



RESOURCES CORP.

## MANAGEMENT INFORMATION CIRCULAR

(As at May 15, 2018 (the “**Record Date**”) and in Canadian dollars, except where indicated)

### PERSONS MAKING THIS SOLICITATION OF PROXIES

**This Management Information Circular (“Circular”) is provided in connection with the solicitation by the management of Revelo Resources Corp. (the “Corporation”) of proxies (“Proxies”) from registered shareholders and voting instruction forms (“VIFs”) from the beneficial shareholders (collectively, “Shareholders”) of common shares of the Corporation (“Common Shares”) in respect of the annual and a special general meeting of Shareholders (the “Meeting”) to be held at the time and place and for the purposes set out in the notice of meeting (the “Notice of Meeting”).**

Although it is expected that the solicitation of Proxies and VIFs will be primarily by mail, Proxies and VIFs may also be solicited personally or by telephone, facsimile or other solicitation services. The costs of the solicitation of Proxies and VIFs will be borne by the Corporation.

The Corporation has given notice of the Meeting in accordance with the “Notice and Access” procedures of National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian securities administrators (“**NI 54-101**”). In accordance with NI 54-101, the Corporation has sent the Notice of Meeting and the Proxy or VIF, but not this Circular, directly to its registered Shareholders. Instead of mailing this Circular to Shareholders, the Corporation has posted the Circular on its website pursuant to the “Notice and Access” procedures of NI 54-101. Shareholders may request a paper copy of this Circular be sent to them by contacting the Corporation as set out under “Additional Information” at the end of this Circular.

Pursuant to NI 54-101, arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries, banks, trust companies, trustees and their agents, nominees and other intermediaries (“**Intermediaries**”) to forward the Notice of Meeting and a VIF to each of the unregistered (beneficial) owners of the Common Shares held of record by Intermediaries that have consented to allow their addresses to be provided to the Corporation (“**NOBOs**”). The Corporation may reimburse the Intermediaries for reasonable fees and disbursements incurred by them in doing so.

The Corporation does not intend to pay Intermediaries to forward the Notice of Meeting and VIF to those beneficial Shareholders that have refused to allow their address to be provided to the Corporation (“**OBOs**”). Accordingly, OBOs will not receive the Notice of Meeting and VIF unless their respective Intermediaries assume the cost of forwarding such documents to them.

None of the directors of the Corporation have informed the Corporation’s management in writing that they intend to oppose the approval of any of the matters set out in the Notice of Meeting.

### REGISTERED SHAREHOLDERS

Only persons registered as Shareholders in the Corporation’s Central Security Register maintained by its registrar and transfer agent or duly appointed proxyholders of registered Shareholders (“**Proxyholders**”) will be recognized, make motions or vote at the Meeting.

## BENEFICIAL SHAREHOLDERS

**The information set forth in this section is of significant importance as many Shareholders do not hold Common Shares in their own name.**

If Common Shares are listed in an account statement provided to a Shareholder (a “**Beneficial Shareholder**”) by a broker, those Common Shares, in all likelihood, will **not** be registered in the Shareholder’s name. It is more likely that such Common Shares will be registered under the name of an Intermediary. Common Shares held by Intermediaries on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting shares for the Beneficial Shareholders. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

As provided for NI 54-101, the Corporation has elected to obtain a list of its NOBOs from Intermediaries, and deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable VIF instead of a Proxy. A VIF enables a Shareholder to provide instructions to the registered holder of its Common Shares as to how those shares are to be voted at the Meeting and allows the registered Shareholder of those Common Shares to provide a Proxy voting the Common Shares in accordance with those instructions. VIFs should be completed and returned in accordance with its instructions. As indicated in the VIF, Internet voting is also allowed. The results of the VIFs received from NOBOs will be tabulated and appropriate instructions respecting voting of Common Shares to be represented at the Meeting will be provided to the registered Shareholders.

The forms of VIF requesting voting instructions supplied to Beneficial Shareholders are substantially similar to the Proxy provided directly to the registered Shareholders by the Corporation, however, their purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. A VIF has its own return instructions, which should be carefully followed by Beneficial Shareholders to ensure their Common Shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining voting instructions from OBOs to Broadridge Investor Communications in Canada and the United States of America. Broadridge prepares a machine-readable VIF, mails the VIF and other proxy materials for the Meeting to OBOs and asks them to return the VIF to Broadridge. It then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting.

**A Beneficial Shareholder may use their VIF to vote their own Common Shares directly at the Meeting if the Beneficial Shareholder inserts their own name as the name of the person to represent them at the Meeting. The VIF must be returned to Computershare, Broadridge or other Intermediary well in advance of the meeting to have the Common Shares voted. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

Shareholders with any questions respecting the voting of Common Shares held through a broker or other Intermediary, should contact that broker or other Intermediary for assistance.

## UNITED STATES SHAREHOLDERS

This solicitation of Proxies and VIFs involves securities of a company located in Canada and is being effected in accordance with the corporate and securities laws of the province of British Columbia, Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not

applicable to the Corporation or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of British Columbia, Canada differ from the disclosure and proxy solicitation requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Business Corporations Act* (British Columbia), some of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

### **APPOINTMENT OF PROXYHOLDERS AND COMPLETION AND REVOCATION OF PROXIES AND VIFS**

Only persons registered as Shareholders in the Corporation's Central Security Register maintained by its registrar and transfer agent or duly appointed proxyholders of registered Shareholders will be recognized or may make motions or vote at the Meeting.

The persons named (the "**Management Designees**") in the Proxy or VIF have been selected by the board of directors of the Corporation (the "**Board**") and have agreed to represent, as Proxyholder, the Shareholders appointing them.

**A Shareholder has the right to designate a person (who need not be a Shareholder and, for a VIF, can be the appointing Shareholder) other than the Management Designees as their Proxyholder to represent them at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Proxy or VIF the name of the person to be designated and by deleting therefrom the names of the Management Designees or, if the Shareholder is a registered Shareholder, by completing another proper form of Proxy and delivering the Proxy or VIF in accordance with its instructions.** Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as Proxyholder and provide instructions on how their Common Shares are to be voted. The nominee should bring personal identification with them to the Meeting.

A Shareholder may indicate the manner in which the Proxyholders are to vote on behalf of the Shareholder, if a poll is held, by marking an "X" in the appropriate space of the Proxy. **If both spaces are left blank, the Proxy will be voted as recommended by management for any matter requiring a "For" or "Against" vote, and in favour of the matter for any matter requiring a "For" or "Withhold" vote.**

**The Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting.** As at the date of this Circular, the Corporation's management is not aware that any amendments or variations are to be presented at the Meeting. If any amendments or variations to such matters should properly come before the Meeting, the Proxies hereby solicited will be voted as recommended by management.

To be valid, the Proxy or VIF must be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy or VIF). The completed Proxy or VIF must then be returned in accordance with its instructions. Proxies (but not VIFs, unless the VIF has Computershare's name and address on the top right corner of the first page) and proof of authorization can also be delivered to the Corporation's transfer agent, Computershare Investor Services Inc. (Attn: Proxy Department), by fax within North America at 1-866-249-7775, outside North America at (+1) 416-263-9524, by mail to 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1,

Canada or by hand delivery to 2<sup>nd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Proxies and VIFs received after that time may be accepted or rejected by the Chairman of the Meeting in the Chairman's discretion, and the Chairman is under no obligation to accept or reject late Proxies.

A Proxy will be revoked by a Shareholder personally attending at the Meeting and voting their Common Shares. A Shareholder may also revoke their Proxy in respect of any matter upon which a vote has not already been held by depositing an instrument in writing (which includes an Proxy bearing a later date) executed by the Shareholder or by their authorized attorney in writing, or, if the Shareholder is a company, under its corporate seal by an officer or attorney thereof duly authorized, at the office of the transfer agent at one of Computershare's addresses set out above, the office of the Corporation (Attn: Kim Casswell) at Suite 501, 543 Granville Street, Vancouver, British Columbia, V6C 1X8 (or by fax to (+1) 604-688-1157) or the registered office of the Corporation at Northwest Law Group (Attn: Michael F. Provenzano), Suite 704, 595 Howe Street, Box 35, Vancouver, British Columbia V6C 2T5, Canada (or by fax to (+1) 604-687-6650) at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or by depositing the instrument in writing with the Chairman of such Meeting, prior to the commencement of the Meeting or of any adjournment thereof. VIFs may only be revoked in accordance with their specific instructions.

