



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**January 14, 2019**



**GRATOMIC INC.**  
69 Yonge Street, Suite 1010  
Toronto Ontario M5E 1K3

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

**TAKE NOTICE** that the annual general and special meeting (the “**Meeting**”) of Shareholders of Gratomic Inc. (the “**Corporation**”) will be held at **the offices of Gardiner Roberts LLP, Bay-Adelaide Centre- East Tower, 22 Adelaide Street West, Suite 3600, Toronto, Ontario, M5H 4E3, at the hour of 11:00 a.m. (Toronto Time), on Thursday, the 28<sup>th</sup> day of February, 2019**, for the following purposes:

- (1) to elect the Directors as nominated by Management;
- (2) to appoint Davidson & Company LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and authorizing the Directors to fix their remuneration;
- (3) to ratify the 2015 Stock Option Plan; and
- (4) to transact such further and other business as may properly come before the said Meeting or any adjournment of adjournments thereof.

A copy of the Management Information Circular (the “**Circular**”), the audited financial statements of the Corporation for the years ended December 31, 2017 and 2016 (the “**Annual Financial Statements**”) and the Corporation’s management discussion and analysis for the year ended December 31, 2017 (the “**Annual MD&A**”) accompany this Notice of Meeting.

Shareholders entitled to vote who do not expect to be present at the Meeting are urged to date, sign and return the form of Proxy or voting instruction form delivered to them with the Notice-and-Access Notification (defined below).

**NOTICE-AND-ACCESS**

Notice is also hereby given that the Corporation has decided to use the notice-and-access method of delivery of meeting materials for the 2018 Annual General and Special Meeting of Shareholders. The notice-and-access method of delivery of meeting materials allows the Corporation to deliver the meeting materials over the internet in accordance with the notice-and-access rules adopted by the Ontario Securities Commission under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Under the notice-and-access system, shareholders still receive a proxy or voting instruction form (as applicable) enabling them to vote at the Meeting. However, instead of a paper copy of the Circular, the Annual Financial Statements and related Annual MD&A and other meeting materials (collectively the “**Meeting Materials**”), shareholders receive a notification (the “**Notice-and-Access Notification**”) with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing materials to shareholders. **Shareholders are reminded to view the Meeting Materials prior to voting.**

**Websites Where Meeting Materials Are Posted:**

Meeting Materials can be viewed online under the Corporation's profile at [www.sedar.com](http://www.sedar.com) or on the Corporation's website at [www.ckr-carbon.com](http://www.ckr-carbon.com).

**How to Obtain Paper Copies of the Meeting Materials**

Registered holders or non-registered holders may request that paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the Corporation's website.

In order to receive a paper copy of the Meeting Materials, registered holders can call TSX Trust Company toll free at 1-866-393-4891 on or before the day of the Meeting, or any adjournment thereof, or thereafter contact the Corporation at 416-561-4095 or by email at [abrand@gratomic.ca](mailto:abrand@gratomic.ca). Non-registered holders can call Broadridge Investor Communications Solutions, Canada toll free at 1-877-907-7643 on or before the day of the Meeting, or any adjournment thereof, or thereafter contact the Corporation at 416-561-4095 or by email at [abrand@ckr-carbon.com](mailto:abrand@ckr-carbon.com).

**Requests should be received by 11:00 a.m. on Monday, February 18, 2019 in order to receive the Meeting Materials in advance of the Meeting.**

**RECORD DATE AND PROXY DELIVERY DATE**

The Board of Directors of the Corporation (the "**Board**") has, by resolution, fixed the close of business on January 14, 2019 as the Record Date, being the date for determination of the registered holders of Common Shares entitled to receive notice of, and to vote at, the Meeting or any adjournment thereof.

The Board has, by resolution, fixed the hour of 11:00 a.m. (Toronto time) on Tuesday, February 26, 2019, being not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the day of the Meeting, or any adjournment thereof, as the time before which the instrument of proxy to be used at the Meeting must be deposited with the Transfer Agent of the Corporation, TSX Trust Company, 100 Adelaide Street West, Suite 401, Toronto, Ontario, M5H 4H1, provided that a proxy may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time for voting to revoke a proxy previously delivered in accordance with the foregoing.

**Shareholders entitled to vote who do not expect to be present at the Meeting are urged to date, sign and return the form of proxy or voting instruction form delivered to them with the Notice-and-Access Notification.**

**DATED** the 14<sup>th</sup> day of January, 2019.

**BY ORDER OF THE  
BOARD OF DIRECTORS**

*"Sheldon Inwentash"*

**SHELDON INWENTASH**  
Executive Chairman

**GRATOMIC INC.**  
69 Yonge Street, Suite 1010  
Toronto Ontario M5E 1K3

**INFORMATION CIRCULAR  
MANAGEMENT SOLICITATION**

**SOLICITATION OF PROXIES**

**This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management (the “Management”) of Gratomic Inc. (the “Corporation”) for use at the Annual General and Special Meeting of Shareholders (the “Meeting”) of the Corporation to be held at the offices of Gardiner Roberts LLP, Bay-Adelaide Centre, East Tower, 22 Adelaide Street West, Suite 3600, Toronto, Ontario, M5H 4E3, at the hour of 11:00 a.m. (Toronto time), on Thursday, the 28<sup>th</sup> day of February, 2019, for the purposes set out in the accompanying Notice of Meeting. The cost of solicitation will be borne by the Corporation.**

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally by the Directors and/or officers of the Corporation at nominal cost. Arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares (“**Common Shares**”) held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

**NOTICE-AND-ACCESS**

The Corporation has elected to use the “notice-and-access” process under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 *Continuous Disclosure Obligations*, for distribution of this Circular and other meeting materials to registered Shareholders of the Corporation and non-registered Shareholders of the Corporation as set out in the “Advice to Non-Registered Shareholders” section below.

Notice-and-access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR and one other website, rather than mailing paper copies of such meeting materials to Shareholders. The Corporation anticipates that utilizing the notice-and-access process will substantially reduce both postage and printing costs.

The Corporation has posted the Circular, the Corporation’s audited financial statements for the years ended December 31, 2017 and 2016 (the “**Annual Financial Statements**”) and the Corporation’s management discussion and analysis for the year ended December 31, 2017 (the “**Annual MD&A**”) on the website, [www.gratomic.ca](http://www.gratomic.ca)

Although the Circular, Annual Financial Statements and the Annual MD&A (collectively, the “**Meeting Materials**”) will be posted electronically online, as noted above, the registered and non-registered Shareholders (subject to the provisions set out below under the heading “Advice to Non-Registered Shareholders”) (collectively the “**Notice-and-Access Shareholders**”) will receive a “notice package” (the “**Notice-and-Access Notification**”), by prepaid mail, which includes the information prescribed by NI 54-101, and a proxy form or voting instruction form from their respective intermediaries. Notice-and-Access Shareholders should follow the instructions for completion and delivery contained in the proxy or voting instruction form. Notice-and-Access Shareholders are reminded to review the Circular before voting.

