

## **EQUITORIAL EXPLORATION CORP.**

Suite 1400 – 1111 West Georgia Street  
Vancouver, British Columbia Canada V6E 4M3  
Tel: 604 689-1799 / Fax: 604 689-8199

### **INFORMATION CIRCULAR**

as at July 26, 2019 *(except as otherwise indicated)*

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Equitorial Exploration Corp. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on Thursday, September 6, 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 “Company”, “we” and “our” refer to Equitorial Exploration Corp. “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### **GENERAL PROXY INFORMATION**

#### **Solicitation of Proxies**

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

#### **Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the “Proxy”) is a director and/or officer of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

#### **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 persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

#### **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following options to submit their proxy:

- (a) complete, date and sign the Proxy and return it to the Company’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 the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia Canada V6C 3B9;

- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered shareholders 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 control number; or
- (c) use the internet through the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

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

### **Beneficial Shareholders**

**The following information is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) 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 Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "intermediary"). 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).

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

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

The Company is taking advantage of the provisions of National Instrument 54-101 "Communication with Beneficial Owners of Securities of a Reporting Issuer" that permit it to directly deliver proxy-related materials to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from our transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

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

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's 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 Company), other than 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, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions

received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting 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 at the Meeting or to have an alternate representative duly appointed to attend the Meeting and to vote your Common Shares at the Meeting.**

#### **Notice to United States Shareholders**

The solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 of the U.S. Exchange Act. Accordingly, this Information Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Company's shares by shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Company has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for the Company Shareholders who are resident in, or citizens of, the United States may not be described fully in this Information Circular.

The enforcement by the Company Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company is incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein are residents of a foreign country and that the major assets of the Company are located outside the United States.

#### **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 Company at 1500 Royal Centre, 1055 West Georgia Street, P. O. Box 11117, Vancouver, British Columbia, V6E 4N7, 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.

#### **FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the financial year ended December 31, 2018, 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 Company's SEDAR website at [www.sedar.com](http://www.sedar.com).

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

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

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the “Board”) of the Company has fixed July 26, 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 Company is authorized to issue an unlimited number of Common Shares.

As of July 26, 2019, there were 92,850,831 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.

The Company is also authorized to issue an unlimited number of non-voting Preferred Shares without par value. There were no Preferred Shares issued and outstanding as at July 26, 2019.

To the knowledge of the directors and executive officers of the Company, there were no persons or corporations that 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 of the Company as at July 26, 2019.

## ELECTION OF DIRECTORS

There are currently four directors. The Board has determined the number of directors to be elected at the Meeting at four. Shareholders will therefore be asked to elect four directors at the Meeting.

The term of office of each of the 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 *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following disclosure sets out the names of the four management’s nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment (for the five preceding years for new director nominees), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at July 26, 2019:

<b>Name of Nominee; Current Position with the Company and Province or State and Country of Residence</b>	<b>Position with and Name and Principal Business of each Company/Employer</b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Patrick E. Power <sup>(5)(6)</sup> President, Chief Executive Officer and Director British Columbia Canada	Business Executive – Refer to Director Biographies below.	Director AND Officer since November 23, 2018	Nil
Binny Jassal Chief Financial Officer and Director British Columbia, Canada	Certified General Accountant – Refer to Director Biographies below.	Director since November 5, 2015  CFO since May 25, 2016  Corporate Secretary since June 27, 2016	100,000 <sup>(2)</sup>
Saf Dhillon <sup>(5)(6)</sup> Director British Columbia, Canada	Business Executive – Refer to Director Biographies below.	Director Since December 7, 2015	Nil <sup>(3)</sup>

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Position with and Name and Principal Business of each Company/Employer	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled <sup>(1)</sup>
Buddy Doyle <sup>(5) (6)</sup> Director British Columbia Canada	Geologist. Refer to Director Biographies below.	Director Since September 6, 2016	500,000 <sup>(4)</sup>

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 Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
2. Common shares registered in the name BJ Financial Accounting Consulting Inc., a private company owned by Mr. Jassal and Saf Dhillon. Mr. Jassal holds stock options to purchase 100,000 common shares at an exercise price of \$0.12 expiring on May 24, 2023, stock options to purchase 25,000 common shares at an exercise price of \$0.275 expiring on April 9, 2019, stock options to purchase 300,000 common shares at an exercise price of \$0.09 expiring on November 25, 2020 and stock options to purchase 150,000 common shares at an exercise price of \$0.055 expiring on January 27, 2022.
3. Mr. Dhillon holds stock options to purchase 300,000 common shares at an exercise price of \$0.09 expiring on November 25, 2020.
4. Mr. Doyle holds stock options to purchase 500,000 common shares at an exercise price of \$0.055 expiring on January 27, 2022.
5. Member of the Audit Committee

None of the proposed nominees for election as a director of the Company 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 Company acting solely in such capacity.