### **VOTING OF PROXIES AND VIFS**

Voting at the Meeting will be by a show of hands, each registered Shareholder and each Proxyholder having one vote, unless a poll is required (if the number of Common Shares represented by Proxies and VIFs that are to be voted against a motion are greater than 5% of the votes that could be cast at the Meeting) or requested, whereupon each registered Shareholder and Proxyholder is entitled to one vote for each Common Share held or represented, respectively.

Each Shareholder may instruct their Proxyholder how to vote their Common Shares by completing the blanks on the Proxy or VIF. All Common Shares represented at the Meeting by properly executed Proxies and VIFs will be voted or withheld from voting when a poll is requested or required and, where a choice with respect to any matter to be acted upon has been specified in the Proxy or VIF, such Common Shares will be voted in accordance with such specification. **In the absence of any such specification on the Proxy or VIF as to voting, the Management Designees, if named as Proxyholder or nominee, will vote in favour of the matters set out therein.**

**The Proxy or VIF confers discretionary authority upon the Management Designees, or other person named as Proxyholder, with respect to amendments to or variations of matters identified in the Notice of Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting.**

To approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an "**ordinary resolution**") unless the motion requires a "special resolution" in which case a majority of 66-2/3% of the votes cast will be required.

### **QUORUM**

The Corporation's Articles provide that a quorum for the transaction of business at any meeting of Shareholders is two persons who are, or represent by Proxy, Shareholders holding at least 5% of the issued Common Shares.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares, which are the only shares entitled to be voted at the Meeting. As at the Record Date, the Corporation had 167,405,027 Common Shares issued and outstanding. Shareholders are entitled to one vote for each Common Share held.

To the knowledge of the directors and executive officers of the Corporation, no one beneficially owned, directly or indirectly, or exercised control or direction over, voting securities carrying more than 10% of the voting rights attached to the Common Shares as at the Record Date.

## STATEMENT OF EXECUTIVE COMPENSATION

Unless otherwise noted the following information is for the Corporation's last financial year (which ended January 31, 2018) and, since the Corporation has subsidiaries, is prepared on a consolidated basis.

### A. Named Executive Officers

For the purposes of this Circular, a Named Executive Officer ("NEO") means each of the following individuals during the most recently completed financial year:

- (a) each chief executive officer ("CEO") of the Corporation;
- (b) each chief financial officer ("CFO") of the Corporation; and
- (c) each of the Corporation's three most highly compensated executive officers, or individuals acting in a similar capacity, other than the CEO and CFO, if their individual total compensation (excluding the value of any pension) was more than \$150,000 for that financial year.

### B. Compensation Discussion and Analysis

The Compensation Committee of the Board is responsible for ensuring that the Corporation has appropriate procedures for reviewing executive compensation and making recommendations to the Board with respect to the compensation of the Corporation's executive officers. The Compensation Committee seeks to ensure that total compensation paid to all executive officers is fair and reasonable and is consistent with the Corporation's compensation philosophy.

The Compensation Committee is also responsible for recommending compensation for the directors and officers and granting stock options to the directors, officers and employees of, and consultants to, the Corporation pursuant to the Corporation's Stock Option Plan (the "**Option Plan**"). Stock options already held by NEOs are considered when granting new options to them.

No NEO or director is permitted to purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director

#### *Annual Assessment*

The Compensation Committee assesses each NEO's performance on the basis of his or her respective contribution to the achievement of corporate goals as well as to needs of the Corporation that arise on a

day-to-day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board with respect to the determination of executive compensation.

### *Risk Assessment*

The Compensation Committee also evaluates the potential risks associated with Corporation's compensation policies and practices. The Compensation Committee recommends to the Board of Directors compensation strategies which align the NEOs' interests with those of the Shareholders and other Stakeholders to insure that the Corporation's long term goals are met without exposing the Corporation to unnecessary risk. The Compensation Committee considers a mix of base salary, short term incentives, and long term incentives to attract high caliber executives to encourage behaviour that leads to creation of long term value while limiting incentives that might promote inappropriate risk-taking.

### *Compensation Components*

Compensation paid to the Corporation's NEOs consists of a base salary in the form of cash compensation, short term incentives, and long term incentives through stock options. No specific formula is used to assign a specific weighting to these components. Instead, the Board considers the Corporation's performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

In establishing levels of compensation, each NEO's performance, expertise, responsibilities, length of service to the Corporation and comparable levels of remuneration paid to executive officers of other companies of comparable size and development within the mineral exploration and mining development industries are considered as well as taking into account the financial and other resources of the Corporation.

The Compensation Committee also relies on the experience of its members as officers and directors of other companies in similar lines of business as the Corporation. The other companies of which they are currently a director are identified under the heading "Disclosure of Corporate Governance Practices – Directorships" of this Circular. The purpose of this comparison to similar companies is to

- understand the competitiveness of current pay levels for each executive position relative to companies with similar business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

### *Base Salary*

In establishing base salary for NEOs, the Compensation Committee considers each NEO's performance, level of expertise, responsibilities, length of service to the Corporation and comparable levels of remuneration paid to executives of other companies of comparable size and development within the mining exploration and development industries. The financial and other resources of the Corporation are also considered since capital management is critical to the Corporation as a successful generator of projects using Shareholders' funds.

Using this information, together with budgetary guidelines and other internally generated planning and forecasting tools, the Compensation Committee then recommends to the Board what should be the base salaries of the CEO, CFO and other NEOs, and the Board sets the base salaries of the CEO and CFO and other NEOs. During the year ended January 31, 2018, portions of the base salaries of the CEO and other NEOs were deferred.

### *Annual Incentives*

Awards under the Corporation's annual incentive plan are made by way of cash bonuses, which are based on the Corporation's success in reaching its objectives and on individual performance. The Compensation Committee recommends, and the Board approves, annual incentives for each NEO.

To determine its recommendations, the Compensation Committee reviews corporate performance objectives during the year including exploration success; acquisition of new properties; property sales and joint ventures; capital management; management of environmental, community, and safety objectives; maintaining compliance with the regulatory and disclosure framework; increasing investor interest in the Corporation; and increasing the Corporation's market capitalization. No annual incentives were paid to any NEOs during the year ended January 31, 2018.

### *Long Term Compensation*

Long term compensation is paid in the form of granting of stock options, restricted share units and performance share units.

#### 1. Stock Options

The Board established the Option Plan to encourage share ownership and entrepreneurship on the part of the directors, management and employees. The Compensation Committee believes that the Option Plan aligns the interests of the NEOs with the interests of the Shareholders by linking a component of compensation to the longer-term performance of the Common Shares.

Options are generally granted on an annual basis, subject to the imposition of trading black-out periods, in which case options scheduled for grant will be granted subsequent to the end of the black-out period. All options granted to NEOs are recommended by the Compensation Committee and approved by the Board. In monitoring stock option grants, the Compensation Committee takes into account the level of options granted by comparable companies for similar levels of responsibility and considers each NEO based on reports received from management, its own observations on individual performance (where possible) and its assessment of individual contribution to Shareholder value.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Compensation Committee also makes the following determinations:

- the exercise price for each option granted;
- the date on which each option is granted;
- the vesting terms for each stock option; and
- the other material terms and conditions of each stock option grant.

The Compensation Committee makes these determinations subject to and in accordance with the provision of the Option Plan. During the year ended January 31, 2018, no Stock Options were issued to any NEOs.

See "Description of Option Plan".

#### 2. Restricted Share Unit and Performance Share Unit Plan

The Corporation established a Restricted Share Unit and Performance Share Unit Plan (the "**Share Unit Plan**") to motivate the Corporation's officers and key personnel. The Compensation Committee believes

that the Share Unit Plan, like the Option Plan, aligns the interests of the NEOs with the interests of the Shareholders by linking a component of compensation to the Common Shares.

All share units granted to NEOs are recommended by the Compensation Committee and approved by the Board. In monitoring share unit grants, the Compensation Committee considers each NEO based on reports received from management, its own observations on individual performance (where possible) and its assessment of individual contribution to Shareholder value.

In addition to determining the number of share units to be granted pursuant to the methodology outlined above, the Compensation Committee also makes the following determinations:

- the date on which each share unit is granted; and
- the other materials terms and conditions of each share unit grant.

