approximately 20% of the issued and outstanding shares of the Company; and
- Hee Jung Chun, a director of the Company, holds approximately 17% of the issued and outstanding shares of the Company.

## **PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING**

### **2013 Annual General and Special Meeting:**

#### **Presentation of 2013 Financial Statements**

The audited financial statements of the Company for the fiscal year ended July 31, 2013, will be placed before the Meeting. Receipt at the Meeting of those financial statements will not constitute approval or disapproval of any matters referred to therein. No vote will be taken on the financial statements, which are available at [www.sedar.com](http://www.sedar.com).

#### **Ratify Election of 2013 Directors**

Management of the Company proposes to ratify, confirm and approve the election and appointment of the previously appointed directors of the Company for the year ended July 31, 2014.

#### **Ratify all Acts of Directors from the 2012 AGM to Meeting Date**

Management of the Company proposes to ratify, confirm and approve all past acts of the directors and officers of the Company from September 25, 2013, being the date of the 2012 annual general meeting, to the date of the Meeting for the 2013 meeting.

### **2014 Annual General and Special Meeting:**

#### **Presentation of 2014 Financial Statements**

The audited financial statements of the Company for the fiscal year ended July 31, 2014, will be placed before the Meeting. Receipt at the Meeting of those financial statements will not constitute approval or disapproval of any matters referred to therein. No vote will be taken on the financial statements, which are available at [www.sedar.com](http://www.sedar.com).

#### **Ratify Election of 2014 Directors**

Management of the Company proposes to ratify, confirm and approve the election and appointment of the previously appointed directors of the Company for the year ended July 31, 2014.

### **Ratify all Acts of Directors from the 2012 AGM to Meeting Date**

Management of the Company proposes to ratify, confirm and approve all past acts of the directors and officers of the Company from September 25, 2013, being the date of the 2012 annual general meeting, to the date of the Meeting for the 2014 meeting.

### **2015 Annual General and Special Meeting:**

#### **Presentation of 2015 Financial Statements**

The audited financial statements of the Company for the fiscal year ended July 31, 2015, will be placed before the Meeting. Receipt at the Meeting of those financial statements will not constitute approval or disapproval of any matters referred to therein. No vote will be taken on the financial statements, which are available at [www.sedar.com](http://www.sedar.com).

#### **Ratify Election of 2015 Directors**

Management of the Company proposes to ratify, confirm and approve the election and appointment of the previously appointed directors of the Company for the year ended July 31, 2015.

### **Ratify all Acts of Directors from the 2012 AGM to Meeting Date**

Management of the Company proposes to ratify, confirm and approve all past acts of the directors and officers of the Company from September 25, 2013, being the date of the 2012 annual general meeting, to the date of the Meeting for the 2015 meeting.

### **2016 Annual General and Special Meeting:**

#### **Presentation of 2016 Financial Statements**

The audited financial statements of the Company for the fiscal year ended July 31, 2016 and the interim unaudited financial statements of the Company for the three months ended April 30, 2017, will be placed before the Meeting. Receipt at the Meeting of those financial statements will not constitute approval or disapproval of any matters referred to therein. No vote will be taken on the financial statements, which are available at [www.sedar.com](http://www.sedar.com).

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") and NI 54-101, a person or corporation who in the future wishes to receive annual and interim financial statements from the Company must deliver a written request for such material to the Company. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the appropriate section on the enclosed request form and send it to the Transfer Agent.

#### **Election of Directors**

At present, the directors of the Company are elected at each annual meeting of shareholders and hold office until the next annual meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier resignation, removal or death. In the absence of instructions to the contrary, the enclosed form of proxy will be voted for the nominees listed in the form of proxy, all of whom are presently members of the Board of Directors.