Notice-and-Access Shareholders will not receive a paper copy of the Meeting Materials unless they contact TSX Trust Company (“**TSX Trust**”) in which case TSX Trust will mail the requested materials within three business days of any request provided the request is made prior to the Meeting. Notice-and-Access Shareholders with questions about notice-and-access may contact TSX Trust toll free at 1-866-393-4891. **Requests for paper copies of the Meeting Materials must be received at least six (6) business days in advance of the proxy deposit date and time set out below, being 11:00 a.m. on, Monday, February 18, 2019, in order to receive the Meeting Materials in advance of the proxy deposit date and Meeting.**

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

The persons named in the form of proxy or voting instruction form are officers or directors of the Corporation (the “**Management Designees**”). **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** by inserting such other person’s name in the blank space provided in the form of proxy or voting instruction form and depositing the completed proxy with the Transfer Agent of the Corporation, **TSX Trust Company, 100 Adelaide Street West, Suite 401, Toronto, Ontario, M5H 4H1**. A proxy can be executed by the Shareholder or his attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, the proxy may be revoked before it is exercised by instrument in writing executed and delivered in the same manner as the proxy at any time up to and including the second last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting and upon either such occurrence, the proxy is revoked.

Please note that Shareholders who receive their Notice-and-Access Notification from Broadridge Investor Communication Solutions, Canada (“**Broadridge**”) or an Intermediary (as defined in the “Advice to Non-Registered Shareholders” section below) must return the proxy forms, once voted, to Broadridge or their Intermediary, as applicable, for the proxy to be dealt with.

#### **DEPOSIT OF PROXY**

By resolution of the Board of Directors of the Corporation (the “**Board**”) duly passed, **ALL PROXIES TO BE USED AT THE MEETING MUST BE DEPOSITED BY 11:00 A.M. (TORONTO TIME) ON TUESDAY, FEBRUARY 26, 2019, BEING NOT LESS THAN 48 HOURS, EXCLUDING SATURDAYS, SUNDAYS AND STATUTORY HOLIDAYS, PRECEDING THE DATE OF THE MEETING, OR ANY ADJOURNMENT THEREOF, WITH THE TRANSFER AGENT OF THE CORPORATION, TSX TRUST COMPANY**, provided that a proxy may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time for voting to revoke a proxy previously delivered in accordance with the foregoing.

#### **ADVICE TO NON-REGISTERED SHAREHOLDERS**

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares owned by a person are registered either (a) in the name of an intermediary (an “**Intermediary**”) that the non-registered holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant (a “**Non-Registered Holder**”).

The Corporation has decided to use Notice-and-Access in accordance with the requirements of NI 54-101 to deliver the Meeting Materials to Shareholders by posting the Meeting Materials on its website [www.gratomic.ca](http://www.gratomic.ca). The Meeting Materials will be available on the Corporation’s website on or before January 28, 2019, and will remain on the website for a full year thereafter. The Meeting Materials will also be available on the Corporation’s profile on

SEDAR at [www.sedar.com](http://www.sedar.com). The Corporation will only be mailing the Notice-and-Access Notification to Non-Registered Holders as set out below.

Non-Registered Holders fall into two categories – those who object to their identity being made known to the issuers of securities which they own (“**Objecting Beneficial Owners**” or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**” or “**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries via their transfer agent. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly to such NOBOs.

If you are a Non-Objecting Beneficial Owner and the Corporation or its agent has sent the Notice-and-Access Notification directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you, and (ii) executing your proper voting instructions as specified in the request for voting instructions.

The Corporation’s decision to deliver proxy-related materials directly to its NOBOs will result in all NOBOs receiving a Voting Instruction Form (“**VIF**”) from Broadridge. Please complete and return the VIF to Broadridge in the envelope provided or by facsimile. In addition, instructions in respect of the procedure for internet voting can be found in the VIF. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs received by Broadridge. For purposes of the Meeting, NOBOs who deliver VIFs in accordance with the instructions on the VIF will be otherwise treated the same as registered Shareholders.

*Non-Registered Shareholders who are NOBOs may make their request for paper copies of the Meeting Materials without charge by calling Broadridge Investor Communication Solutions, Canada’s toll free number at 1-877-907-7643 on or before the day of the Meeting, or any adjournment thereof, or thereafter contact the Corporation at 416 561-4095 or by email at [abrand@gratomic.ca](mailto:abrand@gratomic.ca).*

**Requests for paper copies of the Meeting Materials must be received at least six (6) business days in advance of the proxy deposit date and time set out above, being 11:00 a.m. (Toronto Time) on Monday, February 18, 2019, in order to receive the Meeting Materials in advance of the proxy deposit date and Meeting.**

OBOs may expect to receive their materials related to the Meeting from Broadridge or other Intermediaries. If a reporting issuer does not intend to pay for an Intermediary to deliver materials to OBOs, OBOs will not receive the materials unless their Intermediary assumes the cost of delivery. The Corporation does not intend to pay for Intermediaries to deliver the proxy-related materials to OBOs.

Intermediaries are required to forward the Notice-and-Access Notification to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies such as Broadridge to forward the Notice-and-Access Notification to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Notice-and-Access Notification will either:

- a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the Non-Registered Holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or

- b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**Voting Instruction Form**”) which the Intermediary must follow. Typically the Non-Registered Holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the Non-Registered Holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In any case, the purpose of this procedure is to permit Non-Registered Holders including NOBOs to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives a form of proxy, VIF or Voting Instruction Form wish to vote at the Meeting in person, the Non-Registered Holder should strike out the persons named in such form of proxy and insert the Non-Registered Holder’s name in the blank space provided. Non-Registered Holders should carefully follow the instructions on the VIF or the instructions received from their Intermediary including those regarding when and where the form of proxy, VIF or Voting Instruction Form is to be delivered.

All references to Shareholders in this Circular, the accompanying Notice of Meeting and any proxy or voting instruction form sent to Shareholders with the Notice-and-Access Notification are to Shareholders of record unless specifically stated otherwise.

#### **EXERCISE OF DISCRETION**

The persons named in the form of proxy or voting instruction form for use at the Meeting will vote the Common Shares in respect of which they are appointed in accordance with the directions of the shareholders appointing them. **IN THE ABSENCE OF SUCH DIRECTIONS, SUCH COMMON SHARES SHALL BE VOTED “FOR”:**

- (a) election of the Directors as nominated by Management;
- (b) appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditors of the Corporation for the ensuing year and authorizing the Directors to fix their remuneration;
- (c) ratification of the 2015 Stock Option Plan; and
- (d) to transact such further and other business as may properly come before the said Meeting or any adjournment of adjournments thereof.

#### **ALL AS MORE PARTICULARLY DESCRIBED IN THIS CIRCULAR**

The form of proxy or voting instruction form confer discretionary authority upon the persons named therein with respect to any amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. **HOWEVER, IF ANY SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS WHICH ARE NOT NOW KNOWN TO THE MANAGEMENT DESIGNEES SHOULD PROPERLY COME BEFORE THE MEETING, THE COMMON SHARES REPRESENTED BY THE PROXIES HEREBY SOLICITED WILL BE VOTED THEREON IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING SUCH PROXIES.**

#### **EFFECTIVE DATE**

The effective date of this Circular is January 14, 2019.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

Each Shareholder of record will be entitled to one (1) vote for each Common Share held at the Meeting.