None of the proposed nominees for election as a director of the Company 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 Company acting solely in such capacity.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company. At the Meeting the above persons will be nominated for election as director as well as any person nominated pursuant to the Advance Notice Provision. Only persons nominated by management pursuant to this Information Circular or pursuant to the Advance Notice Provision will be considered valid director nominees eligible for election at the Meeting.**

***Director Biographies***

**Patrick E. Power, Chief Executive Officer and Director**

Mr. Power was appointed a director, President and Chief Executive Officer of the Company on November 23, 2018. Patrick Power is a seasoned venture capitalist and financier with over 20 years of experience as a stock market professional and director of public companies. Mr. Power's wealth of experience contributes to his success as a savvy deal maker, adept financier and results-driven leader of dynamic public companies.

**Binny Jassal, Chief Financial Officer, Corporate Secretary and Director**

Binny Jassal brings over 20 years of accounting and management experience to the Company. Mr. Jassal is a member of Certified General Accountants in Canada, fellow member of Association of Chartered Certified Accountants in London, England and holds a Certificate in Accounting and Finance from Ryerson University Toronto. Previously, Mr. Jassal has worked in various accounting positions (including public companies) within the manufacturing, IT and telecommunication sectors. Mr. Jassal joined the Company in March 2011 as a Controller. His knowledge and experience has been instrumental in navigating the company successfully through the changing financial reporting and disclosure requirements of a public company.

### **Satvir ‘Saf’ Dhillon, Director**

Mr. Dhillon comes from the Banking Industry and has been involved in the development of companies both in the private and public Markets for about 18 years. During this time, he has held a variety of positions including, investor relations and as a board member. Saf was part of the management team that grew U.S. Geothermal Inc., (NYSE MKT: HTM) from a \$2 million-dollar market cap company into a profitable \$100 million-dollar Independent Power Producer. He is currently the President/CEO and Director of Glacier Lake Resources Inc. (TSXV: GLI) as well as serving on the Board of UC Resources Ltd. (TSXV: UC), Earl Resources Ltd. (TSXV: ERL) and other private companies. Saf’s involvement in the development of the various companies over the years has enabled him to build an extensive list of worldwide contacts.

### **Buddy Doyle, Director**

Mr. Doyle is a geologist who has earned the distinction of having seen two substantial projects from discovery through the decision to mine. He brings to the Company a disciplined, scientific approach to mineral exploration honed in over 28 years’ experience, 23 of them spent in various positions at Rio Tinto PLC and its subsidiaries (RTZ). His most recent position at RTZ was Exploration Manager/Vice President of Kennecott Canada Exploration Inc., where, leading a staff that numbered up to 100 individuals, he was responsible for diamond exploration in North America from 1992 to 2004.

At Kennecott Canada, Mr. Doyle led the team that discovered the Diavik diamond deposits in 1994-1995. Prior to transferring to Kennecott Canada, Mr. Doyle was a key member of the Kennecott Exploration Australia team that discovered the multi-million ounce Minifie gold deposits at Lihir in 1987-1988. Mr. Doyle is recognized by his peers in the exploration industry as an authority on diamond exploration and kimberlite geology. He was awarded the Hugo Dummett diamond award for excellence in Diamond exploration in 2007. He has also authored numerous scientific papers on related topics.

Since leaving Rio Tinto, Mr. Doyle has remained active in the diamond sector, discovering a new 5 diamondiferous kimberlite province with the Dharma Kimberlite discovery, Great Bear Lake, NT, Joint Venture partner in the U2 discovery in the James Bay lowlands, Ontario, the La Pointe discovery in Ontario and director of companies involved in the Lihqabong and Lemphane Kimberlites in Lestho and the Latahoki Kimberlite in Finland.

