



H-SOURCE HOLDINGS LTD.
Suite 2250 – 1055 West Hastings Street
Vancouver, BC V6E 2E9
Telephone: 888-900-4549
<http://h-source.com>

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The annual general meeting (the “**Meeting**”) of shareholders of H-Source Holdings Ltd. (the “**Company**”) will be held at Suite 2250, 1055 West Hastings Street, Vancouver, British Columbia, on Monday, January 27, 2020 at 11:00 a.m. (Pacific Time), for the following purposes:

1. To receive the audited consolidated financial statements for the Company’s December 31, 2018 financial year end, together with the report of the auditor thereon and the related management discussion and analysis;
2. To set the number of directors to be elected to the Board of Directors (the “**Board**”) at six (6);
3. To elect directors to the Board for the ensuing year;
4. To appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year;
5. To ratify and approve the Company’s rolling Stock Option Plan, dated for reference August 31, 2015, for continuation until the next annual general meeting of the Company; and
6. To approve, by disinterested shareholder approval, an increase to the maximum number of common shares to be reserved for conversion of Restricted Stock Units pursuant to the Restricted Stock Unit Plan.

An Information Circular accompanies this Notice together with a form of proxy, voting instruction form and a supplemental mailing return card. The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated; however, any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy or complete another suitable form of proxy and deliver it by fax, by hand or by mail in accordance with the instructions set out in the form of proxy and in the Information Circular.

An unregistered shareholder who plans to attend the Meeting must follow the instructions set out in the form of proxy and in the Management Information Circular to ensure that their shares are voted at the Meeting. If you hold your shares in a brokerage account you are not a registered shareholder.

DATED at Vancouver, British Columbia, this 17th day of December, 2019.

BY ORDER OF THE BOARD

“John Kupice”

John Kupice
Chief Executive Officer



H-SOURCE HOLDINGS LTD.
Suite 2250- 1055 West Hastings Street
Vancouver, BC V6E 2E9
Telephone: 888-900-4549

INFORMATION CIRCULAR

This information is given as of December 17, 2019, unless otherwise stated.

This information circular is furnished in connection with the solicitation of proxies by the management of H-Source Holdings Ltd. (the “**Company**”) for use at the annual general meeting (the “**Meeting**”) of the holders of Class A Common Shares (the “**common shares**”) of the Company, to be held at the time and place and for the purposes set forth in the accompanying notice of meeting and at any adjournment thereof. All currency references in this Information Circular (“**Circular**”) section are expressed in **US Dollars** unless otherwise specified. A reference to **C\$** means Canadian dollars.

PERSONS OR COMPANIES MAKING THE SOLICITATION

The enclosed instrument of proxy is solicited by management of the Company. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact, without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute forms of proxy. The cost of this proxy solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by management as set forth in this Circular.

APPOINTMENT AND REVOCATION OF PROXIES

Proxies

The persons named in the Proxy (the “**Proxy**”) will vote or withhold from voting the common shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your common shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. A registered shareholder may submit a proxy using one of the following methods:

- (a) complete, date and sign the Proxy and return it to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to 8th Floor, 100

University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or

- (b) use a touch-tone phone to transmit voting choices to the toll free number given in the proxy. Registered shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) log on to Computershare's website at www.investorvote.com. Registered shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the holder's account number and the proxy access number.

In either case you must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company's board of directors ("**Board**") at its discretion without notice.

The instrument of proxy must be dated and signed by the registered shareholder or by his attorney in writing, or, if the shareholder is a corporation, it must either be signed under its common seal or signed by a duly authorized officer.

In addition to revocation in any other manner permitted by law, a registered shareholder may revoke a proxy either by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P. O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

Only registered shareholders have the right to revoke a proxy. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed instrument of proxy will vote the common shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

In the absence of any direction in the instrument of proxy, it is intended that such common shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular. The instrument of proxy enclosed, when properly signed, confers discretionary authority

with respect to amendments or variations to any matters which may properly be brought before the Meeting. The enclosed instrument of proxy does not confer authority to vote for the election of any person as a director of the Company other than for those persons named in this Circular. At the time of printing of this Circular, management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

NON-REGISTERED HOLDERS

The record date for determination of the holders of common shares entitled to receive notice of, and to vote at, the Meeting is December 17, 2019 (the “**Record Date**”). Only shareholders whose names have been entered in the register of common shareholders at the close of business on the Record Date (“**Registered Shareholders**”) will be entitled to receive notice of, and to vote at, the Meeting.

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the common shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their common shares. More particularly, a person is not a Registered Shareholder in respect of common shares, which are held on behalf of that person (the “**Non-Registered Holder**”), but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the common shares (Intermediaries include: banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, among others); or (b) in the name of a clearing agency of which the Intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks).

There are two kinds of Non-Registered Holders (Non-Registered Holders are also known as “**Beneficial Owners**”): Objecting Beneficial Owners (“**OBOs**”) object to their name being made known to the issuer of securities which they own; and Non-Objecting Beneficial Owners (“**NOBOs**”) who do not object to the issuer of the securities they own knowing who they are. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) the Company may take advantage of the provisions of NI 54-101 permitting the Company to deliver annual general meeting materials directly to its NOBOs and indirectly through Intermediaries to the OBO’s. With respect to the mailing of the proxy materials with respect to the Meeting (the “**Meeting Materials**”), the Company will not be delivering the Meeting Materials directly to its NOBOs. Instead the Company has asked Broadridge Financial Solutions Inc. (“**Broadridge**”) to take care of mailing to the Company’s NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from Broadridge. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge as set out in the instructions provided on the VIF, well in advance of the Meeting, in order to have your common shares voted, or to have an alternate representative duly appointed to attend the Meeting and vote your common shares at the Meeting.** Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate voting instructions to Computershare for use at the Meeting with respect to the common shares represented by the VIFs they receive.

These Meeting Materials are being sent to both registered and non-registered (beneficial) holders of securities of the Company. If you are a Non-Registered Holder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the Intermediary holding securities on your behalf.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them. The Company does not intend to pay for an Intermediary to deliver Meeting Materials to OBOs. Accordingly, OBOs will not receive the Meeting Materials unless their Intermediary assumes the cost of delivery. Non-Registered Holders who are OBOs should follow the instructions of their intermediary carefully to ensure that their common shares are voted at the Meeting. **Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

Intermediaries often use service companies to forward the Meeting materials to beneficial holders. Generally, beneficial holders who have not waived the right to receive Meeting materials will either:

- (a) be given a VIF **which is not signed by the Intermediary** and which, when properly completed and signed by the beneficial holder and **returned to the Intermediary or its service Corporation**, will constitute voting instructions, which the Intermediary must follow. Typically, the VIF will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the VIF will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the beneficial holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service Corporation in accordance with the instructions of the Intermediary or its service Corporation; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of common shares beneficially owned by the beneficial holder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the beneficial holder when submitting the proxy. In this case, a beneficial holder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of holding the Meeting or adjournment thereof.

In either case, the purpose of these procedures is to permit beneficial holders to direct the voting of their Common Shares. Should a beneficial holder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the beneficial holder), the beneficial holder should strike out the names of the persons named in the form of proxy and insert the beneficial holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, beneficial holders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

All references to shareholders in the Meeting Materials are to Registered Shareholders, unless specifically stated otherwise.