Management of the Company proposes to nominate the persons named in the table below for election by the shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, as of the date of this Information Circular, is as follows:

Name, Province, Country of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>	Period as Director	Number of Common Shares Owned <sup>(1)</sup>
<b>John Miller</b> <sup>(2)</sup> Kelowna, BC Canada Director, President and CEO	Director and Officer of the Company since June 3, 2014; previously director and officer of THC Meds Inc. and director and officer of THC BioMeds Ltd. since August, 2012	January 14, 2015 - Current	20,807,867
<b>Hee Jung Chun</b> Kelowna, BC Canada Director and CFO	Director of the Company since June 3, 2014; previously director and officer of THC Meds Inc. and director and officer of THC BioMeds Ltd. since August, 2012.	January 14, 2015 - Current	18,144,368
<b>George Smitherman</b> <sup>(2)</sup> Toronto, ON Canada Director	Since his unplanned exit from politics in 2010 George has been focused on building businesses and supporting his growing family. As a founder of three companies and a Director of several public companies George works to leverage his public experience and sectoral knowledge. George has served in senior roles at all three levels of government in a career spanning 30 years. George is sought after as a speaker and commentator on a wide array of public policy matters and called upon to lend support to various community initiatives.	January 14, 2015 - Current	Nil
<b>Ashish Dave</b> <sup>(2)</sup> Kelowna, BC Canada Director	Dr. Dave is a scientist who has previously consulted for the Company prior to being appointed as a director June 13, 2017. Dr. Dave has a PHD in plant tissue culture and a Master's Degree in botany. Dr. Dave has been President and CEO with FloraMaxx Technologies Ltd. since February of 2015 in addition to being in charge of research and development at Kalala Organic Estate Winery in West Kelowna, BC since September 2011.	June 13, 2017 - Current	Nil

(1) The number of common shares beneficially owned, or controlled or directed, directly or indirectly, at the date of this Information Circular is based upon information furnished to the Company by the individual directors.

(2) Member of the Audit Committee.

**Management recommends that shareholders approve each of the nominees listed above for election as a director of the Company for the ensuing year.**

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

**Penalties, Sanctions and Bankruptcy**

Other than as disclosed below, no director or officer or, to our knowledge, shareholder holding sufficient securities to affect materially our control, nor a personal holding company of any such persons, has within the past 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

- Hee Jung Chun was discharged from bankruptcy on March 12, 2011.

During the past 10 years, none of our directors, officers, insiders, or promoters, or a shareholder holding a sufficient number of our securities to materially affect control of us, was a director, officer, insider, or promoter of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied that issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days, or 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 the assets of that person.

No director or officer or, to the our knowledge, shareholder holding sufficient securities to affect materially our control, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

### **Re-Appointment of Auditor**

At the Meeting, shareholders will be asked to pass an ordinary resolution re-appointing Wolrige Mahon LLP as the auditor of the Company to hold office until the next annual meeting of the shareholders or until such firm is removed from office or resigns as provided by law and to authorize the Board of Directors to fix the remuneration to be paid to the auditor. Wolrige Mahon LLP, of Vancouver, British Columbia, has served as the auditor of the Company since December 19, 2014.

**Management recommends that shareholders approve the re-appointment of Wolrige Mahon LLP as the auditor of the Company for the fiscal year ended July 31, 2017, at a remuneration to be fixed by the Board of Directors.**

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Definitions**

For the purpose of this Information Circular:

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**named executive officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;;

- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102FV6 *Statement of Executive Compensation – Venture Issuers*, for that financial year; and
- (d) each individual who would be an named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

#### Director and Named Executive Officer Compensation

The following table summarizes the compensation paid to each NEO for each of the Company’s four most recently completed financial years:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Jason Walsh, Chairman	2016 <sup>(1)</sup>	\$121,700	Nil	Nil	Nil	Nil	\$121,700
	2015 <sup>(2)</sup>	\$ 76,335					\$ 76,335
	2014 <sup>(5)</sup>	\$ 157,950					\$ 157,950
	2013	\$ 12,000					\$12,000
John Miller, President, CEO and Director	2016	\$ 62,400	Nil	Nil	Nil	Nil	\$ 62,400
	2015	\$ 99,990					\$ 99,990
	2014 <sup>(5)</sup>	\$ Nil					\$ Nil
	2013	\$ Nil					\$ Nil
Hee Jung Chun, CFO and Director	2016	\$ 62,400	Nil	Nil	Nil	Nil	\$ 62,400
	2015	\$ 64,990					\$ 64,990
	2014 <sup>(5)</sup>	\$ Nil					\$ Nil
	2013	\$ Nil					\$ Nil
Tracey St. Denis, Former CFO	2016 <sup>(3)</sup>	\$ 92,255	Nil	Nil	Nil	Nil	\$92,255
	2015	\$ Nil					\$ Nil
	2014 <sup>(5)</sup>	\$ Nil					\$ Nil
	2013	\$ Nil					\$ Nil
Geoff Watson, Former CFO	2016 <sup>(4)</sup>	\$ 12,000	Nil	Nil	Nil	Nil	\$ 12,000
	2015 <sup>(4)</sup>	\$ 19,742					\$ 19,742
	2014 <sup>(5)</sup>	\$ 48,000					\$ 48,000
	2013	\$ 12,000					\$ 12,000