Mr. Doyle is a graduate of the Queensland University of Technology, with a B.Sc. in Applied Geology. He is a member of the Australian Institute of Mining and Metallurgy since 1992, the Society of Economic Geology, the Society of Exploration Geophysicists and the Society of Exploration Geochemists.

### **Penalties and Sanctions**

Within the 10 years before the date of this Information Circular, no proposed director is or has been a director or executive officer of any company (including the Company), that while that person was acting in that capacity:

- (i) 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
- (ii) 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,
- (iii) or within a year of the proposed director 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
- (iv) has within 10 years before the date of the Information Circular become 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 the proposed directors.

### **Advance Notice Provision**

At the Company’s June 27, 2016 annual general and special meeting, the Company’s shareholders approved new Company articles which included advance notice provisions (the “**Advance Notice Provision**”). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board of directors of the Company are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) or (ii) a shareholder proposal made pursuant to the provisions of the *Business Corporations Act* (British Columbia).

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision in the Company's Altered Articles, which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company did not receive notice of a nomination in compliance with the Advance Notice Provision, and as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.**

#### **APPOINTMENT OF AUDITOR**

On July 12, 2019, the Board determined not to nominate A Chan and Company LLP, Chartered Professional Accountants, for appointment as auditor of the Company; and subject to shareholder approval at this Meeting, to appoint Charlton & Company, Chartered Professional Accountants, to be auditor of the Company. Accordingly the Company sent Notice of Change of Auditor to both A Chan and Company LLP and to Charlton & Company. Copies of the Notice of Change of Auditor, the letter from A Chan and Company LLP as former auditor, and the letter from Charlton & Company as successor auditor were filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) on July 15, 2019. Charlton & Company, Chartered Professional Accountants, of Suite 1735, Two Bentall Centre, 555 Burrard Street, Vancouver, British Columbia, V7X 1M9, will be nominated at the Meeting for appointment as auditor of the Company.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Charlton & Company, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general meeting.**

#### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 "Audit Committees" ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. Such disclosure is set forth below.

##### **The Audit Committee's Charter**

The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information, which will be provided to the shareholders and the public, the systems of corporate controls, which management and the Board have established, and overseeing the audit process. It has general responsibility to oversee internal controls, accounting and auditing activities and legal compliance of the Company. The Audit Committee also is mandated to review and approve all material related party transactions. The Company's Audit Committee Charter is attached as Schedule "A": to this Information Circular.

### Composition of the Audit Committee

The current members of the Company's audit committee are: Patrick Power (Chair), Buddy Doyle and Saf Dhillon. Mr. Power is not independent as he is President and CEO of the Company. Messrs. Dhillon and Doyle are independent members of the Audit Committee. All members of the Audit Committee are considered to be financially literate.

The Company had very limited operations which the Board felt were suitably addressed by the members. The Company intends to continue to pursue its growth strategy through acquisitions and intends to appoint directors during the course of the year in order to satisfy independence requirements with a view to becoming compliant as operations expand.

### Relevant Education and Experience

Each member of the audit committee has adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with:

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- 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 issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Please refer to **Director Biographies** above of Audit Committee Members.

### Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee has not made a recommendation to the Board to nominate or compensate an external auditor that has not been adopted by the Board.

### Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company's auditors, A Chan and Company LLP, Chartered Professional Accountants, have not provided any material non-audit services, therefore the Company has not relied on any exemption in s. 2.4 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 set out in the audit committee charter.

### External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by A Chan and Company LLP to the Company to ensure auditor independence. Fees incurred with A Chan and Company LLP for audit and non-audit services in the Company's two financial years ended December 31:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2017	Fees Paid to Auditor in Year Ended December 31, 2018
Audit Fees <sup>(1)</sup>	\$15,300	\$12,240
Audit-Related Fees <sup>(2)</sup>	\$ Nil	\$ Nil
Tax Fees <sup>(3)</sup>	\$ 1,000	\$ 1,000
All Other Fees <sup>(4)</sup>	\$ Nil	\$ Nil
Total	\$16,300	\$13,240

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the

financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

### Exemption

The Company is a “venture issuer” under NI 52-110 and pursuant to NI 52-110, section 6.1, the Company is exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

## CORPORATE GOVERNANCE

### Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders of the Company. Corporate governance also takes into account the role of the individual members of management appointed by the Board who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and 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 Company. A “material relationship” is a relationship which could, in the view of a company’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its independent supervision over management of the Company through frequent meetings of the Board and by ensuring that at least one director is independent of management. The Board is currently comprised of four members two of whom are independent and two of whom are non-independent. The independent member of the Board is Saf Dhillon and Buddy Doyle. The non-independent directors are Patrick E. Power (President and Chief Executive Officer) and Binny Jassal (Chief Financial Officer and Corporate Secretary).