Notice to Shareholders in the United States

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and the securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada.

Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure 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 Company is incorporated under the *Business Corporations Act* (British Columbia) (the “BCA”), as amended, certain 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.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Class A Common Shares (herein “common shares”) and an unlimited number of Class B Preferred Shares. At the close of business on December 17, 2019, there were 117,640,277 common shares without par value of the Company issued and outstanding, each common share carrying the right to one vote. There are no common shares held in escrow. At a general meeting of the Company, on a show of hands, every Shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each common share of which he is the holder. There are currently no Class B Preferred Shares issued and outstanding.

Only holders of common shares of record on the close of business on December 17, 2019 who either personally attend the Meeting or who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading “*Appointment and Revocation of Proxies*” will be entitled to have his or her common shares voted at the Meeting or any adjournment thereof. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the common shares.

To the knowledge of the directors and executive officers of the Company, there are no persons who beneficially owned, directly or indirectly, or exercised control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company as at December 17, 2019.

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

Other than as disclosed in this Circular, to the knowledge of management of the Company, no informed person of the Company, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s financial year ended December 31, 2018 and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Definition - Informed Person

For the purposes of this Circular, “informed person” means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;

- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officer

In this section “Named Executive Officer” (“NEO”) means any individual who, during the Company’s two most recently completed financial years ended December 31, 2017 and December 31, 2018 was:

- (a) the chief executive officer (“CEO”) (or an individual who acted in a similar capacity) of the Company;
- (b) the chief financial officer (“CFO”) (or an individual who acted in a similar capacity) of the Company;
- (c) each of the three other most highly compensated executive officers of the Company or any of its subsidiaries or the three most highly compensated individuals acting in a similar capacity (except those whose total salary and bonus does not exceed C\$150,000); and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or any of its subsidiaries, nor acting in a similar capacity, at the end of the Company’s fiscal years ended December 31, 2017 and 2018.

For purposes of the requirements of this Form 51-102F6V – *Statement of Executive Compensation – Venture Issuer* (the “F6V”), following are the NEOs of the Company: John Kupice, CEO and director; Denise Lok, CFO (resigned effective December 21, 2018); Nicole Altenburg, CFO (appointed effective December 21, 2018); Murray Walden, President and director. The directors of the Company who are not also officers of the Company are Savio Chiu, Ronald “Chip” Overstreet, Richard Umbdenstock and Martin Hubbes. Mr. Chiu tendered his resignation as a director of the Company effective August 2, 2019.

Compensation Discussion and Analysis

Compensation Review Process

The Board is responsible for the compensation policies and guidelines for the Company and for implementing and overseeing compensation policies.

On an annual basis the Board reviews the cash compensation, performance and overall compensation package of each executive office, including the NEOs. The Board makes decisions with respect to basic salary and participation in stock option compensation arrangements for each executive officer. In considering executive officers other than the CEO, the Board shall take into account the recommendation of the CEO.

The Company does not have a formal compensation program with set benchmarks, however, the Company does have an informal compensation program which seeks to reward an executive officer’s current and future expected performance. Individual performance in connection with the achievement of corporate milestones and objectives is also reviewed for all NEOs.

Risk Management

The Board has not considered the implications of the risks associated with the Company's compensation policies and practices.

The Company has not adopted a policy forbidding directors or officers from purchasing financial instruments designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by directors or officers. The Company is not, however, aware of any of its directors or officers having entered into this type of transaction.

Elements of Executive Compensation Program

The Company's compensation program consists of the following elements:

- (a) base salary or consulting fees;
- (b) bonus payments; and
- (c) equity participation through the Company's stock option plan (the "**Option Plan**") and restricted stock unit plan (the "**RSU Plan**").

Base Salary or Consulting Fees

Base salary ranges for NEOs were initially determined upon review of salaries paid by other companies that are comparable in size to the Company.

In determining the base salary of a NEO, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the same industry, which were similar in size and stage of development as the Company;
- (c) the experience level of the NEO;
- (d) the amount of time and commitment which the NEO devotes to the Company; and
- (e) the NEO's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Bonus Payments

Each of the NEOs, the directors, and all employees, are eligible for an annual bonus, payable in cash or through option-based compensation. The amount paid is based on the Board's assessment of the Company's performance for the year. Factors considered in determining bonus amounts include individual performance, financial criteria (such as cash management and share price performance) and operational criteria (such as the attainment of corporate milestones).

The Company awarded bonuses in the amount of \$31,950 and \$15,975 to John Kupice and Murray Walden, respectively, during its financial year ended December 31, 2018. The Company did not award any bonuses during its financial year ended December 31, 2017.

Equity Participation

The Company offers equity participation in the Company through the Option Plan and, also through the RSU Plan.

Incentive Option-based and Share-based Awards

The Company's long-term incentives have traditionally been awarded through the Company's Option Plan. However, as of August 25, 2016 the Board determined to augment the Option Plan with the RSU Plan, which was ratified and approved by the shareholders at the Company's annual general and special meeting held September 30, 2016. The Option Plan is designed to promote the long-term success of the Company by strengthening the ability of the Company to attract and retain highly competent employees and by promoting greater alignment of interests between executives and shareholders in the creation of long-term shareholder value. The purpose of granting stock options is to assist the Company in compensating, attracting, retaining and motivating its executive officers and to closely align the personal interests of such persons to that of the shareholders.

The Board has the authority either to grant options and award Restricted Stock Units ("RSUs"), or has the authority to delegate to a compensation committee, should the Board appoint one (or any other Board committee appointed for the purpose of compensating the Company's directors, officers, employees and consultants), the ability to grant options and/or award RSUs to the Company's directors, management, employees and consultants.

Options are usually granted annually, but may also be granted at other times of the year to individuals commencing employment with the Company. Option exercise prices are set in accordance with TSX Venture Exchange ("TSXV") policies.

In determining the number of options or share-based awards to be granted to the executive officers, the Board considers a number of factors including the amount and term of options, or the number of RSUs previously granted, base salary and annual performance incentives awarded to the executives and commensurate with those offered by other companies in our industry; and the exercise price of any outstanding options to ensure that such grants are in accordance with TSXV policies. Options vest on terms established by the Board at the time of grant. See disclosure under "*Option Based Awards – Stock Option Plan*" below for material terms of the Option Plan.

As of August 25, 2016, the Board and Management augmented the Company's long-term incentive compensation program to include both its current Option Plan and to add the RSU Plan. Therefore, options granted under the Option Plan and RSUs awarded under the RSU Plan will both draw from the 10% pool of common shares available for reserve for exercise of stock options and RSUs. This type of plan share pool structure is sometimes referred to as an "evergreen", or "rolling", plan feature. The maximum number of common shares available for reserve under the Option Plan will be up to a maximum of 10% of the current number of issued and outstanding common shares of the Company from time to time, including the 2% maximum number of common shares available for reserve for conversion of RSUs under the RSU Plan. The number of awards under the RSU Plan are a fixed number carve-out from the 10% rolling maximum share reserve available for grant under the Option Plan. The purpose of awarding RSUs is to further assist the Company in compensating, attracting, retaining and motivating its executive officers, employees and consultants to closely align their personal interests to that of the shareholders. In determining the number of RSUs to be awarded, the Board takes into account the number of RSUs, if any, previously granted to each Eligible Person under the RSU Plan to ensure that a grant of such awards is in accordance with TSXV policies.