<sup>(1)</sup> Jason Walsh earned \$72,500 for consulting fees through BUA Capital Management Ltd. and \$49,200 for administrative fees through BUA Group Holdings Ltd.

<sup>(2)</sup> Jason Walsh earned \$49,355 for consulting fees through BUA Capital Management Ltd. and \$26,980 for administrative fees through BUA Group Holdings Ltd.

<sup>(3)</sup> Tracey St. Denis earned accounting fees through T. St. Denis, Inc.

<sup>(4)</sup> Geoff Watson earned consulting fees through GRW Inc.

<sup>(5)</sup> Year ended September 30, 2014 prior to the RTO

### External Management Companies

The Company does not have any agreements with external management companies.

### Stock Options and Other Compensation Securities

The following table summarized the compensation securities granted or issued to each director and NEO by the Company or one of its subsidiaries in the year ended July 31, 2016 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### Exercise of Compensation Securities by Directors and NEOs

The following table summarizes the exercise of compensation securities by each director and NEO for the year ended July 31, 2016:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### Stock Option Plans and Other Incentive Plans

The Company is authorized to grant options to directors, officers, and employees to acquire common shares. The Company's previous stock option plan was cancelled and the Company has adopted the 2015 Stock Option Incentive Plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the issued common shares of the Company from time to time. Options granted under the Plan may have a maximum term of ten (10) years. The exercise price of options

granted under the Plan will not be less than the fair market value price of the shares on the date of grant of the options (defined as the last closing market price of the Company's shares on the last day shares are traded prior to the grant date). Stock options granted under the Plan vest immediately subject to vesting terms which may be imposed at the discretion of the Directors. Stock options granted under the Plan are to be settled with the issuance of equity instruments.

A copy of the Plan is available for review at (a) [www.sedar.com](http://www.sedar.com) as an "other material contract" of the Company; and (b) the registered and records office of the Company at the 29<sup>th</sup> Floor, 595 Burrard Street, Vancouver, BC V7X 1J5 during normal business hours up to and including the date of the Meeting.

The Plan was previously approved by the Company's shareholders at the 2015 Annual General Meeting of the Shareholders

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

The consulting agreement and administrating agreement with Jason Walsh's companies were on a month to month basis for \$7,500 and \$4,100 respectively. The agreements were terminated in November 2016.

Monthly salaries of \$5,200 were paid to each of John Miller (CEO) and Hee Jung Chun (CFO) during the year ended July 31, 2016.

### **Oversight and Description of Director and Named Executive Officer Compensation**

The Board of Directors is responsible for determining, by way of discussions at board meetings, the compensation to be paid to the directors and executive officers of the Company.

The Board of Directors determines whether executive officer compensation is commensurate with skills and industry standards.

The significant elements of compensation awarded to, earned by, paid or payable to the named executive officers for the financial year ended July 31, 2016 are as follows:

- Jason Walsh earned consulting fees through BUA Capital Management Ltd. and administration fees through BUA Group Holdings Ltd. until November, 2016.
- John Miller earns a monthly salary;
- Hee Jung Chun earns a monthly salary;
- Tracey St. Denis earned accounting fees through T. St. Denis, Inc.; and
- Geoff Watson earned consulting fees through GRW Inc.