The Compensation Committee makes these determinations subject to and in accordance with the provision of the Share Unit Plan. During the year ended January 31, 2018, no Restricted Share Units or Performance Share Units were issued to NEOs under the Share Unit Plan.

See “Description of Restricted Share Unit and Performance Share Unit Plan”.

### Summary Compensation Table

The following table contains a summary of the compensation paid to the NEOs during the Corporation’s last three financial years.

Name and principal position	Year Ended January 31	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 (\$)			
Timothy Beale CEO & President	2018	240,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	240,000
	2017	189,120	Nil	25,991 <sup>(2)</sup>	Nil	Nil	Nil	Nil	215,111
	2016	189,000	Nil	Nil	Nil	Nil	Nil	Nil	189,000
Doug Reed CFO	2018	23,324	Nil	Nil	Nil	Nil	Nil	Nil	23,324
	2017	21,379 <sup>(1)</sup>	Nil	6,238 <sup>(2)</sup>	Nil	Nil	Nil	Nil	27,617
	2016	N/A	Nil	N/A	Nil	Nil	Nil	Nil	N/A

- (1) Salary paid or accrued to Hephaestus Consulting Services Inc., a private company owned by the Corporation’s President and Chief Executive Officer Timothy Beale. See “Employment Agreements” for a description of the material terms of the Employment Agreement.
- (2) Pursuant to a Management Services Agreement between the Corporation and Seabord Services Corp., Mr. Reed’s remuneration is paid by Seabord. See “Management Contracts” for a description of the material terms of the Management Services Agreement.
- (3) The “grant date fair value” of options has been determined by using the Black-Scholes model. See discussion below. The stock option benefit is the grant date fair value using the Black-Scholes option pricing model using the following assumptions: stock price - \$0.15, exercise price - \$0.15, an option life of 5 years, a risk-free interest rate of 0.58% and a volatility of 129%. See the table under “Incentive Plan Awards” for the ‘in-the-money’ value of these options on January 31, 2018.



The Corporation continues to aim to manage its working capital efficiently and as a result, there were no base salary increases paid to the NEOs during the last financial year.

The Corporation has calculated the “grant date fair value” amounts in the ‘Option-based Awards’ column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. Stock options that are well “out-of-the-money” can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is the total compensation of each NEO reported in the other columns. The value of the in-the-money options currently held by each NEO (based on Common Share price less option exercise price) is set forth in the ‘Value of Unexercised in-the-money Options’ column of the “Outstanding Share-Based and Option-Based Awards” table below.

### **Employment Agreements**

#### *Timothy Beale, President and Chief Executive Officer*

Pursuant to an agreement dated July 1, 2013, as amended June 1, 2014, the Corporation engaged Hephaestus Consulting Services Inc., a private company owned by the Corporation’s President and Chief Executive Officer Timothy Beale, to provide the services of Mr. Beale as President and CEO of the Corporation. In consideration of such services, the Corporation paid Hephaestus an annual fee of \$180,000 and also reimbursement costs of \$750 per month for health care benefits. On February 1, 2017, the annual fee was increased to \$240,000, with no additional payment for health care benefits. Either party may terminate the agreement by providing six months notice to the other party.

#### *Other Named Executive Officers*

The Corporation has not entered into any other employment or consulting contracts with its other Named Executive Officers.

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

Other than described above under ‘Employment Agreements’, the Corporation has not provided or agreed to provide any compensation to any NEOs as a result of a change of control of the Corporation, its subsidiaries or affiliates.

### **Incentive Plan Awards**

#### *Outstanding Share-Based and Option-Based Awards*

The following table sets out, for each NEO, the incentive stock options to purchase Common Shares under the Option Plan (option-based awards) held as of the last financial year (January 31, 2018). The closing price of the Common Shares on the TSX-V on that date was \$0.025 per share.

Name & Position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (vested-unvested)	Option exercise price (per share)	Option expiration date (m/d/y)	Value of unexercised 'in-the-money' <sup>(1)</sup> options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards that have not been paid out (\$)
Timothy Beale President & CEO	500,000 – 0 600,000 – 0	\$0.15 \$0.25	8/19/2019 7/23/2019	Nil Nil	N/A	N/A	N/A
Doug Reed CFO	120,000 – 0 60,000 – 0	\$0.15 \$0.25	8/19/2019 7/23/2019	Nil Nil	N/A	N/A	N/A

- (1) Options are “in the money” if the market price of the Common Shares is greater than the exercise price of the options. The value of such options is the product of the number of Common Shares multiplied by the difference between the exercise price and the closing market price of the Common Shares on the financial year end. Options which were not vested at the financial year end are not included in this value.

The Compensation Committee’s approach to recommending options to be granted is consistent with prevailing practice in the mineral exploration industry. Grants of options depend on the length of service of the NEOs. There are, therefore, no formulae followed or performance goals or significant conditions which must be met before options will be granted. Options are always granted at the prevailing market price of the Common Shares.

#### *Value of Share-Based and Option-Based Awards Vested or Earned during the Year*

The following table sets out the share-based and option-based awards that vested in, and non-equity awards that were earned by, the NEOs during the last financial year.

Name & Position	Value vested during the year		Value earned during the year – Non-equity incentive plan compensation (\$)
	Option-based awards <sup>(1)</sup> (\$)	Share-based awards <sup>(2)</sup> (\$)	
Timothy Beale President & CEO	0	0	0
Doug Reed CFO	0	0	0

- (1) The value of an option based award is the product of the number of Common Shares issuable on the exercise of the option on the vesting date multiplied by the difference between the exercise price and the closing market price on the vesting date. The stock option benefit is the grant date fair value has been calculated using the Black-Scholes option pricing model, which is described above. See the table under “Outstanding Share-based and Option-based Awards to NEOs” for the “in-the-money” value of these options on January 31, 2018.
- (2) The value of a share based award is the product of the number of Common Shares issuable on the vesting date multiplied by the closing market price on the vesting date.

## Pension Plan Benefits

The Corporation does not have a pension plan, defined benefits plan, defined contribution plan or deferred compensation plan.

## Director Compensation

The following table describes compensation for non-executive directors for the last financial year.

Name	Fees earned <sup>(1)</sup> (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total (\$)
Colin Bird	24,000	Nil	Nil	Nil	Nil	Nil	24,000
Raymond Jannas	24,000	Nil	Nil	Nil	Nil	Nil	24,000
Mario Sztolender	6,000	Nil	Nil	Nil	Nil	17,976 <sup>(2)</sup>	23,976
Michael Winn	Nil	Nil	Nil	Nil	Nil	185,910 <sup>(3)</sup>	185,910
Ralph Rushton	18,000	Nil	Nil	Nil	Nil	Nil	18,000

- (1) Compensation of \$2,000 per month paid or accrued to non-executive directors of the Corporation.
- (2) Fees paid to Mr. Sztolender for corporate development and financial advisory services provided to the Corporation. Mr. Sztolender resigned as a director of the Corporation on May 17, 2017. See “Employment and Consulting Agreements” for a description of the material terms of the Consulting Agreement.
- (3) Fees paid or accrued to Seabord Capital Corp. in consideration of Mr. Winn’s services as Chairman of the Board of Directors of the Corporation. See “Employment and Consulting Agreements” for a description of the material terms of the of the Consulting Agreement.
- (4) Mr. Rushton was appointed as a director of the Corporation on May 17, 2017.

The Corporation has calculated the “grant date fair value” amounts in the ‘Option-based Awards’ column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. Stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is the total compensation of each director reported in other columns. The value of the in-the-money options currently held by each director (based on Common Share price less option exercise price) is set forth in the ‘Value of Unexercised in-the-money Options’ column of the “Outstanding Share-Based and Option-Based Awards” table below.

The methodology used for determining the remuneration of the Board is similar to that used for the remuneration of NEOs. Remuneration of each Committee Chair is determined on its own merits and circumstances after being carefully considered in light of prevailing economic conditions – both on a corporate level and on a national and international level – and industry norms for such remuneration. Levels of remuneration are usually first informally discussed among the members of the Compensation Committee and with the President before being formally considered and approved by the Board.