See "*Incentive Plan Awards*" for details of the option-based awards outstanding as at December 31, 2018.

Compensation Governance

The Company does not have a compensation committee. The Board has not adopted any specific policies or practices to determine the compensation for the Company's directors and executive officers other than as disclosed above.

Actions, Decisions, Policies made after the Company's December 31, 2018 financial year end

On June 10, 2019, the Company issued an unsecured convertible debenture to Murray Walden, a NEO and director of the Company, in the principal amount of \$35,781 which bears interest at a rate of 12% per annum. The principal amount and any accrued and unpaid interest on the debenture are convertible into common shares in the capital of the Company, in whole or in part, at any time on or before the maturity date of June 10, 2020 at a conversion price of US\$0.06 per share.

On July 23, 2019 unsecured convertible debentures with an aggregate principal amount of \$27,925 were issued to John Kupice, a NEO and director of the Company, and Murray Walden, a NEO and director of the Company, in the amounts of \$21,950 and \$5,975, respectively. The convertible debentures bear interest at a rate of 12% per annum and mature on July 23, 2020. The principal amount and any accrued and unpaid interest on the debentures are convertible into common shares in the capital of the Company, in whole or in part, at any time on or before the maturity date at a conversion price of US\$0.06 per share.

Summary of Compensation

The following table sets forth all annual and long-term compensation for services paid to or earned by the NEOs during the financial years ended December 31, 2018 and December 31, 2017. The Company used an exchange rate of C\$1.296 for fiscal 2018 and C\$1.299 for fiscal 2017 to report in USD currency.

Table of compensation excluding compensation securities							
Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
John Kupice CEO and Director	2018	150,000	31,950	Nil	Nil	Nil	181,950
	2017	150,000	Nil	Nil	Nil	Nil	150,000
Denise Lok CFO and Corporate Secretary ⁽²⁾	2018	Nil	Nil	Nil	Nil	133,102 ⁽¹⁾	133,102
	2017	Nil	Nil	Nil	Nil	138,568 ⁽¹⁾	138,568
Nicole Altenburg CFO and Corporate Secretary ⁽²⁾	2018	10,512	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Murray Walden President and Director	2018	150,000	15,975	Nil	Nil	Nil	165,975
	2017	150,000	Nil	Nil	Nil	Nil	150,000
Savio Chiu Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Ronald "Chip" Overstreet Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Richard J. Umbdenstock Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Martin Hubbes Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) This compensation was paid to Baron Global Financial Canada Ltd. ("**Baron**") pursuant to the consulting agreement between Baron and the Company. The Company entered into a consulting agreement with Baron on February 24, 2015 to retain Denise Lok to provide services to the Company and act as its Chief Financial Officer. Ms. Lok is a Senior Manager, Corporate Finance of Baron. The term of agreement was 12 months starting September 1, 2016 and month to month thereafter. The Company was charged a cash fee plus applicable taxes per month for the advisory services provided.
- (2) Ms. Lok resigned and Nicole Altenburg was appointed to serve as the Company's Chief Financial Officer and Corporate Secretary effective December 21, 2018.

Incentive Plan Awards

The Company has two long-term incentive compensation plans, the Option Plan and the RSU Plan, both of which are described herein.

Option-based Awards – Stock Option Plan

On August 31, 2015, the Board approved a 10% “rolling” stock option plan (the “**Option Plan**”) for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and advancing interests of the Company by affording such person with the opportunity to acquire an equity interest in the Company through rights granted under the Option Plan to purchase common shares. The Board may, at the time an option is awarded or upon renegotiation of the same, attach restrictions relating to the exercise of the option, including but not limited to vesting provisions. Any such restrictions are indicated on the applicable option certificate. Notwithstanding the foregoing, options issued to consultants performing investor relations activities must vest in stages over at least twelve months with not more than one-quarter of the options vesting in any three month period.

Material Terms of Option Plan

The Option Plan allows the Board, from time to time, to reserve common shares for issuance pursuant to the exercise of options under the Option Plan. As at December 17, 2019 there were 117,640,277 common shares outstanding. Accordingly, a maximum aggregate of 11,764,028 common shares are available for reserve for exercise of options under the Option Plan and for conversion of RSUs awarded under the RSU Plan. There are currently options outstanding to purchase 5,672,500 common shares and 1,050,000 RSUs have been awarded. Accordingly, 5,041,528 common shares remain available for exercise or conversion of incentive plan awards.

The material terms of the Option Plan are as follows:

1. Stock options may be granted to directors, consultants and employees (and any other person to whom the Board wishes to grant stock options) of the Company or any of its subsidiaries, and employees of a person or company which provides management services to the Company or any of its subsidiaries (“**Management Company Employee(s)**”) shall be eligible for selection to participate in the Option Plan.
2. The term of any options granted under the Option Plan will be fixed by the Board at the time such options are granted, provided that the term of an option will not exceed ten years.
3. The exercise price of any options granted under the Option Plan will be determined by the Board, in its sole discretion, but shall not be less than the closing trading price of the Company’s common shares preceding the grant of such options, less any discount permitted by the regulatory authorities.
4. Unless otherwise imposed by the Board, or a committee of the Board, and subject to any vesting restrictions that may be imposed by the TSXV, no vesting requirements will apply to options granted under the Option Plan. A four month hold period, commencing from the date of grant of an option, will apply to all common shares issued under an option only if the exercise price of the option is based on less-than-market-price.
5. All options will be non-assignable and non-transferable.
6. The aggregate number of options which may be granted to any one option holder under the Option Plan within any 12 month period must not exceed 5% of the number of issued and outstanding common shares (unless the Company has obtained disinterested shareholder approval).
7. If required by regulatory rules, disinterested shareholder approval is required to the grant to Insiders (as defined in the *Securities Act* RSBC 1996 c.418) (as a group), within a 12 month period, an aggregate number of Options which, when added to the number of outstanding incentive stock options granted to Insiders within the previous 12 months (calculated at the date an option is granted to an Insider), exceed 10% of the number of issued and outstanding common shares of the Company.