Holders of record of the Common Shares of the Corporation on January 14, 2019 (the “**Record Date**”) will be

entitled either to attend and vote at the Meeting in person Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation as described herein, to attend and vote thereat by proxy the shares held by them.

The authorized capital of the Corporation presently consists of an unlimited number of Common Shares, of which 168,678,739 Common Shares are issued and outstanding as fully paid and non-assessable as of the Record Date. The Common Shares of the Corporation are listed on the TSX-Venture Exchange (the “**TSX-V**”), as a Tier 2 company, under the symbol “GRAT”.

To the knowledge of the Directors and executive officers of the Corporation, there are no parties who beneficially own, directly or indirectly, or exercise control or direction over 10% or more of any class of securities of the Corporation.

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

None of the Directors or executive officers of the Corporation, no proposed nominee for election as a Director of the Corporation, none of the persons who have been Directors or executive officers of the Corporation since the commencement of the Corporation’s last completed financial year, and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of Directors and the appointment of officers except as disclosed herein.

### **EXECUTIVE COMPENSATION**

The information contained below is provided as required under Form 51-102F6V for Venture Issuers (the “**Form**”), as such term is defined in National Instrument 51-102.

In this section “**Named Executive Officer**” or “**NEO**” means each of the Co -CEOs, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed fiscal year and whose total compensation exceeds \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Corporation at the end of the most recently completed financial year end.

#### **Compensation Discussion and Analysis**

The Board as a whole has the responsibility of determining the compensation for the Co-Chief Executive Officers (the “**Co-CEOs**”) and the Chief Financial Officer (the “**CFO**”) and of determining compensation for directors and senior management.

The Corporation’s compensation objectives include the following:

- to assist the Corporation in attracting and retaining highly-qualified individuals;
- to create among directors, officers, consultants and employees a sense of ownership in the Corporation and to align their interests with those of the shareholders; and
- to ensure competitive compensation that is also financially affordable for the Corporation.

#### **Compensation**

The compensation program is designed to provide competitive levels of compensation. The Corporation recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive’s level of responsibility. In general, the Corporation’s NEOs may receive compensation that is comprised of three components:

- Salary, wages or contractor payments;

- Stock option grants; and/or
- Bonuses.

The objective and reason for this system of compensation is to allow the Corporation to remain competitive compared to its peers in attracting experienced personnel. The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not evaluated against a formal “peer group”. The Compensation Committee relies on the general experience of its members in setting base salary amounts.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Corporation, although the level of reward provided by a particular stock option grant is dependent upon the volatile stock market.

Any bonuses paid to the NEOs are allocated on an individual basis related to the review by the Board of the work planned during the year and the work achieved during the year, including work related to mineral exploration, administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

### **Compensation of Directors**

For a description of the compensation paid to the company’s Named Executive Officer(s) who also act as directors as at the end of the financial year ended December 31, 2017, see “Summary Compensation Table” below.

Other than as disclosed elsewhere in this Circular, no director of the Corporation who is not a Named Executive Officer has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors except for the granting of stock options; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

The Corporation may grant incentive stock options to directors of the Corporation from time to time pursuant to the stock option plan of the Corporation and in accordance with the policies of the TSX-V.

### **Summary Compensation Table**

The following table contains information about the compensation paid to, earned by and payable to, the Corporation’s Co-Chief Executive Officers, Sheldon Inwentash and Arno Brand, former Chief Executive Officer, Roger Moss, the former President and CEO, Michael B. England, the Corporation’s Chief Financial Officer, Douglas Newman, and the former Chief Financial Officer and Secretary, John Masters, for the fiscal years ending December 31, 2017, December 31, 2016 and December 31, 2015. In accordance with the Form, the Corporation does not have any other “Named Executive Officers” given that no executive officer receives total salary and bonus in excess of \$150,000. Specific aspects of compensation payable to the Named Executive Officers of the Corporation are dealt with in further detail in subsequent tables.

Summary Compensation Table									
Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Sheldon Inwentash, Co-CEO <sup>(11)</sup>	2017	30,000	Nil	449,866 <sup>(1)</sup>	Nil	Nil	Nil	92,000	571,866
Arno Brand Co-CEO <sup>(11)</sup>	2017	30,000	Nil	147,543 <sup>(1)</sup>	Nil	Nil	Nil	90,000	267,543
Roger Moss, former C.E.O. <sup>(6)</sup> <sup>(11)</sup>	2017	80,910	Nil	41,226 <sup>(1)</sup>	Nil	Nil	Nil	Nil	122,136
	2016	85,250	Nil	4,830 <sup>(2)</sup>	Nil	Nil	Nil	33,056 <sup>(7)</sup>	123,136
	2015	Nil	Nil	Nil	Nil	Nil	Nil	22,000 <sup>(7)</sup>	22,000
Michael B. England <sup>(5)</sup> <sup>(6)</sup> former President & CEO	2015	Nil	Nil	11,416 <sup>(4)</sup>	Nil	Nil	Nil	70,875 <sup>(8)</sup>	82,291
Douglas Newman, C.F.O. <sup>(9)</sup>	2017	36,000	Nil	30,919 <sup>(1)</sup>	Nil	Nil	Nil	Nil	66,919
	2016	31,500	Nil	7,140 <sup>(3)</sup>	Nil	Nil	Nil	Nil	38,640
John Masters, former C.F.O. & Secretary <sup>(5)</sup> <sup>(9)</sup> <sup>(10)</sup>	2016	Nil	Nil	3,570 <sup>(3)</sup>	Nil	Nil	Nil	Nil	3,570
	2015	Nil	Nil	7,342 <sup>(4)</sup>	Nil	Nil	Nil	26,535 <sup>(8)</sup>	33,877

Notes:

- (1) The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of nil; risk free interest rate of 1.43%; estimated life of 5 years and expected volatility of 124%.
- (2) The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of nil; risk free interest rate of 0.48%; estimated life of 4 years and expected volatility of 88.5%.
- (3) The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of nil; risk free interest rate of 0.63%; estimated life of 1.25 years and expected volatility of 125%.
- (4) The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of nil; risk free interest rate of 0.63%; estimated life of 1.25 years and expected volatility of 125%.
- (5) Michael B. England and John Masters also served as directors of the Corporation and received compensation for services as directors.
- (6) Michael B. England resigned as the President and CEO of the Corporation on October 5, 2015. Roger Moss was appointed the interim CEO of the Corporation on October 5, 2015. Roger Moss resigned as President, C.E.O. and a director on October 16, 2017.
- (7) This amount comprises fees for consulting services provided by Moss Exploration Services, a proprietorship controlled by Dr. Moss.
- (8) Effective April 1, 2011, the Corporation began paying all management and administrative fees, including employer contributions, directly to England Communications Ltd. ("ECL"), a company of which Michael B. England is the sole director and shareholder, rather than paying invoices directly for each individual, ECL charges a 15% administration fee of payments and handling of employer/employee deductions. The \$70,875 are management fees paid to ECL for Mr. England's services as President and CEO. In addition to the \$70,875, the Corporation accrued ECL \$26,535 in salary for John Masters and \$47,625 (2014 - \$106,500) in consulting, office and administrative expenses. At December 31, 2015, \$17,325 of these amounts were still payable to ECL.
- (9) John Masters resigned as CFO on February 18, 2016 and was replaced by Douglas Newman.
- (10) John Masters resigned as a director on September 21, 2016.
- (11) Mr. Inwentash and Mr. Brand were appointed as Co-CEOs following the resignation of Roger Moss as CEO on October 16, 2017.