### ***Share-Based and Option-based Awards to Directors***

The following table sets out, for each director who is not an NEO, the stock options to purchase Common Shares under the Option Plan (option-based awards) held as of the last financial year end (January 31, 2018). The closing price of the Common Shares on the TSX-V on that date was \$0.025 per share.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (vested-unvested)	Option exercise price (per share)	Option expiration date (m/d/y)	Value of unexercised 'in-the-money' <sup>(1)</sup> options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards that have vested but have not been paid out (\$)
Colin Bird	250,000 – 0	\$0.15	8/19/2019	Nil	N/A	N/A	N/A
	400,000 – 0	\$0.25	5/05/2020	Nil			
	650,000 – 0	\$0.69	7/23/2018	Nil			
Raymond Jannas	250,000 - 0	\$0.15	8/19/2019	Nil	N/A	N/A	N/A
	200,000 – 0	\$0.25	7/23/2019	Nil			
Mario Szotlender <sup>(2)</sup>	250,000 - 0	\$0.15	8/19/2019	Nil	N/A	N/A	N/A
	400,000 – 0	\$0.25	7/23/2019	Nil			
Michael Winn	500,000 – 0	\$0.15	8/19/2019	Nil	N/A	N/A	N/A
	400,000 – 0	\$0.25	7/23/2019	Nil			
Ralph Rushton <sup>(3)</sup>	0 – 0	N/A	N//A	0	N/A	N/A	N/A

(1) Options are “in the money” if the market price of the Common Shares is greater than the exercise price of the options. The value of such options is the product of the number of Common Shares multiplied by the difference between the exercise price and the closing market price of the Common Shares on the financial year end. Options which were not vested at the financial year end are not included in this value.

(2) Mr. Szotlender resigned as a director of the Corporation on May 17, 2017.

(3) Mr. Rushton was appointed as a director of the Corporation on May 17, 2017.

The Compensation Committee’s approach to recommending options to be granted is consistent with prevailing practice in the mineral exploration industry. Grants of options depend on the length of service of the directors. Therefore, there are no formulae followed or performance goals or significant conditions which must be met before options will be granted. Options are always granted at the prevailing market price of the Common Shares.

The methodology used for determining the remuneration of the Board is similar to that used for the remuneration of NEOs. Remuneration of committee chairmen is determined based on their own merits and circumstances after being considered in light of prevailing economic conditions – both on a corporate level and on national and international levels – and industry norms for such remuneration. Levels of remuneration of directors, committee members and committee chairmen are usually first informally discussed among the members of the Compensation Committee before being formally considered and approved by the Board.

### ***Value of Share-Based and Option-Based Awards Vested or Earned during the Year***

The following table sets forth, for each director who is not an NEO, the values of all incentive plan awards which vested or were earned during the Corporation's last financial year.

<b>Name</b>	<b>Value vested during the year</b>		<b>Value earned during the year – Non-equity incentive plan compensation (\$)</b>
	<b>Option-based awards<sup>(1)</sup> (\$)</b>	<b>Share-based awards<sup>(2)</sup> (\$)</b>	
Colin Bird	0	0	0
Raymond Jannas	0	0	0
Mario Szotlender <sup>(3)</sup>	0	0	0
Michael Winn	0	0	0
Ralph Rushton <sup>(4)</sup>	0	0	0

(1) The value of an option based award is the product of the number of Common Shares issuable on the exercise of the option on the vesting date multiplied by the difference between the exercise price and the closing market price on the vesting date. The stock option benefit is the grant date fair value calculated using the Black-Scholes option pricing model, which is described above. See the table under "Share-based and Option-based Awards to directors" for the "in-the-money" value of these options on January 31, 2018.

(2) The value of a share based award is the product of the number of Common Shares issuable on the vesting date multiplied by the closing market price on the vesting date.

(3) Mr. Szotlender resigned as a director of the Corporation on May 17, 2017.

(4) Mr. Rushton was appointed as a director of the Corporation on May 17, 2017.

### ***Employment and Consulting Agreements***

#### ***Mario Szotlender, Director***

Pursuant to an agreement dated June 1, 2008 as amended and restated February 1, 2016, the Corporation engaged Mario Szotlender to provide corporate development and financial advisory services to the Corporation. In consideration of such services, the Corporation paid Mr. Szotlender a fee of US\$ 4,000 per month. In addition, the Corporation reimbursed Szotlender for all reasonable expenses incurred in the course of performing these services. On May 17, 2017, Mr. Szotlender resigned as a director of the Corporation and the agreement was terminated.

#### ***Michael Winn, Chairman of the Board***

Pursuant to an agreement dated October 1, 2012 as amended and restated January 1, 2015, the Corporation paid Seaboard Capital Corp. a fee of US\$ 6,000 per month in consideration of Mr. Winn's services as Chairman of the Board of Directors. On February 1, 2017, the fee was increased to US\$ 12,000 per month. Either party may terminate the agreement by providing 90 days notice to the other party. Seaboard is a private company owned by Mr. Winn.

## Management Contracts

Pursuant to a management service agreement dated February 1, 2013 between the Corporation and Seabord Services Corp. of Suite 501, 543 Granville Street, Vancouver, British Columbia, the Corporation paid or accrued \$14,800 per month to Seabord in consideration of Seabord providing office, reception, secretarial, accounting and corporate records services to the Corporation, including the services of the Chairman of the Board, CFO and Corporate Secretary.

Seabord is a private company wholly-owned by Michael D. Winn of Laguna Beach, California, a director and the Chairman of the Board.

## Description of Option Plan

The Board established the Option Plan to advance the interests of the Corporation by encouraging the directors, officers and employees of, and consultants to, the Corporation and its subsidiaries, if any, and management company (“**Optionees**”) to acquire Common Shares thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation, subsidiary or management company, as applicable, and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

Pursuant to the Option Plan, the Board, based on the recommendations of the Compensation Committee, may grant options to Optionees in consideration of them providing their services to the Corporation or a subsidiary. The number of Common Shares subject to each option is determined by the Board within the guidelines established by the Option Plan. The options enable the Optionees to purchase Common Shares at a price fixed pursuant to such guidelines. The options are exercisable by the Optionee giving the Corporation notice and payment of the exercise price for the number of Common Shares to be acquired.

The Option Plan authorizes the Board to grant stock options to the Optionees on the following terms:

1. The number of Common Shares issuable upon the exercise of all options granted under the Option Plan shall not exceed 10% of the issued and outstanding Common Shares.
2. The number of Common Shares issuable upon the exercise of options granted under the Option Plan by one Optionee or all Optionees providing investor relations services is subject to the following limitations:
  - (a) no Optionee can be granted options during a 12 month period to purchase more than
    - (i) 5% of the issued Common Shares unless disinterested Shareholder approval has been obtained (such approval has not been sought); or
    - (ii) 2% of the issued Common Shares, if the Optionee is a consultant, and
  - (b) the aggregate number of Common Shares subject to options held by all Optionees providing investor relations services cannot exceed 2% in the aggregate.
3. Approval by disinterested Shareholders must be obtained (such approval has not been, nor is it intended to be, sought) if options granted under the Option Plan, together with all of the Corporation’s previously established and outstanding stock options, stock option plans, employee stock purchase plans, or any other compensation or incentive mechanisms involving the issuance or potential issuance of Common Shares, could result, at any time, in

- (a) the number of Common Shares reserved for issuance pursuant to stock options granted to insiders exceeding 10% of the Common Shares outstanding at the time of granting;
  - (b) the grant to insiders, within a one year period, of options to purchase that number of Common Shares exceeding 10% of the outstanding Common Shares; or
  - (c) the issuance to any one insider and such insider's associates, within a one year period, of Common Shares totalling in excess of 5% of the outstanding Common Shares.
4. The exercise price of the options cannot be set at less than the greater of \$0.10 per Common Share and the closing trading price of the Common Shares on the day before the granting of the stock options. If the Optionee is subject to the tax laws of the United States of America ("USA") and owns (determined in accordance with such laws) greater than 10% of the Common Shares, the exercise price shall be at least 110% of the price established as aforesaid.
5. The options may be exercisable for up to 10 years.
6. There are no vesting requirements unless the Optionee is a consultant providing investor relations services for the Corporation, in which case the options must vest in stages over at least 12 months with no more than one quarter vesting in any three month period. However, the Board may impose additional vesting requirements and, subject to obtaining any required approval from the TSX-V, may authorize all unvested options to vest immediately. If there is a 'change of control' of the Corporation (due to a take-over bid being made for the Corporation or similar event), all unvested options, subject to obtaining any required approval from the Exchange, shall vest immediately.
7. The options can only be exercised by the Optionee (to the extent they have already vested) for so long as the Optionee is a director, officer, or employee of, or consultant to, the Corporation or any subsidiary or is an employee of the Corporation's management company and within a period thereafter not exceeding the earlier of:
  - (a) the termination date specified for such option in the stock option certificate;
  - (b) 90 days after the Optionee ceases to be a director, officer or employee of, or consultant to, the Corporation, or employee of the Corporation's management company, unless such Optionee was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Optionee's services to the Corporation; and
  - (c) one year from the Optionee's death.