8. The aggregate number of options which may be granted to any one consultant within any 12 month period must not exceed 2% of the number of issued and outstanding common shares of the Company, calculated at the date an Option is granted to a consultant.
9. The aggregate number of options which may be granted within any 12 month period to employees or consultants engaged in investor relations activities must not exceed 1% (or such lower percentage as is required by regulatory rules) of the number of issued and outstanding common shares of the Company, calculated at the date an option is granted to any such employee or consultant, and such options must vest in stages over a period of not less than 12 months with no more than 25% of the options vesting in any three month period.
10. If the option holder ceases to be a director, employee or consultant of the Company, or ceases to be a Management Company Employee, as the case may be, as a result of having been dismissed from any such position for cause, all unexercised option rights of that Optionee under the Option Plan shall terminate immediately, notwithstanding the original term of the option granted to such Optionee.
11. If the option holder ceases to be a director, employee or consultant of the Company, or ceases to be a Management Company Employee, as the case may be, for a reason other than for cause, or as a result of the Optionee's death, such Optionee shall have the right for a period of 90 days (or until the normal expiry date of the option rights of such Optionee, if earlier) from the date of ceasing to be a director, employee or consultant of the Company, or a Management Company Employee, as the case may be, to exercise his option under the Option Plan to the extent that the Optionee was entitled to exercise it on the date of ceasing, subject to the terms and conditions set out in the Option Plan. Upon expiration of such 90 day period (or the normal expiry date of the option rights, as applicable), all unexercised option rights of that Optionee shall immediately become terminated and shall lapse, notwithstanding the original term of the option granted to such Optionee under the Option Plan.
12. In the event of the death of any Optionee, the legal representatives of the deceased Optionee shall have the right for a period of one year (or until the normal expiry date of the Option rights of such Optionee, if earlier) from the date of death of the deceased Optionee to exercise the deceased Optionee's option under the Option Plan and pursuant to such Optionee's option agreement to the extent that it was exercisable on the date of death. Upon expiration of such period all unexercised option rights of the deceased Optionee shall immediately become terminated and shall lapse, notwithstanding the original term of the option granted to such Optionee under the Option Plan.
13. If an Optionee engaged in providing Investor Relations Activities to the Company ceases to be employed in providing such Investor Relations Activities, such Optionee shall have the right for a period of 30 days (or until the normal expiry date of the option rights of such Optionee, if earlier) from the date of ceasing to provide such Investor Relations Activities to exercise his option under the Option Plan to the extent that the Optionee was entitled to exercise it on the date of ceasing. Upon expiration of such 30 day period (or the normal expiry date of the option rights, as applicable), all unexercised option rights of that Optionee shall immediately become terminated and shall lapse, notwithstanding the original term of the option granted to such Optionee under the Option Plan.

Current Options

There were no re-pricings of stock options under the Stock Option Plan or otherwise during the Company's financial years ended December 31, 2018 and December 31, 2017. In the financial year ended December 31, 2018 the Company granted a total of 1,770,000 options exercisable at C\$0.16 each for three years and the Company awarded 1,050,000 RSUs vesting one-third on the date that is the later of the Trigger date and the date any performance conditions are satisfied following the date of grant. As at December 31, 2018, the total options outstanding was 5,672,500 with a weighted average exercise price of C\$0.17 and 1,050,000 RSUs were outstanding. At December 31, 2017 there were 3,902,500 options outstanding with a weighted average exercise price of C\$0.18 each.

Share-based Awards – RSU Plan

On August 25, 2016, the Board approved adoption by the Company of a restricted stock unit plan (the “**RSU Plan**”). Options granted under the Option Plan and restricted stock units (“**RSUs**”) awarded under the RSU Plan both draw from the 10% pool of common shares available for reserve for exercise of options and RSUs. This type of plan share pool structure is referred to as a “rolling” plan. The maximum number of common shares available for reserve under the Option Plan is up to 10% of the current number of issued and outstanding common shares of the Company from time to time, less the fixed number of common shares under reserve for issuance upon conversion of RSUs. The current maximum number of common shares reserved for conversion of RSUs is a fixed maximum of 2% of the 70,088,505 issued and outstanding common shares at the adoption of the RSU Plan on August 25, 2016, being 1,401,770 common shares plus the increase of 871,035 common shares approved by the shareholders at the Company’s annual general meeting held on November 13, 2018. The aggregate current maximum number of common shares reserved for conversion of RSUs is 2,272,805 common shares.

Increase to RSU Plan Common Share Reserve

At the Meeting the Company will present an ordinary resolution, which must be approved by a majority of the disinterested shareholders of the Company, to increase the maximum number of common shares available for issuance upon conversion of RSUs pursuant to the RSU Plan by 80,000 common shares, to an aggregate maximum of 2,352,805 common shares. Because there are currently options outstanding to purchase 5,672,500 common shares and RSUs have been awarded for conversion to 1,050,000 common shares, there currently are 5,041,528 common shares remaining available for reserve for grant of incentive plan awards. If the additional number of 80,000 common shares are subtracted from the 10% incentive plan share reserve for conversion of RSUs pursuant to the RSU Plan, there will remain 4,961,528 common shares available for reserve for exercise of options pursuant to the Option Plan.

Details of RSU Plan

The RSU Plan is designed to provide certain directors, officers, employees and consultants of the Company and its related entities with the opportunity to acquire RSUs in order to enable them to participate in the long-term success of the Company. The purpose of the RSU Plan, similar to the Stock Option Plan, is to promote a greater alignment of the interests of directors, officers, employees and consultants of the Company with the interests of the shareholders. The Board (or the compensation committee, or such other committee the Board may appoint) is responsible for administering the RSU Plan.

RSUs vest on terms established by the Board, or any Board committee appointed for such purpose.

Maximum Common Shares Issuable under RSU Plan

Under the RSU Plan, the current fixed maximum number of common shares reserved and available for issuance from treasury is 2% of the number of issued and outstanding common shares (on a non-diluted basis) as of August 17, 2016 and which fixed maximum number was established by approval of the shareholders at the Company’s annual and special meeting held September 30, 2016. An additional 871,035 common shares were approved by the shareholders of the Company at the annual general meeting held on November 13, 2018. The RSU Plan allows the Company to grant RSUs, under and subject to the terms and conditions of the RSU Plan, which may be converted to a fixed maximum number of 2,272,805 common shares. At the Meeting the Company will present an ordinary resolution, which must be approved by a majority of the disinterested shareholders of the Company, to increase the maximum number of common shares available for issuance upon conversion of RSUs pursuant to the RSU Plan by 80,000 common shares, to an aggregate maximum of 2,352,805 common shares.

The RSU Plan provides that the maximum number of common shares issuable pursuant to the RSU Plan, together with any common shares issuable pursuant to any other Security Based Compensation Arrangement outside of the RSU Plan (namely the Option Plan described above), will not exceed an aggregate of 10% of the total number of issued and outstanding common shares at any time. In addition, the maximum number of common shares issued to Insiders under the RSU Plan and all other Security

Based Compensation within any one year period, will not exceed 2% of the total number of issued and outstanding common shares taken at the beginning of the year. Pursuant to TSXV policies, RSUs to a maximum of 1% of the issued and outstanding common shares of the Company may be granted to any one Eligible Person under the RSU Plan; and, in aggregate, a maximum of 2% of the issued and outstanding common shares of the Company may be granted to any one Eligible Person in any 12 month period.

Benefits of the RSU Plan

The RSU Plan is designed to provide long term incentive for the directors, officers, employees and consultants of the Company. RSUs provide the Board (or a Board committee) with an additional compensation tool to help retain and attract highly qualified directors, officers and employees and further align the interests of directors, officers, employees and consultants of the Company with the interest of the shareholders, which allows Eligible Persons, being all RSU Plan Recipients (defined below), to participate in any increases to the value of the Company.