### Directorships

The following table sets forth the directors of the Company who currently hold directorships in other reporting issuers:

Name of Director	Other Issuer	Trading market
Patrick E. Power	Arctic Star Exploration Corp. Western Resources Corp.	TSXV TSX
Saf Dhillon	Earl Resources Limited E.S.I. Environmental Sensors Inc. Glacier Lake Resources Inc. iMetal Resources Inc.	TSXV TSXV TSXV TSXV
Buddy Doyle	Arctic Star Exploration Corp. Santana Resources Inc.	TSXV TSXV
Binny Jassal	Berkwood Resources Ltd.	TSXV

### Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company’s properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest are sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the 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 Company, this policy will be reviewed.

### **Compensation**

The Board as a whole has the responsibility of determining the compensation for the directors and CEO.

To determine compensation payable, the Board reviews compensation paid to directors and chief executive officers of other companies of similar size and stage of development in similar industries and then determine appropriate compensation reflecting the responsibilities and time and effort expended by each director and the CEO while taking into account the financial and other resources of the Company. In settling on the compensation, the Board annually reviews the performance of the CEO in light of the Company's objectives and considers other factors that may have influenced achievement of the Company's objectives.

### **Other Board Committees**

The Board has no committees other than the audit committee.

### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and audit committee. No formal policy has been established to monitor the effectiveness of each director, the Board and the audit committee.

## **STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS**

For the purposes of the below disclosure:

“**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;

“**NEO**” or “**named executive officer**” 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 (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (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, for that financial year;
- (d) each individual who would be a 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.

**DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

**Director and NEO Compensation, Excluding Options and Compensation Securities**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two completed financial years ended December 31, 2018 and December 31, 2017. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” of this Form.

During the financial year ended December 31, 2018, based on the definition above, the NEOs of the Company were: Patrick E. Power, President, Chief Executive Officer and director, Jatinder (Jack) Singh Bal, former President, Chief Executive Officer and former director, and Brijender (Binny) Jassal, Chief Financial Officer, Corporate Secretary and director. The Directors of the Company who were not NEOs during the financial year ended December 31, 2018 were Saf Dhillon and Buddy James Doyle.

Jack Bal served as President from December 21, 2015 to November 23, 2018, served as Chief Executive Officer from May 25, 2016 to November 23, 2018 and resigned as director of the Company on November 23, 2018. Patrick E. Power was appointed President and Chief Executive Officer and a director of the Company on November 23, 2018

During the financial year ended December 31, 2017, based on the definition above, the NEOs of the Company were: Jatinder (Jack) Singh Bal, President, Chief Executive Officer and director, Brijender (Binny) Jassal, Chief Financial Officer, Corporate Secretary and director. The Directors of the Company who were not NEOs during the financial year ended December 31, 2017 were Saf Dhillon and Buddy James Doyle.

**Table of Compensation, Excluding Compensation Securities in Financial Years ended December 31, 2018 and 2017**

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonuses (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total Compensation (\$)</b>
Patrick E. Power, President, CEO and Director	2018 2017	8,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	8,000 Nil
Jatinder (Jack) Singh Bal former President, CEO and former Director	2018 2017	82,500 90,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	82,500 90,000
Brijender (Binny) Jassal CFO, Corporate Secretary and Director	2018 2017	48,000 46,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	48,000 46,000
Saf Dhillon Director	2018 2017	Nil 30,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 30,000
Buddy James Doyle Director	2018 2017	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

**Stock Options and Other Compensation Securities**

At the Company’s annual general and special meeting held on June 27, 2016, shareholders approved the adoption of the company’s new form share option plan. The share option plan is a 10% maximum rolling plan (the “Plan”). Options granted under the Plan are not exercisable for a period longer than 10 years and the exercise price must be paid in full upon exercise of the option.