Effective August 1, 2016, director fees of \$500 per month are paid to John Miller, Hee Jung Chun, George Smitherman, and Ashish Dave.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of all compensation plans under which equity securities of the Company were authorized for issuance, as of the end of the Company's most recently completed financial year, July 31, 2016:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders			
Equity compensation plans not approved by security holders	1,500,000	\$0.11	-
Total	1,500,000	\$0.11	-

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of October 4, 2017, no director, executive officer or employee of the Company or any of its subsidiaries; former directors, executive officers or employees of the Company or any of its subsidiaries; proposed nominee for election as a director of the Company; or any associate of any of the foregoing: (i) is or has been indebted to the Company or any of its subsidiaries at any time since the beginning of the Company's most recently completed financial year, or (ii) is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries at any time since the beginning of the Company's most recently completed financial year.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Information Circular, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, common shares or who exercises control or direction of common shares, or a combination of both carrying more than 10% of the voting rights attached to the outstanding common shares (an "Insider"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of common shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of common shares.

## AUDIT COMMITTEE DISCLOSURE

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



## Audit Committee Charter

On December 12, 2014, the Company adopted an audit committee charter, the text of which is included as Schedule A to this Information Circular.

## Composition of the Audit Committee

As of the date of this Information Circular, the following are the members of the Audit Committee:

Name	Independence	Financial Literacy
John Miller	Not Independent	Financially literate
George Smitherman	Independent	Financially literate
Ashish Dave	Independent	Financially literate

## Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

**John Miller** – Mr. Miller is a businessman with many years of experience in the operation and management of companies, including the review and discussion of financial statements.

**George Smitherman** – Mr. Smitherman has a lifetime of public fund management with budget accountability topping \$30 Billion annually as well as broad regulatory and governance expertise.

**Ashish Dave** – Dr. Dave has many years of experience as CEO and President of private companies reviewing corporate company balance sheets and financial statements.

## Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year did the Board of Directors fail to adopt a recommendation of the Audit Committee to nominate or compensate an auditor.

## Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on an exemption in or from NI 52-110, other than the exemption in section 6.1 as described below.

## Reliance on Section 6.1

Pursuant to section 6.1 of NI 52-110, as a venture issuer we are relying on the exemption from the audit committee composition requirements and certain reporting obligations found in Parts 3 and 5 of NI 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter under the heading "External Auditors".

### External Auditor Service Fees

In the following table, “audit fees” are fees billed by the Company’s auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company’s auditor in the last four fiscal years, by category, are as set out in the table below.

	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)
Audit fees	35,000	25,000	18,000	17,000
Audit-related fees	3,000	-	5,500	-
Tax fees	1,000	2,000	1,000	1,000
All other fees	-	-	-	-

### MANAGEMENT CONTRACTS

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

### CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the Board of Directors and the Company’s management believes that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Company’s corporate governance practices, which addresses the matters set out in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, is set out below.

#### Board of Directors

The Board of Directors facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board.

#### Independence of Directors

Both George Smitherman and Ashish Dave are not officers or employees of the Company or of an affiliate of the Company and are, thus, independent.

#### Directorships

The following directors of the Company and each of the individuals to be nominated for election as a director of the Company at the Meeting serve as directors of other reporting issuers, as of the date of this Information Circular:

Name of Director	Other Reporting Issuer	Name of Exchange or Market
George Smitherman	Ceylon Graphite	TSX-V

### **Orientation and Continuing Education**

The Board of Directors briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board of Directors does not provide any continuing education, but does encourage directors to individually and as a group keep themselves informed on changing corporate governance and legal issues. Directors are individually responsible for updating their skills required to meet their obligations as directors. In addition, the Board undertakes strategic planning sessions with management.

### **Ethical Business Conduct**

The Board of Directors has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law in combination with the restrictions placed by applicable corporate legislation on an individual director's 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.

### **Nomination of Directors**

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

### **Compensation**

The Board of Directors conducts reviews with regard to the compensation of the directors and CEO once a year. To make its recommendations on such compensation, the Board of Directors informally takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies.

Effective August 1, 2016, director fees of \$500 per month are paid to John Miller, Hee Jung Chun, George Smitherman, and Ashish Dave.

The Board does not currently have a compensation committee.

### **Other Board Committees**

The Board of Directors has no other committees other than the Audit Committee.