The Board may engage such consultants and advisors as it considers appropriate, including compensation or human resources consultants or advisors, to provide advice and assistance in determining the amounts to be awarded under the RSU Plan and other amounts and values to be determined hereunder or in respect of the RSU Plan including, without limitation, those related to a particular Fair Market Value.

Nature and Administration of the RSU Plan

All Directors, Officers, Employees and Consultants (as defined in the RSU Plan) of the Company and its related entities (“**Eligible Persons**”) are eligible to participate in the RSU Plan (as “**RSU Plan Recipients**”), though the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation in the RSU Plan at any time. Eligibility to participate in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board (or a Committee delegated by the Board), may, from time to time, award RSUs to Eligible Persons. All RSUs awarded will be credited to an account maintained for each RSU Plan Recipient on the books of the Company as of each award date. The number of RSUs to be credited to each RSU Plan Recipient’s account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

Each award of RSUs vests on the date(s) (each a “**Vesting Date**”) that is the later of the Trigger Date (defined below) and the date upon which the relevant performance condition or other vesting condition set out in the award has been satisfied, subject to the requirements of the RSU Plan. Rights and obligations under the RSU Plan can be assigned by the Company to a successor in the business of the Company, any company resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company, or any corporation acquiring all or substantially all of the assets or business of the Company.

Payment of RSUs

Under the RSU Plan, the Company, in its discretion and as may be determined by the Board, will pay out vested RSU’s by paying or issuing (net of any applicable withholding taxes) to a RSU Plan Recipient, on or subsequent to the Trigger Date and before the Expiry Date (as defined below) an award payout of either: (a) one Share for each whole vested RSU; and (b) a cash amount equal to the fair market value of one Share (as determined in accordance with the RSU Plan) as at the Trigger Date of each whole vested RSU.

Fractional Shares are not issued pursuant to the RSU Plan, and where a RSU Plan Recipient would be entitled to receive a fractional common share in respect of a fractional vested RSU, the Company shall pay to such RSU Plan Recipient, in lieu of such fractional common share, cash value equal to the Vesting Date Value of such fractional common share.

Credit for Dividends

An RSU Plan Recipient's account will be credited with additional RSUs as of each dividend payment date in respect of which cash dividends are paid on common shares. The number of additional RSUs to be credited to an RSU Plan Recipient's account is computed by multiplying the amount of the dividend per common share by the aggregate number of RSUs that were credited to the RSU Plan Recipient's account as of the record date for payment of the dividend, and dividing that number by the Fair Market Value (as defined in the RSU Plan). Note that the Company is not obligated to pay dividends on common shares.

Resignation, Termination, Leave of Absence or Death

Generally, if an RSU Plan Recipient's employment or service is terminated, or if the RSU Plan Recipient resigns from employment with the Company, then any RSUs credited to him or her pursuant to the RSU Plan, which have not vested on or before the separation date for the RSU Plan Recipient, are forfeited, cancelled and terminated without payment.

In the event an RSU Plan Recipient is terminated without cause, all unvested RSUs credited to such terminated RSU Plan Recipient will immediately vest on the date of termination. If an RSU Plan Recipient's employment or service is terminated (otherwise than without cause), or the RSU Plan Recipient enters Retirement (as defined in the RSU Plan), dies, or suffers Total Disability (as defined in the RSU Plan), all unvested RSUs will automatically be cancelled without compensation.

The number of common shares available for reserve under the RSU Plan is a fixed number, therefore when RSUs are terminated or cancelled under the Plan, the common shares reserved for the conversion of such RSUs are also terminated and cancelled and no longer available for reserve under the RSU Plan.

Change of Control

In the event of a Change of Control (as defined in the RSU Plan), all RSUs credited to an RSU Plan Recipient vest on the date on which the Change of Control occurs. Within thirty (30) days after the date on which the Change of Control Occurs, the RSU Plan Recipient must receive a payment equal to the number of RSUs that vested on the date of the Change of Control, multiplied by the Fair Market Value on that date.

Adjustments

In the event of any dividend paid in common shares, any subdivision of the common shares, any combination or exchange of the common shares, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting the common shares, the Board will make adjustments with respect to the number of RSUs outstanding and any proportional adjustments as the Board, in its discretion, considers appropriate to reflect the change.

Vesting

The Board has the discretion to grant RSUs to Eligible Persons as the Board determines is appropriate, and can impose conditions on vesting as it sees fit in addition to the Performance Conditions (as defined in the RSU Plan) if any. RSUs vest on the date that is the later of (a) the date set by the Board at the time of the grant or if no date is set then December 1 of the third calendar year following the date of the grant (the "**Trigger Date**"), and (b) the date upon which the relevant Performance Condition or other vesting condition has been satisfied, subject to the limitations of the RSU Plan.

RSUs only vest on the Trigger Date to the extent that the Performance Conditions have been satisfied on or before the Trigger Date, and no RSU will remain outstanding for any period which exceeds the expiry date (which shall be December 31 of the third calendar year after the date of grant, or such earlier date as may be established by the Board (the "**Expiry Date**"). The Board may accelerate the Trigger Date of any RSU at its election.

Limitations under the RSU Plan

Unless permitted otherwise by TSXV policies:

- (a) the maximum number of common shares which may be reserved for issuance to Insiders, as a group, under the RSU Plan together with any other Share Compensation Arrangement (as defined in the RSU Plan), may not exceed 10% of the issued common shares;
- (b) the maximum number of RSUs that may be granted to Insiders, as a group, under the Plan together with any other Share Compensation Arrangement, within a 12-month period, cannot exceed 10% of the issued common shares calculated on the date of the grant of the RSUs;
- (c) the maximum number of RSUs that can be granted to any one Eligible Person under the Plan, together with any other Share Compensation Arrangement, within a 12-month period, cannot exceed % of the issued common shares calculated on the date of the grant of the RSUs; and
- (d) the maximum number of RSUs that may be granted to any one Consultant, within a 12-month period, may not result in a number of RSUs exceeding 2% of the number of issued and outstanding common shares at the Grant Date, together with any other Share Compensation Arrangement, without the prior consent of the TSXV.

On August 31, 2015 the Board adopted the Option Plan pursuant to which convertible securities can be issued as an additional mechanism to encourage equity participation in the Company by directors, officers, employees and consultants, which for the purposes of the RSU Plan is considered a Share Compensation Arrangement. Any grants under the Option Plan would be considered in the limitations under the RSU Plan listed hereunder. For additional information regarding the Option Plan, please see the heading *Option-based Awards – Option Plan* above.

Amendment or Termination of RSU Plan

Subject to the requirements of applicable laws, the Board may amend or terminate the RSU Plan at any time, but the consent of the RSU Plan Recipient is required for any such amendment that adversely affects the rights of the RSU Plan Recipient, unless the amendment or termination is required by law. A termination of the RSU Plan will not accelerate the vesting of RSUs or the time in which an RSU Plan Recipient would otherwise be entitled to receive payment in respect of the RSUs.

Stock Options and Other Compensation Securities

In the financial year ended December 31, 2018, the Company granted a total of 1,300,000 options to the NEOs and directors of the Company exercisable at C\$0.16 each for three years. The Company also awarded 950,000 RSUs vesting one-third on the date that is the later of the Trigger date and the date any performance conditions are satisfied following the date of grant to the NEOs during the financial year ended December 31, 2018. There were no option-based and share-based awards granted to the NEOs and Directors under the Option Plan and the RSU Plan in the financial year ended December 31, 2017.