If the Optionee is terminated 'for cause', involuntarily removed or resigns (other than at the request of the Board or for the benefit of another director or officer) from any of such positions the option will terminate concurrently.
8. The options are non-assignable and non-transferable except to a wholly-owned holding company. If the option qualifies as an 'incentive stock option' under the United States Internal Revenue Code, the option is not assignable to a holding company.
9. No financial assistance is available to Optionees under the Option Plan.
10. Any amendments to outstanding stock options are subject to the approval of the TSX-V and, if required by the TSX-V, of the shareholders of the Corporation, possibly with only 'disinterested

shareholders' being entitled to vote. Disinterested Shareholder approval must be obtained for the reduction of the exercise price (including the cancellation and re-issuance of options within a one year period so as to effectively reduce the exercise price) of options held by insiders of the Corporation. The amendment to an outstanding stock option will also require the consent of the Optionee.

11. Any amendments to the Option Plan are subject to the approval of the TSX-V and, if required by the TSX-V or the Option Plan, of the Shareholders of the Corporation, possibly with only 'disinterested Shareholders' being entitled to vote.

No options have been granted under the Option Plan which are subject to Shareholder approval.

The Option Plan does not permit stock options to be transformed into stock appreciation rights.

### **Repricing of Stock Options**

The Corporation did not make any downward repricing of stock options or stock appreciation rights during the year.

### **Description of Restricted Share Unit and Performance Share Unit Plan**

The Board established the Share Unit Plan, because the Board believes it is desirable to have a wide range of incentive plans, including a restricted share and performance based plan, available to attract, retain and motivate officers, directors and employees of the Corporation ("**Eligible Recipient**").

The Share Unit Plan provides that restricted share units ("**RSUs**") or performance share units ("**PSUs**") may be granted by the Board, based on the advice of the Compensation Committee, to Eligible Recipients as a discretionary payment in consideration for significant contributions to the short-term (one year or less) and long-term (one to three years) successes of the Corporation. The Board may, in its sole discretion, set vesting conditions on RSUs and PSUs granted to Eligible Recipients.

Pursuant to the Share Unit Plan, the aggregate maximum number of Common Shares reserved for issuance under the Share Unit Plan in combination with the aggregate number of Common Shares issuable under all of the Corporation's other equity incentive plans in existence from time to time, including the Option Plan, shall not exceed 10% of the issued and outstanding Common Shares.

In addition, the Share Unit Plan provides that the number of Common Shares which may be issuable under the Share Unit Plan and all of the Corporation's other previously established or proposed share compensation arrangements, including the Option Plan, to:

- (a) Insiders as a group within a 12 month period shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis unless the Corporation has also obtained the approval of Shareholders who are not Eligible Recipients ("**Disinterested Shareholders**"), which additional approval is not being sought;
- (b) any one Eligible Recipient shall not exceed 1% of the total number of issued and outstanding Common Shares on a non-diluted basis on the date of the grant unless the Corporation has also obtained the approval of Disinterested Shareholders, which additional approval is not being sought;
- (c) all Eligible Recipient within a 12 month period shall not exceed 2% of the total number of issued and outstanding Common Shares on a non-diluted unless the Corporation has also obtained the approval of Disinterested Shareholders, which additional approval is not being sought; and



- (d) all Eligible Recipients engaged in providing investor relations services to the Corporation, shall not exceed within a 12 month period 2% in the aggregate of the total number of issued and outstanding Common Shares on a non-diluted basis.

Unless redeemed earlier in accordance with the Share Unit Plan, the RSUs of each Eligible Recipient will be redeemed for Common Shares based on the elapse of time, and the PSUs of each Eligible Recipient will be redeemed for Common Shares based on the Eligible Recipient having achieved certain performance criteria, in each case, less applicable withholding taxes.

If an Eligible Recipient ceases to be an Eligible Recipient for any reason, all of the Eligible Recipient's RSUs and PSUs which have vested at the time of such cessation shall be redeemed for Common Shares and the remainder shall be cancelled. No amount shall be paid by the Corporation to the Eligible Recipient in respect of the RSUs and PSUs so cancelled.

In the event of a Change of Control, then the Corporation may redeem, subject to prior approval of the TSX-V, all of the RSUs granted to the Eligible Recipients and outstanding under the Share Unit Plan for that number of Common Shares equal to the number of RSUs and PSUs then held by the Eligible Recipients. If the employment of an Eligible Recipient is terminated within six months following a Change of Control, all RSUs and PSUs held by such Eligible Recipient shall become vested and be redeemed for Common Shares.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out, as at the end of the Corporation's last financial year, information regarding outstanding options, warrants and rights (other than those granted *pro rata* to all Shareholders) granted by the Corporation under its equity compensation plans.

#### **Equity Compensation Plan Information**

<b>Plan Category</b>	<b>Number of shares issuable upon exercise of outstanding options, warrants and rights <sup>(1)</sup></b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of shares remaining available for issuance under equity compensation plans <sup>(2)</sup></b>
Equity compensation plans <b>approved</b> by Shareholders	7,625,000	\$0.24	9,115,503
Equity compensation plans <b>not approved</b> by Shareholders	N/A	N/A	N/A
<b>Total</b>	<b>8,827,500</b>	<b>\$0.24</b>	<b>7,913,003</b>

(1) Assuming outstanding options, warrants and rights are fully vested.

(2) Excluding the number of Common Shares issuable upon exercise of outstanding options, warrants and rights shown in the second column.

## CORPORATE GOVERNANCE

National Policy 58-101 *Disclosure of Corporate Governance Practices* of the Canadian securities administrators requires the Corporation to annually disclose certain information regarding its corporate governance practices. That information is disclosed below.

### **Board of Directors**

The Board has responsibility for the stewardship of the Corporation including responsibility for strategic planning, identification of the principal risks of the Corporation's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems.

The Board sets long term goals and objectives for the Corporation and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Corporation to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Corporation and its business. The Board is responsible for protecting Shareholders' interests and ensuring that the incentives of the Shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Corporation's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Corporation is authorized to act without Board approval, on all ordinary course matters relating to the Corporation's business.

The Board also monitors the Corporation's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution.

The Board is responsible for the appointment of the CEO, President and other senior management and monitoring of their performance.

The Board has adopted a written mandate or code setting out the foregoing obligations, which supplements the requirements of applicable corporate and securities common and statute law which provide that the Board has responsibility for the stewardship of the Corporation.

The Board considers that the following directors are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Corporation, other than interests and relationships arising from shareholding: Colin Bird, Raymond Jannas and Ralph Rushton. The Board considers that Timothy Beale, the President and CEO of the Corporation, is not independent, because he is a member of management. Michael Winn is not independent because of his ownership of Seabord – see "Management Contracts".

The Board facilitates its exercise of independent supervision over the Corporation's management through regular meetings of the Board.

The Board does not hold regularly scheduled meetings without the non-independent directors and members of management. Since the beginning of the Corporation's last financial year, the independent directors did not hold any ad hoc meetings without the non-independent directors and management.

When a matter being considered involves a director, that director does not vote on the matter. As well, the directors regularly and independently confer amongst themselves and thereby keep apprised of all operational and strategic aspects of the Corporation's business.

The Chairman of the Board is responsible for presiding over all meetings of the directors and Shareholders. He is not an independent director, however, the independent directors either have significant experience as directors and officers of publicly traded companies or as members of the financial investment community and, therefore, do not require the guidance of an independent Chairman of the Board in exercising their duties as directors.

### **Descriptions of Roles**

The Board has not established written descriptions of the positions of CEO or chair of any of the committees of the Board (except as may be set out in a charter applicable to a committee) as it feels they are unnecessary and would not improve the function and performance of the Board, CEO or committee. The role of chair is delineated by the nature of the overall responsibilities of the Board or the committee.