**Outstanding Share-Based and Option-Based Awards Granted to Named Executive Officers as of December 31, 2017**

The following table summarizes all share-based and option-based awards granted by the Corporation to its Named Executive Officers which are outstanding as of December 31, 2017.

Name	Option-Based Awards			Value of Unexercised In-The-Money Options (\$) <sup>(1)</sup>	Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date		Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Sheldon Inwentash <sup>(2)</sup>	2,500,000	0.17	April 4, 2022	Nil	N/A	N/A
	450,000	0.07	September 4, 2022	15,750	N/A	N/A
	1,000,000	0.10	December 22, 2022	5,000	N/A	N/A
Arno Brand <sup>(2)</sup>	300,000	0.17	April 4, 2022	Nil	N/A	N/A
	450,000	0.07	September 4, 2022	15,750	N/A	N/A
	1,000,000	0.10	December 22, 2022	5,000	N/A	N/A
Roger Moss <sup>(2)</sup>	100,000	0.10	January 15, 2018	500	N/A	N/A
	300,000	0.17	April 4, 2022	Nil	N/A	N/A
Douglas Newman	200,000	0.10	February 18, 2021	1,000	Nil	Nil
	225,000	0.17	April 4, 2022	Nil	N/A	N/A

Note:

- (1) The value of the unexercised in-the-money options was calculated based on the difference between the closing price of the Common Shares underlying the options as at December 29, 2017, being the last trading day of the year, which was \$0.105, and the exercise price of the options.
- (2) Roger Moss resigned as CEO and a director on October 16, 2017 and was replaced by Sheldon Inwentash and Arno Brand as Co- CEOs.

**Value Vested or Earned by Named Executive Officers During the Year Ended December 31, 2017 Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation**

The following table summarizes the value vested or earned during the year by Named Executive Officers in respect of option-based awards, share-based awards and non-equity incentive plan compensation during the year ended December 31, 2017.

Name	Option-Based Awards- Value Vested During the Year (\$) <sup>(1)</sup>	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)
Sheldon Inwentash	Nil	Nil	Nil
Arno Brand	Nil	Nil	Nil
Roger Moss	Nil	Nil	Nil
Douglas Newman	Nil	Nil	Nil

Note:

- (1) Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

**Employment/Consulting Contracts**

The Corporation entered into a consulting agreement with Park Place Limited (“PPL”), a corporation controlled by the Co-Chief Executive Officer, Sheldon Inwentash, effective as of March 17, 2017 under which the sum of \$7,000 a month was payable for the services of Sheldon Inwentash as Executive Chairman. Following the appointment of

Sheldon Inwentash as Co-CEO, the monthly compensation was increased to \$10,000 effective November 1, 2017. The consulting agreement can be terminated on six (6) months written notice.

Subsequent to the year end, on March 1, 2018, the Corporation entered into a new consulting agreement with PPL substantially on the same terms as the prior contract with the addition of a severance payment of twenty-four (24) months compensation under the consulting agreement in the event of a Change of Control as defined below.

The Corporation also entered into a consulting agreement with Valley Mining One Inc. (“VMO”), a corporation controlled by the Co-Chief Executive Officer, Arno Brand, effective March 1, 2018 on the same terms as the contract with PPL.

### Termination and Change of Control Benefits

In the event of a termination of either of the Co-CEOs within 12 months following a Change of Control, as defined below, the Co-CEOs are entitled to a payment equal to twenty-four (24) months compensation under the consulting agreements payable as to fifty percent (50%) upon termination and fifty percent (50%) within six (6) months following termination. A Change of Control is defined as: (i) the transfer to or acquisition of at least twenty-five percent (25%) of the total issued and outstanding common voting securities of the Corporation from time to time, by one person or a group of persons acting in concert, either through one transaction or a series of transactions over time after March 1, 2019, and whether through the acquisition of previously issued voting securities, voting securities that have not been previously issued, or any combination thereof, or any transaction having a similar effect; (ii) twenty-five percent (25%) or more of the issued and outstanding voting securities of the Corporation become subject to a voting trust; (iii) a change of more than half of the directors of the Corporation unless approved by a majority of the Board of Directors of the Corporation; (iv) the Corporation, directly or indirectly, amalgamates, consolidates or otherwise merges with any other body corporate or bodies corporate, other than a wholly owned subsidiary; (v) the Corporation decides to sell, lease, or otherwise dispose of all or substantially all of its assets and undertaking, whether in one or more transactions; or (vi) the Corporation enters into a transaction or arrangement which would have the same or similar effect as the transactions referred to in sub-paragraphs (iv) or (v) above.

Other than as noted above, the Corporation has no compensatory plan or arrangement with respect to the Named Executive Officers that results or will result from the resignation, retirement or any other termination of employment of any such officer's employment with the Corporation, from a change of control of the Corporation or a change in the responsibilities of a Named Executive Officer following a change in control.

### Compensation of Directors

The following table contains information about the compensation awarded to, earned by, paid to or payable to, the Corporation's Directors, other than its Named Executive Officers, the compensation of whom is detailed above under “Summary Compensation Table”, for the fiscal year ended December 31, 2017.

Name	Fees Earned (\$)	Share-Based Awards (\$) <sup>(1)(2)</sup>	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total (\$)
				Annual Incentive Plans	Long-Term Incentive Plans			
Bernard R. Stannus	Nil	Nil	46,873	Nil	Nil	Nil	Nil	46,873
Luisa Moreno	Nil	Nil	46,873	Nil	Nil	Nil	Nil	46,873
Daniel Bloch <sup>(3)</sup>	Nil	Nil	20,000	Nil	Nil	Nil	Nil	20,000
Denis Laviolette <sup>(3)</sup>	Nil	Nil	20,000	Nil	Nil	Nil	Nil	20,000
Michael England <sup>(4)</sup>	Nil	Nil	30,919	Nil	Nil	Nil	Nil	30,919
Rejean Gosselin <sup>(5)</sup>	Nil	Nil	30,919	Nil	Nil	Nil	Nil	30,919
Ian Flint <sup>(6)</sup>	Nil	Nil	20,000	Nil	Nil	Nil	Nil	20,000

Notes:

The fair value of the options granted on April 4, 2017 was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of nil; risk free interest rate of 1.43%; estimated life of 5 years and expected volatility of 124%.

- (1) The fair value of the options granted on December 22, 2017 was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of nil; risk free interest rate of 0.48%; estimated life of 5 years and expected volatility of 88.5%.
- (2) Daniel Bloch and Denis Laviolette were appointed directors on December 21, 2017.
- (3) Michael England resigned as a director on June 23, 2017.
- (4) Rejean Gosselin resigned as a director on September 6, 2017.
- (5) Ian Flint resigned as a director on December 21, 2017.

All Directors are reimbursed by the Corporation for travel and other out-of-pocket expenses incurred in attending Directors and shareholders meetings and meetings of Board committees. Directors are also entitled to receive compensation to the extent that they provide services to the Corporation at rates that would be charged by such Directors for such services to arm's length parties. No Directors fees were paid or accrued in fiscal 2016.