Exercise of Compensation Securities by NEOs and Directors

There were no compensation securities exercised by any of the NEOs or directors of the Company during the financial years ended December 31, 2018 and 2017.

Outstanding Options and RSUs

As at December 31, 2018 there were 117,640,277 common shares issued and outstanding. Accordingly, under its share compensation arrangements, being the Option Plan and the RSU Plan, at the December 31, 2018 financial year end the Company had the authority to grant options to purchase up to a total of 11,764,028 common shares and to grant RSUs awarding 2,272,805 Common Shares. At the date hereof, options to purchase an aggregate of 5,672,500 common shares are granted and outstanding under the Option Plan and 1,050,000 RSUs are granted and outstanding, representing approximately 5.7% of the outstanding common shares.

Employment Consulting and Management Agreements

The Company does not have any compensatory plans, contracts or arrangements that provide for payments to a NEO or a director at, following or in connection with any termination, resignation, retirement, a change in control of the Company or a change in a NEO's responsibilities.

Pension Plan Benefits

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

During the financial year ended December 31, 2018, the Stock Option Plan and the RSU Plan were the equity compensation plans pursuant to which securities were authorized for issuance.

The following table sets forth information with respect to the Stock Option Plan and the RSU Plan as at the December 31, 2018 financial year end.

Plan category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options in Canadian dollars (b)	Number of securities to be issued upon issuance of RSUs (c)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a and c)) (d)
Equity compensation plans approved by securityholders	5,672,500	\$0.17	1,050,000	5,041,528 (1)
Equity compensation plans not approved by securityholders	--	--	--	--
Total	5,672,500	\$0.17	1,050,000	5,041,528 (1)

Note:

- (1) This figure is based on the total number of common shares authorized for issuance under the Stock Option Plan, less the number of stock options and RSUs granted and outstanding under the Stock Option Plan as at December 31, 2018.

Material Terms of Option Plan

On August 31, 2015 the Board approved the Stock Option Plan, which is a "rolling" plan whereby a maximum of 10% of the issued common shares, from time to time, may be reserved for issuance pursuant to the exercise of options. On August 25, 2016, the Board further approved the adoption of the RSU plan whereby the maximum number of common shares available for reserve is a fixed maximum of 2% of the issued and outstanding common shares, which combined with the Stock Option Plan is a maximum of 10% of the issued and outstanding common shares. As at December 17, 2019 there were 117,640,277 common shares outstanding, allowing for a maximum of 11,764,028 common shares available for reserve for exercise of options under the Stock Option Plan and/or conversion of RSUs under the RSU Plan. There are currently options outstanding to purchase 5,672,500 common shares and 1,050,000 RSUs have been awarded. Accordingly, 5,041,528 common shares remain available for reserve for grant of incentive plan awards.

Refer to "Statement of Executive Compensation – Incentive Plan Awards – Option-based Awards – Stock Option Plan" above.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or executive officer of the Company, nor any proposed nominees for election as director, or associates of any of them, is or has been indebted to the Company or any of the Company's subsidiaries at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of signature of this Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of these persons, has had, nor currently has any material interest, direct or indirect, in any transaction since the commencement of our last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of the Company's subsidiaries, other than as disclosed under the headings "*Statement of Executive Compensation*" above, and "*Particulars of Matters to be Acted upon*" below.

February 25, 2019 – The Company issued a \$35,000 unsecured promissory note payable to Murray Walden, a NEO and director of the Company. The promissory note bears interest at a rate of 10% and matures on February 25, 2020. This promissory note plus accrued interest of \$781 was paid on June 10, 2019 with the issuance of an unsecured convertible debenture.

June 10, 2019 – The Company issued an unsecured convertible debenture to Murray Walden, a NEO and director of the Company, in the principal amount of \$35,781 which bears interest at a rate of 12% per annum. The principal amount and any accrued and unpaid interest on the debenture are convertible into common shares in the capital of the Company, in whole or in part, at any time on or before the maturity date of June 10, 2020 at a conversion price of US\$0.06 per share.

On July 23, 2019 unsecured convertible debentures with an aggregate principal amount of \$27,925 were issued to John Kupice, a NEO and director of the Company, and Murray Walden, a NEO and director of the Company, in the amounts of \$21,950 and \$5,975, respectively. The convertible debentures bear interest at a rate of 12% per annum and mature on July 23, 2020. The principal amount and any accrued and unpaid interest on the debentures are convertible into common shares in the capital of the Company, in whole or in part, at any time on or before the maturity date at a conversion price of US\$0.06 per share.

MANAGEMENT CONTRACTS

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

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board, the members of which are elected by and accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* establishes the information required to be disclosed by the Company in its information circular prepared for a general meeting where an election of directors is held. National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201") establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices and feels that the Company's corporate governance practices are appropriate and effective for the Company given its current size.

The Company's corporate governance practices are summarized below.

A. Board of Directors

The Board is currently composed of John Kupice, Murray Walden, Ronald Overstreet, Martin Hubbes, and Richard J. Umbdenstock. All of the proposed nominees for election as director are currently directors of the Company.

NP 58-201 provides guidance that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is 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 a view to the best interests of the company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NP 58-201 suggests that a board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. Of the proposed director nominees, Ronald Overstreet, Martin Hubbes, and Richard J. Umbdenstock are considered by the Board to be “independent” within the meaning of NP 58-201. John Kupice and Murray Walden are executive officers of the Company, and accordingly, they are considered to be “non-independent”.

The Board meets formally on an as needed basis to review and discuss the Company’s business activities, and to consider, and if thought fit, to approve matters presented to the Board for approval, and to provide guidance to management. In addition, management informally provides updates to the Board at least once per month between formal meetings. In general, management consults with the Board when deemed appropriate to keep it informed regarding the Company’s affairs.

The Board facilitates the exercise of independent supervision over management through these various meetings. At present, the Board does not have any formal committees other than its audit committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs and, as a result, these directors are able to provide significant and valuable independent supervision over management.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will, in accordance with corporate law and in accordance with his fiduciary obligations as a director of the Company, disclose the nature and extent of his interest to the meeting and abstain from voting on the resolution concerning the approval of such participation.

Directorships

The current director of the Company named in the table below is a director of other reporting issuers as follows:

Name of Director	Name of Other Reporting Issuer
Martin Hubbes	EcoSynthetix Inc.

B. Orientation and Continuing Education

At present, the Company does not provide a formal orientation and education program for new directors. Prior to joining the Board, potential members are encouraged to meet with management and inform themselves regarding management and the Company’s affairs. After joining the Board, management and the Board chairperson provide orientation both at the outset and on an ongoing basis. The Company currently has no specific policy regarding continuing education for directors, and requests for education are encouraged, and dealt with on an ad hoc basis.

C. Ethical Business Conduct

The Board does not currently have a written code of ethics, but views good corporate governance as an integral component to the success of the Company. The Company’s audit committee has established a “whistleblower” policy to encourage employees to raise concerns about business conduct.