The Board has not set limits on the objectives to be met by the CEO but believes that such limits and objectives should depend upon the circumstances of each situation and that to formalize these matters would be restrictive and unproductive.

### **Directorships**

Some of the directors or proposed directors are presently a director of one or more other reporting issuers (public companies), as follows:

<b>Director</b>	<b>Other Reporting Issuer</b>
Timothy Beale	Rackla Metals Inc.
Colin Bird	Xtract Resources Plc Galileo Resources Plc Ferrum Crescent Limited Bezant Resources Plc Jubilee Metals Group
Raymond Jannas	Regulus Resources Inc.
Ralph Rushton	Medgold Resources Corp. Crops Inc.
Michael Winn	Alexco Resource Corp. Altus Strategies Plc Atico Mining Corporation EMX Royalty Corporation Nebo Capital Corp. Reservoir Capital Corp.

## **Orientation and Continuing Education**

The Board takes the following measures to ensure that all new directors receive a comprehensive orientation regarding their role as a member of the Board, its committees and its directors, and the nature and operation of the Corporation.

The first step is to assess a new director's set of skills and professional background since each new director brings a different skill set and professional background. Once that assessment has been completed, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director.

The second step is taken by one or more existing directors, who may be assisted by the Corporation's management, to provide the new director with the appropriate orientation through a series of meetings, telephone calls and other correspondence.

The third and final step is the Corporation provides a copy of its Board Policy Manual, which sets out a comprehensive introduction to the Board and its committees, to each new director.

The Board takes the following measures to provide continuing education for its directors to maintain the skill and knowledge necessary for them to meet their obligations as directors:

- the Board annually reviews its Charters, Polices and Mandate which comprise the Board Policy Manual; and
- there are technical presentations at Board meetings, focusing on either a particular property or a summary of various properties. The 'question and answer' portions of these presentations are a valuable learning resource for the non-technical directors.

## **Ethical Business Conduct**

To comply with its legal mandate, the Board seeks to foster a culture of ethical conduct by striving to ensure the Corporation carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the Board

- has adopted a written Code of Business Conduct and Ethics for its directors, officers, employees and consultants.
- has established a Corporate Governance Committee.
- has established a Whistleblower Policy which details complaint procedures for financial concerns.
- encourages management to consult with legal and financial advisors to ensure the Corporation is meeting those requirements.
- is cognizant of the Corporation's timely disclosure obligations and reviews material disclosure documents such as financial statements, Management's Discussion & Analysis ("MD&A") and press releases prior to distribution.
- relies on its Audit Committee to annually review the systems of internal financial control and discuss such matters with the Corporation's external auditor.

- actively monitors the Corporation’s compliance with the Board’s directives and ensures that all material transactions are thoroughly reviewed and authorized by the Board before being undertaken by management.

The Board must also comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as relevant securities regulatory instruments and stock exchange policies, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

### **Nomination of Directors**

To identify new candidates for nomination for election as directors, the Board considers the advice and input of the Corporate Governance Committee, the members of which are listed under “Particulars of Matters to be Acted Upon – 4. Election of Directors” and which is composed of a majority of independent directors, regarding:

- the appropriate size of the Board, the necessary competencies and skills of the Board as a whole and the competencies and skills of each director individually; and
- the identification and recommendation of new individuals qualified to become new Board members. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve as directors.

### **Other Board Committees**

In addition to the Audit Committee, described in the next section, the Board has established a Compensation Committee, and a Corporate Governance Committee.

Committees of the Board are composed of independent directors. The functions and members of these committees are described below.

*Compensation Committee:* The Compensation Committee is responsible for the review of all compensation (including stock options) paid by the Corporation to the Board, senior management and employees of the Corporation and any subsidiaries, to report to the Board on the results of those reviews and to make recommendations to the Board for adjustments to such compensation.

The Committee consists of three directors, two of whom are independent (outside, non-management directors – Ralph Rushton (Chairman), and Raymond Jannas), and one who is not independent, (Michael Winn). Each member of the Committee has direct experience relevant to their responsibilities on the Committee, including acting as officers and directors of other publicly traded companies so that they are familiar with remuneration in the Corporation’s industry.

For further details on the role of the Compensation Committee, refer to “Compensation Discussion and Analysis”.

*Corporate Governance Committee:* The Corporate Governance Committee is responsible for advising the Board of the appropriate corporate governance procedures that should be followed by the Corporation and the Board and monitoring whether they comply with such procedures. The Corporate Governance Committee is also responsible for assisting in the recruitment of new directors.

The Committee consists of three directors, two of whom are independent directors (outside, non-management director) (Raymond Jannas and Colin Bird) and one of whom is not an independent director (Michael Winn – Chairman).

### **Assessments**

The Board and the Corporate Governance Committee have not established a formal process to regularly assess the Board and its committees with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the Board, its committees or the individual directors compared to their expectation of performance. In doing so, the contributions of an individual director are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

### **AUDIT COMMITTEE**

National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) of the Canadian securities administrators requires the Corporation’s Audit Committee to meet certain requirements. It also requires the Corporation to disclose in this Circular certain information regarding the Audit Committee. That information is disclosed below.

### **Overview**

The Audit Committee of the Board is principally responsible for

- recommending to the Board the external auditor to be nominated for election by the Shareholders at each annual general meeting and negotiating the compensation of such external auditor.
- overseeing the work of the external auditor, including the resolution of disagreements between the auditor and management regarding the Corporation’s financial reporting.
- pre-approving all non-audit services to be provided to the Corporation, by the auditor.
- reviewing the Corporation’s annual and interim financial statements, MD&A and press releases regarding earnings before they are reviewed and approved by the Board and publicly disseminated by the Corporation.
- reviewing the Corporation’s financial reporting procedures and internal controls to ensure adequate procedures are in place for the Corporation’s public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

The Corporation’s auditor reports directly to the Audit Committee.

## The Audit Committee's Charter

The Board has adopted a Charter for the Audit Committee which sets out the Committee's mandate, organization, powers and responsibilities. The complete Charter is attached as Schedule "A" to this Circular.

## Composition of the Audit Committee

The Audit Committee consists of three directors. Unless it is a 'Venture Issuer' (an issuer the securities of which are not listed or quoted on any of the Toronto Stock Exchange, a market in the USA other than the over-the-counter market, or a market outside of Canada and the USA) as of the end of its last financial year, NI 52-110 requires each of the members of the Committee to be independent and financially literate. Since the Corporation is a 'Venture Issuer' (its securities are listed on the TSX-V, but are not listed or quoted on any other exchange or market) it is exempt from this requirement. In addition, the Corporation's governing corporate legislation requires the Corporation to have an Audit Committee composed of a minimum of three directors, a majority of whom are not officers or employees of the Corporation. The Audit Committee complies with this requirement.

The following table sets out the names of the members of the Audit Committee and whether they are 'independent' and 'financially literate'.

Name of Member	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>
Colin Bird (Committee Chairman)	Yes	Yes
Raymond Jannas	Yes	Yes
Ralph Rushton	Yes	Yes

- (1) To be considered independent, a member of the Committee must not have any direct or indirect 'material relationship' with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

## Relevant Education and Experience

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Corporation to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and

complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more persons engaged in such activities; and

4. an understanding of internal controls and procedures for financial reporting,

are as follows:

Name of Member	Education and Experience
Colin Bird (Committee Chairman)	Mr. Bird is a Chartered Engineer, a Fellow of the Institute of Materials, Minerals and Mining and is a certified mine manager both in the UK and South Africa. He has been involved in the management of mining nickel, copper, gold, coal and other diverse mineral operations. Mr. Bird has founded and floated several public companies in the resource sector and served on resource company boards in the UK, Canada and South Africa.
Raymond Jannas	Dr. Jannas has a Ph. D. in Economics and Geology from Harvard University and has more than 30 years of experience in mining geology, exploration and business development.
Ralph Rushton	Mr. Rushton holds a Master’s degree in economic geology from the University of Alberta and a Certificate in Business Writing, Public Relations and Marketing Communications from Simon Fraser University. He has 30 years of experience in mining and exploration, much of which has been gained in southern Africa, the Middle East, eastern Europe and the Americas. For the past 13 years, he has worked in business development and investor relations for a number of public mineral exploration and mining companies. Mr. Rushton currently serves as a director or officer of several publicly traded resource companies.