**Outstanding Share-Based and Option-Based Awards Granted to Directors (Other Than Directors Who are Named Executive Officers) as of December 31, 2017**

The following table summarizes all share-based and option-based awards granted by the Corporation to its Directors (other than Directors who are Named Executive Officers whose share-based and option-based awards outstanding as of December 31, 2017 are detailed above) which are outstanding as of December 31, 2017.

Name	Option-Based Awards			Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)	Share-Based Awards	
	Number of Securities Underlying Unexercised Options <sup>(1)</sup> (#)	Option Exercise Price (\$)	Option Expiration Date		Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Bernard R. Stannus	100,000	\$0.10	April 11, 2018	500	N/A	N/A
	225,000	\$0.17	April 11, 2018	Nil	N/A	N/A
	200,000	\$0.10	April 11, 2018	1,000	N/A	N/A
Luisa Moreno	225,000	\$0.17	April 11, 2018	Nil	N/A	N/A
	200,000	\$0.10	April 11, 2018	1,000	N/A	N/A
Daniel Bloch	250,000	\$0.10	December 22, 2022	1,250	N/A	N/A
Denis Laviolette	250,000	\$0.10	December 22, 2022	1,250	N/A	N/A
Ian Flint <sup>(2)</sup>	250,000	\$0.10	December 22, 2022	500	N/A	N/A

Note:

- (1) The value of the unexercised in-the-money options was calculated based on the difference between the closing price of the Common Shares underlying the options as at December 29, 2017, being the last trading day of the year, which was \$0.105, and the exercise price of the options.
- (2) Ian Flint resigned as a director on December 21, 2017 but remained a consultant to the Corporation.

**Value Vested or Earned During the Year Ended December 31, 2017 by Directors (Other Than Directors Who are Named Executive Officers) Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation**

The following table summarizes the value vested or earned during the year ended December 31, 2017 by Directors of the Corporation (other than Directors who are Named Executed Officers whose value vested or earned during the year ended December 31, 2017 under option-based awards, share-based awards and non-equity incentive plan compensation is detailed above) in respect of option-based awards, share-based awards and non-equity incentive plan compensation.

<b>Name</b>	<b>Option-Based Awards-Value Vested During the Year (\$)<sup>(1)</sup></b>	<b>Share-Based Awards- Value Vested During the Year (\$)</b>	<b>Non-Equity Incentive Plan Compensation-Value Earned During the Year (\$)</b>
Bernard R. Stannus	Nil	Nil	Nil
Luisa Moreno	Nil	Nil	Nil
Daniel Bloch	Nil	Nil	Nil
Denis Laviolette	Nil	Nil	Nil
Michael B. England	Nil	Nil	Nil
Ian Flint	Nil	Nil	Nil
Rejean Gosselin	Nil	Nil	Nil

Note:

(1) Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by security holders	11,106,698	\$0.13	543,364
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>TOTAL</b>	<b>11,106,698</b>	<b>\$0.13</b>	<b>543,364</b>

### STOCK OPTION PLAN

The only equity compensation plan that the Corporation has in place is its 2015 Stock Option Plan approved by shareholders on December 14, 2015 (the “**Plan**”) and ratified by shareholders on December 12, 2017. The Plan was established to provide an incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Plan is administered by the directors of the Corporation. The Plan provides that options will be issued pursuant to option agreements with directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Corporation’s other previously established or proposed share compensation agreements, may not exceed 10% of the total number of issued and outstanding Common Shares at the date of grant. All options expire on a date not later than ten years after the issuance of such option. See the reading “Particulars of Matters to be Acted Upon – Ratification of Stock Option Plan” for further details of the Plan.

As of the date of this Circular, there are currently 16,250,000 stock options outstanding under the Stock Option Plan (300,000 options have been exercised under the Stock Option Plan) and 617,873 options available for grant subject to shareholder and regulatory approval as follows:

<b>Name and Position</b>	<b>Common Shares Under Option</b>	<b>Exercise Price Range</b>	<b>Expiry Date</b>
Directors who are also Executive Officers	9,700,000	\$0.10 - \$0.17	April 4, 2022 – December 18, 2023
Directors	1,650,000	\$0.10 - \$0.145	December 22, 2022 – December 18, 2023
Executive Officers	1,450,000	\$0.10 - \$0.17	February 18, 2021 – December 18, 2023
Consultants and Employees	3,450,000	\$0.10 - \$0.145	February 18, 2021 – December 18, 2023
<b>TOTAL</b>	<b>16,250,000</b>		

### **INDEBTEDNESS OF OFFICERS AND DIRECTORS**

No officer or Director of the Corporation is indebted to the Corporation for any sum.

### **MANAGEMENT CONTRACTS**

No Management functions of the Corporation are performed to any substantial degree by a person other than the Directors or executive officers of the Corporation.

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

No insider of the Corporation, no proposed nominee for election as a Director of the Corporation, and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Corporation or any of its subsidiaries, other than disclosed under the headings "Executive Compensation" and "Stock Option Plan" and as disclosed below.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS**

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Corporation, as a Venture Issuer, to disclose annually in its information circular certain information relating to the Corporation's audit committee and its relationship with the Corporation's independent auditors.

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

The Corporation's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as **Schedule "A"**.

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

During fiscal 2017, the Corporation's Audit Committee comprised three (3) Directors, Luisa Moreno, Rejean Gosselin and Bernard R. Stannus until September 6, 2017 when Arno Brand replaced Rejean Gosselin who resigned as a director. On April 10, 2018, Daniel Bloch (Chair), Denis Laviolette and Steven Gray were appointed as members of the Audit Committee. As defined in NI 52-110, all members of the Audit Committee are independent and financially literate.

### **Audit Committee Oversight**

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### **Relevant Education and Experience**

The following is a summary of the relevant education and experience of each of the members or proposed members of the Corporation's Audit Committee:

To September 6, 2017, Luisa Moreno, Rejean Gosselin and Bernard R. Stannus were members of the Audit Committee.

**Dr. Moreno (Chair)** - Dr. Moreno is an Advisor and Consultant to governments, investment firms and companies in the strategic resource sector. She was a senior Analyst, at Toronto based-investment banks and at a global investment research firm for over 10 years. Dr. Moreno acts as an advisor and board member with various publicly listed mining companies.

**Mr. Stannus** - Mr. Stannus has been involved with the Canadian mining industry since 1968, is a mining engineer with many years' experience in mining exploration, development, construction and operations. Additionally Mr. Stannus has held several board, officer and committee appointments with various publicly listed mining companies.

**Mr. Gosselin** - Mr. Gosselin obtained a master's degree in geology from Université Laval in 1979. For over 30 years, he has been a director and officer of Canadian public mining companies active in North and South America and in Africa. Additionally, he has held several board and officer appointments with various publicly listed mining companies.

On September 6, 2017 Arno Brand replaced Rejean Gosselin as a member of the Audit Committee.

**Mr. Brand** - Mr. Brand is a Namibian entrepreneur with 11 years of experience in major development projects throughout Africa. He has in the past worked with the Boswell group of Companies (Boswell) where he served under the role of Corporate development and metals and energy procurement. Up until 2017 through Boswell, Mr. Brand worked with the Niger government Parastatal company Sopamin, facilitating Uranium trade and swap agreements with Asian and North American utilities. He has further under his involvement with Boswell facilitated the sale and financing of African mining projects including Equitorial Oil and Gas, Menzie Battery Metals Corp which has been vended into Giyani Metals Corporation and Micron Investments which was acquired by Gratomic Inc.