D. Nomination of Directors

The Board does not have a nominating committee. Once a decision has been made to add or replace a director, the task of identifying new candidates will fall on the Board and management. If a candidate looks promising, the Board and management will conduct due diligence on the candidate and interview the candidate and if the results are satisfactory, the candidate is invited to join the Board.

E. Compensation

Details regarding the compensation of Named Executive Officers and directors are discussed under “*Statement of Executive Compensation – Compensation Discussion and Analysis*” and “*Statement of Executive Compensation – Compensation of Directors*”.

F. Other Board Committees

The Company has no committees other than the audit committee. The Board has not determined that additional committees are necessary at this stage of the Company’s development.

G. Assessments

At present, the Board does not have a formal process for assessing the effectiveness of the Board, the Board committees and whether individual directors are performing effectively. These matters are dealt with by the Board on a case by case basis. The Board is of the view that the Company’s shareholders are the most important assessors of Board performance and that they provide the most effective, objective assessment of the Board’s performance.

AUDIT COMMITTEE DISCLOSURE

Pursuant to the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company or an affiliate of the Company.

A. Audit Committee Charter

The Company must, pursuant to National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), have a written charter which sets out the duties and responsibilities of its audit committee. The Company’s audit committee charter is substantially reproduced on pages 21 through 24 of the Company’s Information Circular dated September 27, 2017, a copy of which was filed on October 4, 2017 under the Company’s profile at www.sedar.com.

B. Composition of the Audit Committee

The following were the members of the audit committee during the financial years ended December 31, 2018 and December 31, 2017:

Savio Chiu	Independent ¹	Financially literate ¹
Martin Hubbes	Independent ¹	Financially literate ¹
Ronald Overstreet	Independent ¹	Financially literate ¹

Note:

¹ Within the meaning of NI 52-110.

C. Relevant Education and Experience

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

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

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

Savio Chiu was the Senior Manager, Corporate Finance of V Baron Global Financial Canada Ltd. Previously he was a senior associate with Deloitte & Touche LLP where he gained experience leading large teams for audits under IFRS. Mr. Chiu has previously held various management and directorship positions with other public companies.

Mr. Chiu is a Chartered Professional Accountant and holds a Bachelor of Commerce degree in Accounting from the University of British Columbia.

Mr. Chiu tendered his resignation as a director of the Company effective August 2, 2019.

Martin Hubbes served as the Chief Investment Officer and Executive Vice President of Investments at AGF Investments Inc. from July 2005 to February 2014. Mr. Hubbes oversaw all of investment management operations including offices in Toronto, Singapore, Dublin and London, Ontario. He also served as Chief Investment Officer and Executive Vice President of Investments at AGF Investments America Inc. Previously, Mr. Hubbes served as the Executive Vice President of Investments, and Portfolio Manager of Investments at AGF from September 1996 to July 2005. He has extensive direct investment management and mutual fund experience, managing AGF Canadian Stock Fund, AGF Canada Class, IG AGF Canadian Growth, Symmetry Canadian Growth Class, Primerica Asset Builder Fund and co-managing the AGF Health Sciences Class. He was a Managing Director at AGF Management (Deutschland) GmbH based in Berlin Germany from January, 1993 to January, 1995. He served as a Director of AGF Investments Inc., from September 2005 to January 2011. He served as Director of various AGF Funds.

Mr. Hubbes holds a CFA designation and an I.M.B.A. degree from the Schulich School of Business at York University and a M.Sc. and B.Sc. degree in Biochemistry from the University of Toronto.

Ronald "Chip" Overstreet is an executive with a focus on B2B marketing and business development. Mr. Overstreet is currently CEO of Spiceology, Inc. Prior, Mr. Overstreet was head of business development at Affirm, Inc. Previously, Mr. Overstreet was the Senior Vice President of Business and Corporate Development for Magnetic, Inc. His prior company, MyBuys, the market leader in personalization for retailers, was acquired by Magnetic, Inc. in May 2015. Mr. Overstreet was previously the Vice President of Marketing & Business Development at Blue Martini Software (NASDAQ: BLUE), a software manufacturer and professional services provider; President and Chief Executive Officer of Encover, Inc., an ecommerce provider (acquired by Synnex, Inc. in November 2010); and President and Chief Executive Officer at RTIME, Inc., a provider of products and services that support real-time interactivity (acquired by Sony Computer Entertainment America in August 2000).

Mr. Overstreet has a BA in Economics from Stanford University.

D. Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year was a recommendation made by the audit committee to nominate or compensate an external auditor not adopted by the Board.

E. Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year, has the Company relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

F. Pre-Approval Policies and Procedures

The audit committee is required to approve the engagement of the Company’s external auditors in respect of non-audit services.

G. External Auditor Service Fees (by category)

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants are the current auditors of the Company and the Company will ask the shareholders to approve a resolution to appoint them as auditor of the Company for the ensuing year. Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, prepared the Company’s December 31, 2018 year-end financial statements, which were filed on April 30, 2019 under the Company’s profile at www.sedar.com.

The audit committee has reviewed the nature and amount of the non-audit services provided by Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants in the fiscal year ended December 31, 2018 to ensure auditor independence.

Fees incurred with Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, for audit and non-audit services in the last two fiscal years are outlined in the following table:

Financial Period Ending	Audit Fees	Audit Related Fees⁽¹⁾	Tax Fees⁽²⁾	All Other Fees⁽³⁾
December 31, 2018	\$48,586	Nil	\$4,000	Nil
December 31, 2017	\$35,700	Nil	\$2,000	Nil

(1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under “Audit Fees”.

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column.

H. Venture Issuer Exemption

The Company is a Venture Issuer as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*).

PARTICULARS OF MATTERS TO BE ACTED UPON

The following are the matters to be acted upon at the Meeting.

A. Presentation of the Financial Statements

The annual audited consolidated financial statements of the Company for the financial year ended December 31, 2018, the report of the auditor thereon and the related management discussion and analysis (together the “annual financials”), which were mailed to Registered Shareholders who requested a copy of same, will be placed before the Meeting. Copies of the annual financials are

also available under the Company's SEDAR profile at www.sedar.com. The interim financial statements for the periods ending March 31, 2019, June 30, 2019, and September 30, 2019, together with the related management discussion and analysis, will also be presented to the shareholders and copies are also available under the Company's SEDAR profile.

B. Election of Directors

Setting Number of Directors

Pursuant to the Company's Articles (the "**Articles**"), the Board has determined that six (6) directors are to be elected to the Board. Therefore, at the Meeting shareholders will be asked to approve a resolution to set the number of directors to be elected to the Board at six (6) directors.

The persons named in the enclosed instrument of proxy intend to vote in favour of the resolution to set the number of directors at six (6).

Advance Notice Provision

The Articles include an advance notice provision (the "**Advance Notice Provision**") which provides for the requirement of advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the BCA or (ii) a shareholder proposal made pursuant to the provisions of the BCA.

Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual general or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form. The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision in the Articles, a copy of which is available under the Company's SEDAR profile at www.sedar.com.

If, as of the date of the Meeting, the Company has not received notice of a nomination in compliance with the Advance Notice Provision, any nominations for director other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

Director Nominees

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the BCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for each new director nominee), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as of December 17, 2019.