### **Assessments**

The Board of Directors regularly monitors the adequacy of information given to directors, communications between the board and management and the strategic direction and processes of the Board and its committees. The Board is currently responsible for assessing its own effectiveness, the effectiveness of individual directors and the effectiveness of the Audit Committee.

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who has been a director or executive officer at any time since the beginning of the Company's last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliates of any such directors, executive officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of common shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

## **AMENDMENT OF ARTICLES**

The Board believes that the existing Articles of the Company (the "**Current Articles**") do not allow for the maximum efficiency in the Company's operations and do not reflect the current provisions of the Act. The proposed amendments to the Articles (the "**Amendments to the Articles**") will all for maximum efficiency and reflect the current provisions of the Act.

A copy of the proposed Amendments to the Articles of the Company will be available for inspection at the Meeting and at the Company's registered office located at the 29<sup>th</sup> Floor, 595 Burrard Street, Vancouver, BC V7X 1J5 during regular business hours up to the last business day before the Meeting.

**The Company wishes to add the following provisions to Article 14 as an Amendment to the Articles:**

### **14.12 Nomination of Directors**

Only persons who are eligible under the Act and who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual meeting of shareholders or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- a) by or at the direction of the Board, including pursuant to a notice of meeting;
- b) by or at the direction or request of one or more shareholders pursuant to a "proposal" made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or;
- c) by any person (a "**Nominating Shareholder**"):
  - i) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below and at the close of business on the record date for notice of such meeting, is entered in the Company's securities register as a holder of one or more common shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
  - ii) who complies with the notice procedures set forth below.

### **14.13 Timely Notice for Nomination of Directors**

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Company at the principal executive offices of the Company.

To be timely, a Nominating Shareholder's notice to the Secretary of the Company must be made:

- a) in the event of an annual meeting of shareholders, not less than 25 nor more than 65 days prior to the date of the annual meeting of shareholders; provided however, that in the event the annual meeting of shareholders is to be held on a date that is less than 30 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

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

#### **14.14 Form of Notice for Nomination of Directors**

To be in in proper written form, a Nominating Shareholder's notice to the Secretary of the Company must set forth:

- a) the effective date of the information in the Nominating Shareholder's notice, which date shall be within 10 (ten) calendar days of the date of delivery of such notice to the Company;
- b) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
  - (i) the name, age, business address and residential address of the person;
  - (ii) the present principal occupation or employment of the person and the principal occupation or employment of the person within the 5 years preceding the notice;
  - (iii) the citizenship of such person;
  - (iv) the class or series and number of shares in the capital of the Company which are directly or indirectly controlled or directed or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (v) the amount and material terms of any other securities, including any options, warrants or convertible securities, in the capital of the Company, which are controlled or which are owned beneficially or of record by the person as of the record date of the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and also as of the date of such notice;

- (vi) a personal information form in the form prescribed by the principal stock exchange on which the shares of the Company then trade; and
  - (vii) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to Applicable Securities Laws and the Act; and
- c) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

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

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of these Articles, provided however, that nothing in these Articles shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act or at the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions of these Articles and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding any other provision of these Articles, notice given to the Secretary of the Company pursuant to these Articles may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Company. If such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

**Rationale:**

The Amendments to Article 14 are designed to ensure that shareholders receive adequate and timely information about each nominated director in advance of the shareholder vote.

Under the Company's current articles, shareholders or proxyholders may, at a shareholder meeting called for the purpose of electing directors, nominate from the floor of the meeting one or more persons to serve as a director. No prior notice of such nomination currently needs be given to the Company or its shareholders. This type of nomination is often referred to as an 'ambush.'

The Amendments to Article 14 provide advance notice requirements for the nomination of a director at a meeting. These advance notice requirements are intended to benefit shareholders by:

- ensuring that all shareholders – including those participating in a meeting by proxy rather than in person – receive adequate notice of the nominations;
- allowing shareholders to register an informed vote; and,
- facilitating an orderly and efficient meeting process.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available at [www.sedar.com](http://www.sedar.com).

Shareholders may contact the Company at its head office by mail at P.O. Box 20033 Towne Centre Kelowna B.C. V1Y 9H2 to request copies of the Company's financial statements and related management's discussion and analysis (the "**MD&A**"). Financial information is provided in the audited financial statements and MD&A for the Company for its year ended July 31, 2016.