On April 10, 2018 the following individuals were appointed to the Audit Committee:

**Mr. Bloch (Chair)** - Daniel Bloch is a member of the Law Society of Upper Canada for over 19 years as well as being registered as a Foreign Lawyer with the Israeli Bar Association. Daniel's practice is global in nature and focuses on domestic and international matters in all areas of corporate finance, mergers and acquisitions, joint ventures, private equity and securities law. Daniel has advised on joint ventures and partnership structures in over 20 countries. Daniel regularly travels to South Africa, Europe and North America, where he has lectured on matters relating to financing structures for international joint ventures and the financing of oil and gas exploration projects. Most recently, he has been involved with the representation of a leading Israeli Pension Fund's investment in an offshore vehicle, the negotiation of Chinese Sino Foreign Joint Ventures, formation of a Namibian offshore oil exploration company, an Israeli offshore gas exploration company and the financing of a multinational gas exploration company. Daniel's extensive global energy and negotiation experience enables him to manage complex commercial relationships. In addition to his international commercial practice, Daniel regularly represents and provides general corporate and securities law advice to publicly and privately held entities ranging in size from start up to those with established multi-national operations. He has counseled on transactions in excess of \$3 billion in various industry sectors, including natural resources and technology. Daniel has served as a both an officer and

director of Canadian and U.S. publicly listed companies and is a member of the Association of International Petroleum Negotiators.

**Mr. Laviolette** - Mr. Laviolette is an intermediate level mining and exploration professional with approximately 10 years of experience in exploration, advanced mine operations, start-up mine management, QA/QC, grass roots exploration, financing and acquisitions, working in Northern Ontario (Timmins, Kirkland Lake and Red Lake), Norway and Ghana. Mr. Laviolette received his B.Sc, Earth Science (Geology) from Brock University, in St. Catharines, Ontario. He is currently employed as Vice President for Palisade Global Investments. His responsibilities at Palisade Global Investments include market/portfolio analysis, reviewing and vetting assets from a technical perspective and providing valuation estimates, analyzing and summarizing technical reports on resources, feasibility and corporate financial statements.

**Mr. Gray** - Steve has worked in the mining industry for 25 years since graduating with BSc. Geology from the Carleton University of Ottawa. As a P. Geo and "Qualified Person" under NI 43-101, Steve possesses diverse experience within the resource management sector, advancing projects from grassroots through' both development and production. His efforts include ascension from Mine Geologist to Chief Geologist with notables Placer Dome, Hudson Bay Mining and Smelting, and Kirkland Lake Gold. Operations, experience includes Mine Management of operating open pit mines and plants in precious metal, base metal, and industrial mineral commodities.

#### **Reliance on Certain Exemptions**

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Committee will review the engagement of non-audit services as required.

#### **External Auditors Service Fees (By Category)**

The fees paid to the Corporation's external auditors in each of the last three fiscal years for audit fees are as follows:

<b><u>Financial Year Ending</u></b>	<b><u>Audit Fees</u></b>	<b><u>Audit Related Fees<sup>(1)</sup></u></b>	<b><u>Tax Fees<sup>(2)</sup></u></b>	<b><u>All Other Fees<sup>(3)</sup></u></b>
2017	\$58,266	Nil	Nil	Nil
2016	\$46,920	Nil	Nil	Nil

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

#### **Exemption**

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 for venture issuers which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2.

## CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires issuers to disclose the corporate governance practices that they have adopted according to guidance provided pursuant to National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”).

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the “**CSA**”) have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure by reporting issuers of its corporate governance practices. This section sets out the Corporation’s approach to corporate governance and addresses the Corporation’s compliance with NI 58-101.

### Board of Directors

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

The current independent members of the Board of Directors of the Corporation are Daniel Bloch, Denis Laviolette and Steven Gray. The current non-independent directors are Sheldon Inwentash, the Executive Chairman and Co-Chief Executive Officer of the Corporation and Arno Brand, Co- Chief Executive Officer of the Corporation.

The Board facilitates its independent supervision over management by choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent directors are, however, able to meet at any time without any of the non-independent directors being present. Further supervision is performed through the Audit Committee who may meet with the Corporation’s auditors without management being in attendance.

**Directorships** — No Director of the Corporation or nominee for director of the Corporation is presently a Director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction except for:

<b>Director</b>	<b>Name of Reporting Issuer</b>	<b>Market</b>	<b>Positions with Issuer</b>
Sheldon Inwentash	ThreeD Capital Inc.	CSE	Chairman and Chief Executive Officer
Arno Brand	ThreeD Capital Inc.	CSE	Director
Denis Laviolette	Xtra-Gold Resources Corp.	TSX	Director

### Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Corporation’s properties and on director responsibilities.

Board meetings may also include presentations by the Corporation’s management and employees to give the directors additional insight into the Corporation’s business. In addition, management of the Corporation makes itself available to discussions with all Board members.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Corporation'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 have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

### **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 Corporation, this policy will be reviewed.

### **Other Board Committees**

The Corporation has no other committees aside from the Audit Committee.

The Audit Committee provides an open avenue of communication between management, the Corporation's independent auditors and the Board and to assist the Board in its oversight of:

- (a) the integrity, adequacy and timeliness of the Corporation's financial reporting and disclosure practices;
- (b) the Corporation's compliance with legal and regulatory requirements related to financial reporting; and
- (c) the independence and performance of the Corporation's independent auditors.

The Audit Committee also performs any other activities consistent with the Audit Committee Charter, the Corporation's Articles and governing laws as the Audit Committee or Board deems necessary or appropriate.

### **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 the Audit Committee.

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

### **PRESENTATION OF FINANCIAL STATEMENTS**

The Annual Financial Statements for the fiscal years ended December 31, 2017 and 2016 including the report of the auditors thereon (the "**Annual Financial Statements**") and the management, discussion and analysis of the Annual Financial Statements (the "**Annual MD&A**") will be submitted to the Meeting. Receipt at the Meeting of the auditors' report and the Annual Financial Statements for the Corporation's last completed fiscal period will not constitute approval or disapproval of any matters referred to therein. The Annual Financial Statements and the Annual MD&A can be obtained from the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Upon receiving a written request to the address on the first page of this Circular, the Corporation will mail a copy of the Annual Financial Statements and Annual MD&A to you.

## ELECTION OF THE BOARD OF DIRECTORS

The Board of Directors of the Corporation currently consists of five (5) Directors. The Directors have passed a resolution fixing the number of Directors to be elected at five (5). The persons named in the enclosed form of proxy intend to vote for the election as Directors of each of the five (5) nominees of management whose names are set forth in the table below. The Board of Directors has adopted a majority voting policy in order to promote enhanced Director accountability. Each Shareholder is entitled to cast their votes for, or withhold their votes from, the election of each Director. If the number of shares “withheld” for any nominee exceeds the number of shares voted “for” the nominee, then, notwithstanding that such Director was duly elected as a matter of corporate law, he shall tender his written resignation to the Corporation. The Board will consider such offer of resignation and the Director’s suitability to continue to serve as a Board member after considering, among other things, the stated reasons, if any, why certain shareholders “withheld” votes for the Director, the qualifications of the Director and whether the Director’s resignation from the Board would be in the best interests of the Corporation.