The Plan is subject to the following restrictions:

- (a) The Company must not grant an option to any one individual director, officer, employee, management company employee, consultant or company consultant (the “Service Provider”) in any 12 month period that exceeds 5% of the outstanding shares, unless the Company has obtained approval to do so by a majority of the votes cast by the shareholders of the Company eligible to vote at a shareholders’ meeting, excluding votes attaching to shares beneficially owned by insiders and their associates (“Disinterested Shareholder Approval”);
- (b) The aggregate number of options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 2% of the outstanding Common Shares calculated at the date of the grant, without the prior consent of the TSX Venture Exchange (“TSXV”);
- (c) The Company must not grant an option to any one individual consultant in any 12 month period that exceeds 2% of the outstanding shares calculated at the date of the grant of the option, without the prior consent of the TSXV;
- (d) The aggregate number of Common Shares reserved for issuance under options granted to insiders must not exceed 10% of the outstanding Common Shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (e) The aggregate number of Common Shares issued for option to insiders in any 12 month period must not exceed 10% of the outstanding Common Shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding Shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (f) The issuance to any one Optionee within a 12 month period of a number of Common Shares must not exceed 5% of outstanding Common Shares unless the Company has obtained Disinterested Shareholder Approval to do so;
- (g) any one Person engaged in Investor Relations Activities for the Company must vest in stages over a 12 month period with no more than 1/4 of the Options vesting in any three month period; and
- (h) The exercise price of an option previously granted to an insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.

***Material Terms to the Plan***

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

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;
- (c) for options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) if there is a takeover bid for all or any of the issued and outstanding Common Shares, then all outstanding Options, whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall become exercisable in full to enable the Optioned Shares to be issued and tendered to such bid, subject to prior written approval of the TSXV;
- (e) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (f) if an Optionee dies, any vested option held by him at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;

- (g) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same;
- (h) the exercise price of each option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price (as defined in the Plan);
- (i) vesting of Options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or any of its affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or any of its affiliates during the vesting period;
- (j) the Plan contains a black-out provision restricting all or any of the Company's Service Providers to refrain from trading in the Company's securities until the restriction has been lifted by the Company;
- (k) no vesting requirements will apply to options granted under the Plan other than as required by TSXV policies; however, a four month hold period will apply to all Common Shares from the date of grant for all Options granted to:
  - (i) insiders of the Company; or
  - (ii) where Options are granted to any Service Provider, including Insiders, where the exercise price is at a discount to the Market Price; and
- (l) the Board reserves the right in its absolute discretion to amend, modify or terminate the Plan with respect to all common shares in respect of options which have not yet been granted under the Plan. Any amendment to any provision of the Plan will be subject to any necessary Regulatory approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of the Plan to Service Providers.

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

The Plan also provides that the Board may, without shareholder approval:

- (i) amend the Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the Plan, subject to prior written approval of the TSXV, if applicable;
- (iii) change the termination provision of an Option granted under the Plan if it does not entail an extension beyond the original expiry date of such Option;
- (iv) make such amendments to the Plan as are necessary or desirable to reflect changes in securities laws applicable to the Company or any requested changes by the TSX Venture;
- (v) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vi) amend the Plan to reduce, and not to increase, the benefits of the Plan to Service Providers.

#### **Stock Options and Other Compensation Securities**

The following table sets forth incentive stock options (option-based awards) pursuant to the Company's share option plan that were outstanding to NEOs and directors of the Company who were not NEOs of the Company during financial year ended December 31, 2018. There were no share-based awards issued during financial years ended December 31, 2018 and December 31, 2017.

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
Patrick E. Power, President, CEO and Director	Options	Nil	Nil	Nil	Nil	Nil	Nil
Jatinder (Jack) Singh Bal <sup>(1)</sup> former President, CEO and former Director	Options	300,000 <sup>(1)</sup>	January 27, 2017	0.055	0.06	0.09	January 27, 2022
Brinender (Binny) Jassal CFO, Corporate Secretary and Director	Options	150,000	January 27, 2017	0.055	0.06	0.09	January 27, 2022
		300,000	November 25, 2015	0.09	0.075	0.05	November 25, 2020
		100,000	May 24, 2013	0.12	0.12	0.05	May 24, 2023
		25,000	April 9, 2014	0.275	0.275	0.18	April 9, 2019
Saf Dhillon Director	Options	150,000	January 27, 2017	0.055	0.06	0.09	January 27, 2022
	Options	300,000	November 25, 2015	0.09	0.075	0.05	November 25, 2020
Buddy James Doyle Director	Options	500,000	January 27, 2017	0.055	0.06	0.09	January 27, 2022
	Options	100,000	May 24, 2013	0.12	0.12	0.05	May 24, 2023

Note:

(1) Jatinder (Jack) Singh Bal served as President from December 21, 2015 to November 23, 2018, served as Chief Executive Officer from May 25, 2016 to November 23, 2018 and resigned as director of the Company on November 23, 2018. Mr. Bal's stock options expired without having been exercised.