Name, Jurisdiction of Residence and Position	Principal Occupation or Employment (Past Five Years if Not Previously Elected by Shareholders)	Date Appointed As a Director	Holdings in Voting Securities of the Company and its Subsidiaries
John Kupice <i>Washington, U.S.A.</i> <i>CEO and Director</i>	Chief Executive Officer of H-Source, Inc. August 2013 to present.	August 31, 2015	1,826,500 common shares
Murray Walden <i>Washington, U.S.A.</i> <i>President and Director</i>	President and founder of H-Source Inc. October 2011 to present.	August 31, 2015	7,873,955 common shares
Ronald “Chip” Overstreet ⁽¹⁾ <i>Washington, U.S.A.</i> <i>Director</i>	Senior Vice President of Business and Corporate Development for Magnetic, Inc., May 2015 to April 2016; Vice President, Business Development for Affirm, Inc. from April 2016 to May 2019; President & CEO for Spiceology, Inc. May 2019 to present.	August 31, 2015	151,711 common shares
Richard J. Umbdenstock <i>Washington, U.S.A.</i> <i>Director</i>	President and CEO of American Hospital Association from January, 2007 to August, 2015; Past President of AHA September 2015 to November 2015; President Emeritus since December 2015.	August 9, 2016	450,000 common shares
Martin Hubbes ⁽¹⁾ <i>Ontario, Canada</i> <i>Director</i>	Executive Vice President and Chief Investment Officer of AGF Investments Inc. from July 2005 to February 2014.	September 30, 2016	1,866,712 common shares

(1) Member of the Company’s audit committee.

Each director of the Company is elected annually and holds office until the next annual general meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary the shares represented by proxy will be voted for the nominees listed herein.

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES LISTED HEREIN, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY THE PERSON NAMED IN THE PROXY AS NOMINEE TO VOTE THE SHARES REPRESENTED BY PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS NOMINATED AS DIRECTORS.

Cease Trade Orders and Bankruptcy

No proposed director:

- (a) is, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to a cease trade order, an order similar to a cease trade 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 while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to a cease trade order, an order similar to a cease trade 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 after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (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 Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointee to hold the assets of the proposed director.

In addition, no proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

C. Appointment of Auditor

The persons named in the enclosed instrument of proxy will vote for the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants of Suite 1500, 1140 West Pender St., Vancouver, British Columbia V6E 4G1, as auditor of the Company for the ensuing year, until the close of the next annual general meeting of the shareholders. Dale Matheson Carr-Hilton Labonte LLP was first appointed to the position of auditor of the Company on December 16, 2015.

D. Continuation of 10% Rolling Option Plan

The Company has a stock option plan, which was approved August 31, 2015. Under the Option Plan, options totaling a maximum of 10% of the Common Shares outstanding from time to time are available

for grant. On August 25, 2016, the Board approved the RSU Plan (together with the Option Plan, the “Plans”), which was ratified and approved by the shareholders at the Company’s annual general meeting held November 13, 2018.

The total aggregate number of common shares which may be reserved for issuance under the Plans is a maximum of 10% of the current issued and outstanding common shares.

To comply with TSXV policies covering “rolling” option plans, continued grants pursuant to the Option Plan must be approved annually by the shareholders of the Company. At the Meeting, shareholders will be asked to ratify and approve the Option Plan for continuation until the next annual general meeting.

The Option Plan is described in more detail, including the material terms of the Plan, above, see *Statement of Executive Compensation*.

Shareholder Approval

The Board is of the view that the Option Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. Accordingly, at the Meeting, shareholders will be asked to approve the following ordinary resolution, with or without variation:

“RESOLVED as an ordinary resolution that the Company’s stock option plan, dated for reference August 31, 2015, be and is hereby ratified and approved for continuation until the next annual general meeting of the Company.”

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast on the resolution in person or by proxy. A copy of the Stock Option Plan will be available for inspection by any shareholder at the Meeting. A copy of the Option Plan is filed under the Company’s SEDAR profile at www.sedar.com.

E. Increase in Fixed Maximum Number Reserve for Conversion of RSUs

At the Meeting the Company will present an ordinary resolution, which must be approved by a majority of disinterested shareholders of the Company (a “disinterested shareholder resolution”), to increase the share reserve for conversion of RSUs pursuant to the RSU Plan by 80,000 to an aggregate maximum common share reserve of 2,352,805 common shares, or 2% of the current issued and outstanding common shares.

The RSU Plan is described in more detail, including the material terms of the Plan, above, see *Statement of Executive Compensation – Share Based Awards – RSU Plan*.

Shareholder Approval

The Board is of the view that the RSU Plan provides the Company with additional flexibility, in tandem with the Option Plan, to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. Accordingly, at the Meeting, shareholders will be asked to approve the following ordinary resolution, with or without variation, and the Company seeks approval of the resolution by a majority of the Company’s disinterested shareholders:

“RESOLVED as an ordinary resolution that the Company be and is hereby authorized to grant restricted stock units (“RSUs”) pursuant and subject to the terms and conditions of the Company’s Restricted Stock Unit Plan (“RSU Plan”), dated for reference August 25, 2016, which may be exercised to purchase up to an increased fixed maximum number of 2,352,805 common shares, being an increase of 80,000 common shares.”

A *disinterested shareholder* means a shareholder that is not an Insider to whom the issuance of RSUs may be granted, nor are they an associate of any such Insider. The votes attaching to the securities beneficially owned by all directors and officers of the Company, as well as any employees of the Company directly or beneficially holding common shares; as well as any associates or affiliates of these Insiders, will not be counted on this ordinary resolution.

An *ordinary resolution* is a resolution presented at a general meeting of the Company and must be passed by a simple majority of the votes cast in person or by proxy on the resolution.

The Board has concluded that an increase in the fixed number of common shares available for reserve for conversion of RSUs pursuant to the RSU Plan is in the best interests of the Company and its Shareholders. Accordingly, the Board unanimously recommends that the disinterested Shareholders vote to approve this resolution at the Meeting.

A copy of the RSU Plan will be available for inspection at the Meeting and a copy is filed under the Company's SEDAR profile at www.sedar.com.

ADDITIONAL INFORMATION

Additional information concerning the Company is available under its profile on the SEDAR website at www.sedar.com. Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for its most recently completed financial period which are filed on SEDAR.

Shareholders wishing to obtain a copy of the Company's financial statements and management's discussion and analysis may contact the Company as follows:

H-SOURCE HOLDINGS LTD.
Suite 2250- 1055 West Hastings Street
Vancouver, BC V6E 2E9
Telephone: 888-900-4549

OTHER MATTERS

Management knows of no other matters to come before the Meeting other than those referred to in the accompanying Notice of Annual General Meeting. Should any other matters properly come before the Meeting, the common shares represented by the instrument of proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy provided that such authority is granted to the proxyholder by the proxy.

The contents and delivery of this information circular have been approved by the Board.

DATED at Vancouver, British Columbia, the 17th day of December, 2019.

BY ORDER OF THE BOARD

“John Kupice”

John Kupice
Chief Executive Officer