These nominees have consented to being named in this Circular and to serve if elected. The Corporation’s management does not contemplate that any of the nominees will be unable or unwilling to serve as a Director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly submitted proxies given in favour of such nominee(s) may be voted by the persons whose names are printed in the form of proxy, in their discretion, in favour of another nominee.

The following table and notes thereto state the names of all the persons proposed to be nominated for election as Directors, all of the positions and offices with the Corporation now held by them, their present principal occupations or employments for the last five (5) years and the number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of January 14, 2019. The information as to shares beneficially owned has been furnished to the Board of Directors by the respective nominees.

<b>Name &amp; Municipality of Residence</b>	<b>Position with Corporation</b>	<b>Principal Occupation or Employment for the Last Five Years</b>	<b>Director From</b>	<b>Number of Shares Beneficially Owned or Controlled</b>
Sheldon Inwentash Toronto, Ontario	Director, Executive Chairman and Co- Chief Executive Officer	Chairman and Chief Executive Officer ThreeD Capital Inc. July 1998 to present; Chairman and Chief Executive Officer Mega Uranium Ltd. September 2005 to March 2015; Chairman and Chief Executive Officer Pinetree Capital Ltd. July 1998 to January 2015	April 4, 2017	5,000,000 <sup>(2)</sup>
Arno Brand <sup>(1)</sup> Toronto, Ontario	Director and Co- Chief Executive Officer	Boswell Group of Companies Vice-President, Corporate Development Metal and Energy Procurement	September 6, 2017	3,425,500 <sup>(3)</sup>
Daniel Bloch Neve Daniel, Israel	Director	Lawyer	December 21, 2017	Nil
Denis Laviolette Toronto, Ontario	Director	Vice President, Palisade Global Investments, Mining Analyst September 2015. Pinetree Capital Ltd. since February 2014 to September 2015. Mr. Laviolette was the Chief Geologist/owner/operator of M.A. Resources Ltd. in Ghana from February 2013 to the present time.	December 21, 2017	Nil
Steven Gray Kirkland Lake, Ontario	Director	Professional Geoscientist operating a Mining and Geological Services Company; Vice President of Northern Sphere Mining Corp, a publicly traded	January 10, 2018	Nil

<b>Name &amp; Municipality of Residence</b>	<b>Position with Corporation</b>	<b>Principal Occupation or Employment for the Last Five Years</b>	<b>Director From</b>	<b>Number of Shares Beneficially Owned or Controlled</b>
		company from 2016 to 2018, Director and ownership partner of IPR Mining Corporation, a Private Mining and Exploration Company		

Note:

- (1) Members of the Audit Committee.
- (2) 2,000,000 common shares of which Mr. Inwentash held directly and 3,000,000 common shares of which was held by ThreeD Capital Inc. which Mr. Inwentash is in the management team.
- (3) 843,500 common shares of which Mr. Brand held directly and 2,582,000 common shares of which was held indirectly through Valley Mining One Corp.

***Daniel Bloch, Director***

Daniel Bloch is a member of the Law Society of Upper Canada for over 19 years as well as being registered as a Foreign Lawyer with the Israeli Bar Association. Daniel's practice is global in nature and focuses on domestic and international matters in all areas of corporate finance, mergers and acquisitions, joint ventures, private equity and securities law. Daniel has advised on joint ventures and partnership structures in over 20 countries. Daniel regularly travels to South Africa, Europe and North America, where he has lectured on matters relating to financing structures for international joint ventures and the financing of oil and gas exploration projects. Most recently, he has been involved with the representation of a leading Israeli Pension Fund's investment in an offshore vehicle, the negotiation of Chinese Sino Foreign Joint Ventures, formation of a Namibian offshore oil exploration company, an Israeli offshore gas exploration company and the financing of a multinational gas exploration company. Daniel's extensive global energy and negotiation experience enables him to manage complex commercial relationships. In addition to his international commercial practice, Daniel regularly represents and provides general corporate and securities law advice to publicly and privately held entities ranging in size from start up to those with established multi-national operations. He has counseled on transactions in excess of \$3 billion in various industry sectors, including natural resources and technology. Daniel has served as a both an officer and director of Canadian and U.S. publicly listed companies and is a member of the Association of International Petroleum Negotiators.

***Denis Laviolette, Director***

Mr. Laviolette is an intermediate level mining and exploration professional with approximately 10 years of experience in exploration, advanced mine operations, start-up mine management, QA/QC, grass roots exploration, financing and acquisitions, working in Northern Ontario (Timmins, Kirkland Lake and Red Lake), Norway and Ghana. He is also experienced with respect to GIS, 3D-modeling, resource delineation/estimation and large scale regional target delineation and production work, with a focus in Archean meso-thermal gold terranes and structural geology. Mr. Laviolette received his B.Sc, Earth Science (Geology) from Brock University, in St. Catherines, Ontario.

Mr. Laviolette is currently employed as Vice President for Palisade Global Investments. His responsibilities include market/portfolio analysis, appraising and vetting assets on a technical basis, providing valuation estimates, and reviewing corporate financial statements. In addition, Denis serves as President of Palisade Resources Corp and CEO of Goldspot Discoveries Inc. Mr. Laviolette was employed as a mining analyst with Pinetree Capital Ltd. ("Pinetree") in Toronto since February 2014 to September 2015. His responsibilities at Pinetree include market/portfolio analysis, reviewing and vetting assets from a technical perspective and providing valuation estimates, analyzing and summarizing technical reports on resources, feasibility and corporate financial statements.

Mr. Laviolette has been and is currently chief geologist/partner/operator of M.A. Resources Ltd., a privately held alluvial mining and exploration company in Ghana since February 2013 to the present time. From February 2012 to February 2013, he was the senior geologist for Buccaneer Gold Corp. in Ghana. From February 2011 to February 2012, he was the senior project geologist for Xtra-Gold in connection with its Kibi Gold Belt, located in the Apapam

Concession in Ghana. From March 2010 to February 2011, Mr. Laviolette was a Production Geologist for Kirkland Lake Gold Inc. at its Macassa Gold Mine in Kirkland Lake, Ontario. From November 2009 to March 2010, he was a Production Geologist for Lakeshore Gold Corp. at its Timmins West Mine, in Timmins, Ontario.

***Steven M. Gray, Director***

Steve Gray has worked in the mining industry for more than 25 years as a Professional Geoscientist and “Qualified Person” under NI 43-101. Steve possesses diverse experience within the resource management sector; from “grass roots” exploration to resource estimation, from mine development through operational extraction, closure, and site remediation. In addition to holding Chief Geologist roles with Kirkland Lake Gold, Richmond Mines, and Primero Mining, Steve has held several positions as Mine Manager, operating open pit mines and plants producing precious metal, base metal, and industrial mineral commodities.