#### **OTHER MATTERS**

Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice or this Information Circular. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

#### **APPROVAL OF THE BOARD OF DIRECTORS**

The content of this Information Circular has been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board of Directors.

Dated at Vancouver, British Columbia as of October 6, 2017.

ON BEHALF OF THE BOARD

*"/s/ John Miller"*

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**John Miller**  
President, Chief Executive Officer and Director

**SCHEDULE "A"**  
**AUDIT COMMITTEE CHARTER**

**MANDATE**

The audit committee (the "**Committee**") will assist the Board of Directors (the "**Board**") in fulfilling its financial oversight responsibilities by reviewing the financial reporting process, the system of internal control and the audit process.

**COMPOSITION**

The Committee shall be comprised of at least three members. Each member must be a director of the Company. A majority of the members of the Committee shall not be officers or employees of the Company or of an affiliate of the Company. At least one member of the Committee shall be financially literate. All members of the Committee who are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the term "financially literate" means 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's financial statements.

The members of the Committee shall be appointed by the Board at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair shall be financially literate and an independent director as defined in Section 1.4 of National Instrument 52-110 - *Audit Committees*.

**MEETINGS**

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give Committee members 24 hours advance notice of each meeting and the matters to be discussed at it. Notice may be given personally, by telephone, facsimile or e-mail.

The external auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at any other meeting. On request by the external auditor, the Chair shall call a meeting of the Committee to consider any matter that the external auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A member may participate in a meeting of the Committee by a communication medium other than telephone if all members participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of Management and the external auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should



meet with the external auditor and Management annually to review the Company's financial statements.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

## **RESPONSIBILITIES AND DUTIES**

### *Financial Accounting and Reporting Process and Internal Controls*

The Committee is responsible for reviewing the Company's financial accounting and reporting process and system of internal control. The Committee shall:

- (a) Review the annual audited financial statements to satisfy itself that they are presented in accordance with international financial reporting standards ("**IFRS**") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements.
- (b) With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of Management with Management and the external auditor and have meetings with the Company's auditor without Management present, as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- (c) Review any internal control reports prepared by Management and the evaluation of such report by the external auditor, together with Management's response.
- (d) Review the Company's financial statements, management's discussion and analysis and annual and interim profit or loss, and any press releases related thereto before the Company publicly discloses this information.
- (e) Review and satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in paragraph (d) above, and periodically assess the adequacy of those procedures.
- (f) Meet no less frequently than annually with the external auditor and the Chief Financial Officer to review accounting practices, internal controls and such other matters as the Committee or Chief Financial Officer deem appropriate.
- (g) Inquire of Management and the external auditor about significant financial risks or exposures, both internal and external, to which the Company may be subject, and assess the steps Management has taken to minimize such risks. Review the post-audit or Management letter containing the recommendations of the external auditor and Management's response and subsequent follow-up to any identified weaknesses.
- (h) Establish procedures for:

- (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

### **Audit**

#### External Auditor

The Committee has primary responsibility for the selection, appointment, dismissal and compensation and oversight of the external auditor, subject to the overall approval of the Board. In carrying out this duty, the Committee shall:

- (a) require the external auditor to report directly to the Committee;
- (b) recommend to the Board the external auditor to be nominated at the annual general meeting for appointment as the external auditor for the ensuing year for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and the compensation for the external auditor, or, if applicable, the replacement of the external auditor;
- (c) review, annually, the performance of the external auditor;
- (d) review and confirm the independence of the external auditor;
- (e) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the external auditor and former independent external auditor of the Company; and
- (f) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor.

### **Other**

- (a) Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable regulatory authorities or legislation.
- (b) Report regularly and on a timely basis to the Board on matters coming before the Committee.
- (c) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

### **AUTHORITY**

The Committee is authorized:

- (a) to seek any information it requires from any employee of the Company in order to perform its duties;
- (b) to engage, at the Company's expense, independent legal counsel or other professional advisors on any matter within the scope of the role and duties of the Committee under this Charter;

- (c) to set and pay the compensation for any advisors engaged by the Committee; and
- (d) to communicate directly with the internal and external auditor of the Company.

This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.