## Complaints

The Audit Committee has established a “Whistleblower Policy” which outlines procedures for the confidential, anonymous submission by employees regarding the Corporation’s accounting, auditing and financial reporting obligations, without fear of retaliation of any kind. If an applicable individual has any concerns about accounting, audit, internal controls or financial reporting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

The applicable individual may report their concern in writing and forward it to the Chairman of the Audit Committee in a sealed envelope labelled “*To be opened by the Audit Committee only*”. Further, if the applicable individual wishes to discuss any matter with the Audit Committee, this request should be indicated in the submission. Any such envelopes received by the Corporation will be forwarded promptly and unopened to the Chairman of the Audit Committee.

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions.

The Audit Committee will retain as part of its records, any complaints or concerns for a period of no less than seven years. The Audit Committee will keep a written record of all such reports or inquiries and make quarterly reports on any ongoing investigation which will include steps taken to satisfactorily address each complaint.



The Audit Committee did not receive any complaints during the last financial year.

The “Whistleblower Policy” is reviewed by the Audit Committee on an annual basis and is included as an addendum to the Audit Committee Charter attached hereto.

### **Audit Committee Oversight**

Since the commencement of the Corporation’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### **Reliance on Exemptions in NI 52-110 regarding *De Minimis* Non-audit Services or on a Regulatory Order Generally**

Since the commencement of the Corporation’s most recently completed financial year, the Corporation has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Corporation’s auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor’s annual fees charged to the Corporation, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year’s audit), or
2. an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in section III.B “Powers and Responsibilities – Performance & Completion by Auditor of its Work” of the Charter.

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

The following table discloses the fees billed to the Corporation by its external auditor during the last two financial years.

<b>Financial Year Ending</b>	<b>Audit Fees <sup>(1)</sup></b>	<b>Audit Related Fees <sup>(2)</sup></b>	<b>Tax Fees <sup>(3)</sup></b>	<b>All Other Fees</b>
January 31, 2018	42,500	Nil	Nil	Nil
January 31, 2017	46,920	Nil	Nil	Nil

(1) The aggregate fees billed by the Corporation’s auditor for audit fees.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not disclosed in the “Audit Fees” column.

(3) The aggregate fees billed for professional services rendered by the Corporation’s auditor for tax compliance, tax advice and tax planning.

## **Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations**

Since the Corporation is a Venture Issuer, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 *Composition of the Audit Committee* (as described in ‘Composition of the Audit Committee’ above) and Part 5 *Reporting Obligations* of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in the Corporation’s Annual Information Form, if any, and this Circular).

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

No individual who is, or who at any time during the last financial year was, a director or executive officer of the Corporation, a proposed nominee for election as a director of the Corporation or an associate of any such director, officer or proposed nominee is, or at any time since the beginning of the last financial year has been, indebted to the Corporation or any of its subsidiaries and no indebtedness of any such individual to another entity is, or has at any time since the beginning of such year been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

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

Other than disclosed in this Circular, the Corporation is not aware of any material interest of any executive officer, director or nominee for director, or anyone who has held office as such since the beginning of the Corporation’s last financial year, or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors except for the current and future directors and executive officers of the Corporation and its subsidiaries, if any, inasmuch as, in the following year, they may be granted options to purchase Common Shares pursuant to the Option Plan, ratification of which will be sought at the Meeting.

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

Other than as disclosed herein and the Corporation’s MD&A for the last financial year (see ‘Additional Information’ below), there are no material interests, direct or indirect, of current directors, executive officers, any persons nominated for election as directors, or any Shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associates or affiliates of such persons, in any transaction within the last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

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

To the knowledge of the Board the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

### **1. Report of Directors**

The Board will provide a report on the events of its last financial year at the meeting. No approval or other action needs to be taken at the Meeting in respect of this report.

## 2. Financial Statements, Audit Report and Management's Discussion & Analysis

The Board has approved the financial statements of the Corporation, the auditor's report thereon, and the MD&A for the year ended January 31, 2018, all of which will be tabled at the Meeting. No approval or other action needs to be taken at the Meeting in respect of these documents.

## 3. Set Number of Directors to be Elected

The Corporation currently has five directors. Accordingly, it will be proposed at the Meeting that five directors be elected to hold office until the next annual general meeting of Shareholders or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution setting the number of directors to be elected at five.**

## 4. Election of Directors

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's province or state and country of residence, principal occupation at the present and during the preceding five years (unless shown in a previous management information circular), the period during which the nominee has served as a director, and the number of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date.

**The Board recommends that Shareholders vote in favour of the following proposed nominees. Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote for the election of the persons named in the following table to the Board.** Management does not contemplate that any of such nominees will be unable to serve as directors. Each director elected will hold office until the next annual general meeting of Shareholders or until their successor is duly elected, unless their office is earlier vacated in accordance with the Corporation's Articles or the provisions of the corporate law to which the Corporation is subject.

<b>Name and Province or State &amp; Country of Residence</b>	<b>Present Office and Date First Appointed a Director</b>	<b>Principal Occupation <sup>(4)</sup> During the Past Five Years</b>	<b>Number of Common Shares <sup>(5)</sup></b>
<b>Timothy J. Beale</b> British Columbia, Canada	Director since February 21, 2011	President and CEO of the Corporation	532,070

Name and Province or State & Country of Residence	Present Office and Date First Appointed a Director	Principal Occupation <sup>(4)</sup> During the Past Five Years	Number of Common Shares <sup>(5)</sup>
<b>Colin Bird</b> <sup>(1)(3)</sup> Dubai, U.A.E.	Director since December 16, 2014	Chairman and CEO of Galileo Resources Plc (publicly traded (AIM) mineral exploration company)  Non-Executive Chairman of Jubilee Platinum Plc (publicly traded (AIM and JSE) platinum mining and exploration company) and Xtract Resources Plc (publicly traded (AIM) gold and copper exploration and development company)	2,068,340
<b>Raymond Jannas</b> <sup>(1)(2)(3)</sup> Santiago, Chile	Director since June 30, 2014	Consultant to Volcan Compania Minera SAA (publicly traded (Chile, Peru and Spain) zinc, lead and silver mining company), The Sentient Group (independent private equity investment firm specialising in the global resources industry) and Minera Fuego Ltda. (privately held mineral exploration company)  President of Gexsa Ltda. (privately owned consulting company)	106,667
<b>Ralph Rushton</b> <sup>(1)(2)</sup> British Columbia, Canada	Director since May 18, 2017	Executive Vice-President, Business Development of Prospero Silver Corp. (publicly traded (TSX-V) mineral Exploration company)  VP Corporate Development of CROPS Inc. (publicly traded (TSX-V) phosphate mining company)	105,000

Name and Province or State & Country of Residence	Present Office and Date First Appointed a Director	Principal Occupation <sup>(4)</sup> During the Past Five Years	Number of Common Shares <sup>(5)</sup>
<b>Michael D. Winn</b> <sup>(2)(3)</sup> California, USA	Director since April 4, 2008	Chairman of the Corporation  President of Seabord Capital Corp. (private consulting company providing analysis of mining and energy companies)  President of Seabord Services Corp. (a private company providing management, administrative, and regulatory services to private and public mining companies)	11,018,879

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance Committee.
- (4) Includes occupations for preceding five years unless the director was elected at the previous Annual General Meeting and was shown as a nominee for election as a director in the Circular for that meeting.
- (5) Number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at the Record Date. No director, together with the director's associates and affiliates beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Common Shares.
- (6) None of the proposed directors is to be elected under any arrangement or understanding between the proposed director and the Corporation or a third party (other than the directors and executive officers of the Corporation acting in that capacity).

To the knowledge of the Corporation, except as disclosed below, no proposed director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued
  - (i) while the proposed director was acting as a director, chief executive officer or chief financial officer of that company, or
  - (ii) after the proposed director ceased to be a director, chief executive officer or chief financial officer of that company but resulted from an event that occurred while acting in such capacity;
- (b) 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 acting in that capacity or within a year of 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 the assets of the proposed director.

- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets;
- (d) has entered into, at any time, a settlement agreement with a securities regulatory authority; or
- (e) has been subject, at any time, to any penalties or sanctions imposed by
  - (i) a court relating to securities legislation or a securities regulatory authority, or
  - (ii) a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for the proposed director.