Other than set out in the table above, neither the Company nor its subsidiaries, granted or issued any option-based awards to NEOs or directors of the Company who were not NEOs of the Company during financial year ended December 31, 2018.

#### Exercise of Compensation Securities by NEOs and Directors

##### Financial Year ended December 31, 2018

There were no options exercised by an NEO or a director of the Company who was not an NEO of the Company during financial year ended December 31, 2018.

##### Employment, Consulting and Management Agreements

There are no compensatory plans or arrangements, with respect to any Director or NEO resulting from the resignation, retirement or any other termination of employment of an officer or director or from a change of a director's or a NEO's responsibilities following a change in control.

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

The Board as a whole assumes responsibility for reviewing and monitoring compensation for the Company's senior management, and as part of that mandate determines the compensation of the Company's CEO and CFO. The Board wishes to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs and directors listed in the compensation tables that follow.

The Company has limited financial resources to ensure that funds are available to complete scheduled programs. As a result, the Board must consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company both in the mid-term and the long-term. Because stock options do not require cash disbursement by the Company they are an important element of executive compensation. Additional information about the Company and its operations is available in the Company's consolidated financial statements and related management's discussion & analysis for the year ended December 31, 2017, which have been filed with regulators and are available for review under the Company's profile under the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

### *Philosophy and Objectives*

Compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, which are:

- to attract and retain qualified and effective executives;
- to motivate the short and long-term performance of these executives; and
- to align their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its stock option plan.

### *Base Salary*

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on companies earning comparable revenues in a similar industry has been reviewed and compared over a variety of sources.

### *Equity Participation*

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's stock option plan. Stock options are granted to senior executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options, which vest immediately, are generally granted to senior executives and Board members.

### **Compensation Review Process**

Compensation for each of the Board members and each of the NEOs is approved by the Board as a whole. Base cash compensation and variable cash compensation levels are based, in part, on market survey data provided to the Board by independent consultants.

### *Base Salary or Consulting Fees*

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on companies earning comparable revenues in a similar industry has been reviewed and compared over a variety of sources.

Financial Year ended December 31, 2018

During the year ended December 31, 2018, the Company entered into the following transactions with related parties.

Related party transactions are, in the ordinary course of business, measured at the exchange amounts, being the amounts agreed to by the related parties. The amounts due from or to the related parties are unsecured and without interest or stated terms of repayment. All related party transactions are in the normal course of operations and have been measured at the agreed upon amount, which is the amount of consideration established and agreed to by the related parties.

- (a) During the year ended December 31, 2018, the Company incurred consulting fees of \$90,500 (December 31, 2017: \$120,000) with directors, companies owned by directors and a company by common directors.  
As at December 31, 2018, \$85,280 (December 31, 2017 - \$6,825) was owing to companies controlled by directors and officers of the Company.
- (b) During the year ended December 31, 2018, payment of rent of \$6,000 (December 31, 2017: \$6,000) pertains to rent paid to a company related by a common officer for shared office premises. In addition, payment of \$nil (December 31, 2017: \$10,230) was also paid to CEO of the Company for additional office spaces sharing with his office.
- (c) During the year ended December 31, 2018, the Company incurred accounting fees of \$48,000 (December 31, 2017: \$46,000) with an officer of the Company. As at December 31, 2018, \$32,000 (December 31, 2017: \$Nil) was owing to this officer as accrued liabilities.
- (d) As at December 31, 2018, prepaid expenses include \$nil (December 31, 2017: \$16,910) to CEO and President of the Company.

The amounts due from or to the related parties are unsecured and without interest or stated terms of repayment. All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

Benefits and Perquisites

In general, the Company will provide a specific benefit or perquisite only when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. Limited perquisites the Company provides its executives may include a parking allowance or a fee for each Board or Audit Committee meeting attended, to assist with their out-of-pocket expenses.