Over the last 5 years, in addition to operating a Mining and Geological Services Company, Mr. Gray was the Vice President of Northern Sphere Mining Corp, a publicly traded company from 2016 to 2018, advancing mineral projects in Canada’s Sudbury Nickel District and in the United States’ Arizona’s Copper Porphyry District. Currently Mr. Gray is a Director and ownership partner of IPR Mining Corporation, a Private Mining and Exploration Company developing the former Dripping Springs Copper-Gold Mines located in Winkelman, Arizona.

**In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of the election of Management’s nominees as directors of the Corporation.**

The shareholders are urged to elect Management’s nominees as directors of the Corporation.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

**Cease Trade Orders**

To the knowledge of the Corporation, no Director or proposed Director of the Corporation is, as at the date of this Circular, or has been in the last 10 years before the date of this Circular, a Director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity,

- (a) was subject to an order that was issued while the Director or executive officer was acting in the capacity as Director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the Director or executive officer 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.

For the purposes of subsections (a) and (b) above, “order” means (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

**Bankruptcies**

To the knowledge of the Corporation, no Director or proposed Director of the Corporation:

- (c) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a Director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (d) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Director or proposed Director.

### **Penalties or Sanctions**

To the knowledge of the Corporation, none of the Directors or proposed Directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

### **Conflict of Interest**

To the best of the Corporation's knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among the Corporation, its promoters, Directors, officers or other members of management of the Corporation except that certain of the Directors, officers, promoters and other members of management serve as Directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a Director, officer, promoter or member of management of such other companies and their duties as a Director, officer, promoter or management of the Corporation.

The Directors and officers of the Corporation are aware of the existence of laws governing accountability of Directors and officers for corporate opportunity and requiring disclosure by Directors of conflicts of interest and the Corporation will rely upon such laws in respect of any Directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its Directors and officers.

### **APPOINTMENT OF AUDITORS**

The persons named in the enclosed form of proxy intend to vote for the appointment of Davidson & Company LLP, of Vancouver, British Columbia, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the Directors of the Corporation to fix the auditors' remuneration.

On the representations of the said auditors, neither that firm nor any of its partners has any direct financial interest nor any material indirect financial interest in the Corporation or any of its subsidiaries nor has had any connection during the past three years with the Corporation or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, Director, officer or employee.

**In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of the appointment of Davidson & Company, as the Corporation's auditors, and authorizing the Board of Directors to fix their remuneration.**

The shareholders are urged by Management to appoint Davidson & Company LLP, as the Corporation's auditors, and to authorize the Board of Directors to fix their remuneration.

### **RATIFICATION OF THE STOCK OPTION PLAN**

The Corporation received shareholder approval on December 14, 2015 to adopt the 2015 Stock Option Plan (the "**Plan**") which plan is a "rolling" stock option plan whereby a maximum of 10% of the issued shares of the Corporation, from time to time, may be reserved for issuance pursuant to the exercise of options.

The TSX-V requires listed companies that have "rolling" stock option plans in place receive shareholder approval of such plans on a yearly basis at the Corporation's Annual General Meeting. Accordingly, Shareholders will be asked at the Meeting to ratify the Plan.

The purpose of the Plan is to provide certain directors, officers and key employees of, and certain other persons who provide services to the Corporation and any subsidiaries with an opportunity to purchase Common Shares of the Corporation and benefit from any appreciation in the value of the Corporation's Common Shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the Shareholders and increasing the ability of the Corporation and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Corporation.

The Plan provides for a floating maximum limit of 10% of the outstanding Common Shares, as permitted by the policies of the TSX-V. As at January 14, 2019, this represents 16,867,739 Common Shares available under the Plan, of which 16,250,000 are issued and 617,873 are reserved and available for issuance under the Plan.

Under the Plan, the option price must not be less than the exercise price permitted by the TSX-V. The current policies of the TSX-V state that the option price must not be less than the closing prices of the Common Shares listed on the TSX-V on the day immediately preceding the date of grant, less the applicable discount permitted by the policies of the TSX-V. An option must be exercised within a period of ten years from the date of granting. Within this ten year period, the Board may determine the limitation period during which an option may be exercised. Any amendment to the Plan requires the approval of the TSX-V and may require shareholder approval.

The material terms of the Plan are as follows:

1. The term of any options granted under the Plan will be fixed by the Board at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
2. The exercise price of any options granted under the Plan will be determined by the Board, in its sole discretion, but shall not be less than the closing price of the Corporation's Common Shares the day on which the directors grant such options, less any discount permitted by the TSX-V.
3. No vesting requirements will apply to options granted under the Plan other than as required by TSX-V policies.
4. All options will be non-assignable and non-transferable.
5. No more than (i) 5% of the issued Common Shares may be granted to any one individual in any 12-month period; and (ii) 2% of the issued Common Shares may be granted to a consultant, or an employee performing investor relations activities, in any 12-month period.
6. If the option holder ceases to be a director of the Corporation or ceases to be employed by the Corporation (other than by reason of death or disability), as the case may be, then the option granted shall expire on no later than the 90<sup>th</sup> day following the date that the option holder ceases to be a director or ceases to be employed by the Corporation, subject to the terms and conditions set out in the Plan. However, if the option holder is engaged in investor relations activities the options must expire within 30 days after the option holder ceases to be employed by the Corporation to provide investor relations activities, in accordance with the policies of the TSX-V.
7. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12-month period, exceeding 10% of the Corporation's issued Common Shares; and (iii) any grant of options to any one individual, within a 12-month period, exceeding 5% of the Corporation's issued Common Shares.
8. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Corporation's Common Shares.

Management of the Corporation is seeking shareholder approval to ratify the 2015 Stock Option Plan.

It is proposed that shareholders approve the following resolution:

**“BE IT RESOLVED THAT:**

1. the Corporation’s 2015 Stock Option Plan is hereby ratified; and
2. any one director or officer of the Corporation be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

**In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of ratification of the 2015 Stock Option Plan.**

Management urges shareholders to approve the ratification of the 2015 Stock Option Plan.

**ADDITIONAL INFORMATION**

Additional information concerning the Corporation can be obtained from [www.sedar.com](http://www.sedar.com).

Financial information concerning the Corporation is provided in the Corporation’s comparative financial statements and Management Discussion and Analysis for its fiscal year ended December 31, 2018. Copies of these documents may be obtained from the Corporation by making a request in writing to the Corporation at 69 Yonge Street, Suite 1010, Toronto, Ontario M5E 1K3, email: [info@gratomic.ca](mailto:info@gratomic.ca), Attention: Chief Executive Officer.

**APPROVAL OF DIRECTORS**

The Circular and the mailing of same to shareholders have been approved by the Board of Directors of the Corporation.

**DATED** the 14<sup>th</sup> day of January, 2019.

**BY ORDER OF THE**

**BOARD OF DIRECTORS**

*“Sheldon Inwentash”*

**SHELDON INWENTASH**  
Executive Chairman

## **SCHEDULE “A”**

to Information Circular of  
Gratomic Inc. dated January 14, 2019 (the “Company”)

### **AUDIT COMMITTEE CHARTER**

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

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

- (a) the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- (b) the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- (c) the independence and performance of the Company’s independent auditors.

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

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

The Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles (“GAAP”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditors’ responsibility is to audit the Company’s financial statements and provide their opinion, based on their audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with GAAP.

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

#### **Authority and Responsibilities**

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

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.

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