## **5. Appointment and Remuneration of an Auditor**

Davidson & Company LLP, Chartered Professional Accountants, of Suite 1200, 609 Granville Street, Vancouver, British Columbia, is the auditor of the Corporation. **Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the re-appointment of Davidson & Company LLP, as the auditor of the Corporation for the ensuing year at a remuneration to be approved by the Board. The Board recommends that Shareholders vote in favour of the re-election of the proposed auditor.**

## **6. Ratification of Stock Option Plan**

The Option Plan is described under ‘Executive Compensation – Stock Option Plan’.

The policies of the TSX-V require stock option plans which reserve for issuance up to 10% (instead of a fixed number) of a listed company’s shares be approved annually by its Shareholders. That approval is being sought at the Meeting by way of an ordinary resolution.

Following approval of the Option Plan by the Shareholders any options granted pursuant to the Option Plan will not require further Shareholder or TSX-V approval unless the exercise price is reduced or the expiry date is extended for an option held by an insider of the Corporation.

## **7. Alteration of Part 9 of the Corporation’s Articles**

“Articles” are the corporate constitution of a British Columbia company.

Part 9 of the Corporation’s Articles prescribe the type of approval required to effect changes to the Corporation’s share capital and to change its name is a special resolution. The types of approval required under Part 9 of the Corporation’s Articles are more onerous than the types of approval required under the *Business Corporations Act* (British Columbia) and under the Articles of many publicly traded British Columbia companies which provide that the approvals can be either an ordinary resolution or special resolution of the Shareholders or a majority approved resolution of the Board. To reduce expense and facilitate such changes if desired, the Board wishes to revise and replace Part 9 of its Articles to align the type of approvals required to those prescribed in the *Business Corporations Act* (British Columbia) and used by many other publicly traded British Columbia companies.

The current Part 9 is attached as Schedule “B” to this Circular and the proposed Part 9 of the Corporation’s Articles is attached as Schedule “C” to this Circular.

Pursuant to the *Business Corporations Act* (British Columbia), the alteration of the Corporation’s Articles requires the approval of the Shareholders by a special resolution. Accordingly, Shareholders will be asked to consider and, if considered advisable, pass the following special resolution at the Meeting:

“RESOLVED, as a special resolution, THAT:

1. Part 9 *Alterations* of the Corporation’s Articles be altered to become the form of Part 9 *Alterations* attached to the Corporation’s management information circular dated May 16<sup>th</sup>, 2018 as Schedule “C”; and
2. The Board of Directors be authorized, in its sole discretion and without further approval of the Shareholders, to amend this resolution as may be necessary to comply with any applicable legislation or policies or rules of any regulatory authorities or to revoke this resolution before it is acted upon.”

**The Board recommends that Shareholders vote in favour of the proposed special resolution.** The persons named in the Proxy or VIF as Proxyholders intend to vote the Shares represented by Proxies and VIFs in favour of the proposed resolution.

#### **OTHER BUSINESS**

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, **it is intended that the Proxies hereby solicited will be exercised Management upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may also contact the Corporation at Suite 501, 543 Granville Street, Vancouver, British Columbia V6C 1X8, Canada by mail, telecopier (1-604-688-1157), telephone (1-604-687-5544; collect, if necessary) or e-mail ([kcasswell@seabordservices.com](mailto:kcasswell@seabordservices.com)) to request copies of the Corporation’s financial statements and MD&A.

Financial information for the Corporation’s most recently completed financial year is provided in its comparative financial statements and MD&A which are filed on SEDAR.

**DATED** this 16<sup>th</sup> day of May, 2018.

#### **ON BEHALF OF THE BOARD OF DIRECTORS**

(signed) KIM C. CASSWELL  
Secretary

## SCHEDULE "A"

### CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF REVELO RESOURCES CORP.

#### I. MANDATE

The Audit Committee (the "**Committee**") of the Board of Directors of Revelo Resources Corp. (the "**Company**") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company's independent external auditor (the "**Auditor**"); and
4. The performance of the Company's internal accounting procedures and Auditor.

#### II. STRUCTURE AND OPERATIONS

##### A. Composition

The Committee shall be comprised of a majority of independent members.

##### B. Qualifications

Each member of the Committee must be a member of the Board.

A majority of the members of the Committee shall not be officers or employees of the Company or of an affiliate of the Company.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement.

##### C. Appointment and Removal

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.



D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Sub-Committees

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such subcommittee to grant a pre-approval shall be presented to the full Committee at its next scheduled meeting.

F. Meetings

The Committee shall meet at least once in each fiscal year, or more frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the Shareholders.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

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

**III. DUTIES**

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

**B. Powers and Responsibilities**

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

*Independence of Auditor*

- 1). Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company, consistent with Independence Standards Board Standard 1.
- 2). Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
- 3). Require the Auditor to report directly to the Committee.
- 4). Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

*Performance & Completion by Auditor of its Work*

- 5). Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
- 6). Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor.
- 7). Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the Auditor unless such non-audit services:
  - (a) which are not pre-approved, are reasonably expected not to constitute, in the aggregate, more than 5% of the total amount of revenues paid by the Company to the Auditor during the fiscal year in which the non-audit services are provided;
  - (b) were not recognized by the Company at the time of the engagement to be non-audit services; and
  - (c) are promptly brought to the attention of the Committee by Management and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

*Internal Financial Controls & Operations of the Company*

- 8). Establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

*Preparation of Financial Statements*

- 9). Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
- 10). Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
- 11). Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- 12). Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
- 13). Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
  - a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor or management.
  - b) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

*Public Disclosure by the Company*

- 14). Review the Company's annual and quarterly financial statements, management discussion and analysis (MD&A), annual information form, and management information circular before the Board approves and the Company publicly discloses this information.
- 15). Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
- 16). Review any disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material

weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

*Manner of Carrying Out its Mandate*

- 17). Consult, to the extent it deems necessary or appropriate, with the Auditor but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- 18). Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
- 19). Meet, to the extent it deems necessary or appropriate, with management and the Auditor in separate executive sessions at least quarterly.
- 20). Have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other consultants to advise the Committee advisors.
- 21). Make regular reports to the Board.
- 22). Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- 23). Annually review the Committee's own performance.
- 24). Provide an open avenue of communication among the Auditor and the Board.
- 25). Not delegate these responsibilities other than to one or more independent members of the Committee the authority to pre-approve, which the Committee must ratify at its next meeting, non-audit services to be provided by the Auditor.

C. Whistleblower Policy

The Committee shall establish and then annually review the procedure for the establishment of confidential, anonymous submission by employees of the Company and to all other corporations, trusts, partnerships or other entities which may be established by the Company of any concerns which applicable individuals may have regarding questionable accounting or auditing matters of the Company. The Whistleblower Policy shall be attached as an addendum to this Charter.

D. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

Approved by the Board of Directors: May 10, 2013  
Name Change to Revelo Resources Corp: December 16, 2014

## SCHEDULE "B"

### Current Part 9 of the Corporation's Articles

#### PART 9 ALTERATIONS

9.1 **Alteration of Authorized Share Structure.** Subject to Article 9.2 and the *Business Corporations Act*, the Company may by special resolution:

- (a) create one or more classes or series of shares of, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
  - (i) decrease the par value of those shares; or
  - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 **Special Rights and Restrictions.** Subject to the *Business Corporations Act*, the Company may by special resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.3 **Change of Name.** The Company may by special resolution authorize an alteration of its Notice of Articles in order to change its name.

9.4 **Other Alterations.** If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

## SCHEDULE “C”

### Proposed Part 9 of the Corporation’s Articles

#### PART 9

#### ALTERATIONS

##### 9.1 *Alteration of Authorized Share Structure*

Subject to Article 9.2, the Company may by:

- (1) a resolution of the Board
  - (a) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
  - (b) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
  - (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares; and
  - (c) alter the identifying name of any of its shares.
- (2) an ordinary resolution:
  - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares; and
  - (b) if the Company is authorized to issue shares of a class of shares with par value:
    - (i) decrease the par value of those shares; and
    - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares.
- (3) a special resolution, otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

##### 9.2 *Special Rights and Restrictions*

The Company may by ordinary resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, unless any of those shares have been issued, in which case the Company may do so only by special resolution; or
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, unless any of those shares have been issued, in which case the Company may do so only by special resolution.

##### 9.3 *Change of Name*

The Company may, by a resolution of the Board, authorize an alteration of its Notice of Articles to change its name or adopt or change any translation of that name.

##### 9.4 *Other Alterations*

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may alter these Articles by a resolution of the Board.