**Option-Based Awards**

The Company has a 10% rolling stock option plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The 10% rolling stock option plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN**

The Company's share option plan is the only equity compensation plan under which securities are authorized for issuance. The Company's share option plan provides that the number of Common Shares issuable thereunder, less an Common Shares reserved for issuance under share options granted may not exceed 10% of the total number of issued and outstanding Common Shares at the date of grant. Under the share option plan, options may expire on a date which is not more than 10 years after the issuance of such options.

The following table sets out equity compensation plan information as at the end of the Company's financial year ended December 31, 2018.

*Equity Compensation Plan Information*

	<b>Number of securities to be issued upon exercise of outstanding options</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans approved by security holders (the Share Option Plan)	5,275,000	\$0.08	2,765,083 <sup>(1)</sup>
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	<b>5,275,000</b>	<b>\$0.08</b>	<b>2,765,083</b>

Note

<sup>(1)</sup> Represents the number of Common Shares available for issuance upon the exercise of outstanding options which have been granted under the Share Option Plan as of December 31, 2018.

**Pension Disclosure**

The Company has no pension plan arrangements or benefits with respect to any of its NEOs, directors or employees.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

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

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than set out in this Information Circular and the disclosure below, no informed person of the Company or any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, has 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 or any of its subsidiaries.

**MANAGEMENT CONTRACTS**

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

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**Continuation of 10% "rolling" Share Option Plan**

The TSXV policy requires all of its listed companies to have a share option plan if the company intends to grant options. The Company has a 10% "rolling Share Option Plan dated May 4, 2016. For a description of the Share Option Plan, refer to **Stock Options and Other Compensation Securities -Option-Based Awards 10% Rolling Share Option Plan** above.

***Shareholder Approval***

At the Meeting, Shareholders will be asked to consider and vote on an ordinary resolution to ratify and approve the continuation of the Company's 10% "rolling" Share Option Plan as follows:

**"RESOLVED** that the Company's 10% rolling Share Option Plan dated for reference May 4, 2016 be ratified and approved for continuation until the next annual meeting of the Company."

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

In the opinion of the Board, the Plan allows the Company the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. A copy of the Share Option Plan will be available for inspection at the Meeting.

A shareholder may also obtain a copy of the Share Option Plan by contacting the Company at Suite 1400 – 1111 West Georgia Street, Vancouver, British Columbia Canada V6E 4M3 telephone no. (604) 689-1799 or fax number 604 689-8199.

The Board recommends that you vote in favour of the above resolution.

**Unless otherwise instructed, at the Meeting the proxyholders named in the Company’s form of Proxy or Voting Instruction Form will vote to RATIFY and APPROVE the Share Option Plan for continuation.**

#### **ADDITIONAL INFORMATION**

Financial information is provided in the audited financial statements of the Company for the year ended December 31, 2017, the report of the auditor thereon, and the related management discussion and analysis, of which are filed on SEDAR at [www.sedar.com](http://www.sedar.com) and will be placed before the Meeting.

Additional information relating to the Company is filed on SEDAR at [www.sedar.com](http://www.sedar.com) and is available upon request from the Corporate Secretary at Suite 1400 – 1111 West Georgia Street, Vancouver, British Columbia Canada V6E 4M3, telephone number 604 689-1799 or fax number 604 689-8199. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

#### **MATTERS TO BE ACTED UPON**

The Board is not aware of any 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.

**DATED** at Vancouver, British Columbia, July 26, 2019.

#### **BY ORDER OF THE BOARD**

*“Patrick E. Power”*

Patrick E. Power  
President and Chief Executive Officer

**SCHEDULE “A”**  
**Charter of the Audit Committee of the Board of Directors**  
**of Equitorial Exploration Corp.**  
**(the “Company”)**

**Article 1 - Mandate and Responsibilities**

The Audit Committee is appointed by the Board of Directors of the Company (the “**Board**”) to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company. The Audit Committee’s primary duties and responsibilities are to:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company;
- (b) recommend to the Board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company’s external auditor;
- (e) review the Company’s financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company’s financial statements, and to periodically assess the adequacy of those procedures;
- (g) 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; and
- (h) review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

\* \* \* \*