

**CANEX METALS INC.**  
SUITE 815, 808-4TH AVENUE S.W.  
CALGARY, ALBERTA, T2P 3E8  
TEL.: (403) 233-2636

**MANAGEMENT INFORMATION CIRCULAR FOR THE  
ANNUAL & SPECIAL MEETING TO BE HELD ON SEPTEMBER 19, 2019**

**INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING**

**Solicitation of Proxies**

**This Management Information Circular (the “Management Information Circular”) is furnished in connection with the solicitation of proxies by the management of Canex Metals Inc. (the “Corporation”) for use at the Annual & Special meeting of the holders of common shares (“Common Shares”) of the Corporation (the “Shareholders”) to be held at the offices of the Corporation at Suite 815, 808-4<sup>th</sup> Avenue SW, Calgary, Alberta, on Thursday, September 19, 2019, commencing at 10:00 a.m. (Calgary time) (the “Meeting”), for the purposes set forth in the Notice of Annual & Special Meeting (the “Notice”) accompanying this Management Information Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, internet, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation. Unless otherwise stated, information contained herein is given as of August 13, 2019.**

**Appointment of Proxyholders**

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is August 13, 2019 (the “**Record Date**”). Only Shareholders whose names are entered in the Corporation's register of shareholders at the close of business on that date and holders of Common Shares issued by the Corporation after such date and prior to the Meeting will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a Shareholder transfers the ownership of any of his or her Common Shares after such date and the transferee of those Common Shares establishes that he or she owns such Common Shares and demands, not later than ten days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

Accompanying this Management Information Circular is an instrument of proxy for use at the Meeting. Shareholders who are unable to attend the Meeting in person are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **To be voted at the Meeting, all properly executed Forms of Proxy for Shareholders must be mailed so as to reach or be deposited with the Corporation's Secretary at Suite 815, 808-4<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 3E8 (facsimile number 403-266-2606) not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof.**

The persons designated in the instrument of proxy are directors or officers of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the accompanying instrument of proxy, to attend at and represent the Shareholder at the Meeting. To exercise this right, a Shareholder should insert the name of the designated representative in the blank space provided on the instrument of proxy and strike out the names of management's nominees or complete another appropriate instrument of proxy.**

**Signing of Proxy**

The instrument of proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

## Revocability of Proxies

A Shareholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) with the Corporation's Secretary at the address referred to above at any time up to and including the last business day preceding the day of the Meeting, or any adjournments thereof, at which the instrument of proxy is to be used; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, an instrument of proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a duly authorized representative of the corporation attending at the Meeting and voting such securities; or (ii) in any other manner permitted by law.

## Voting of Proxies and Exercise of Discretion by Proxyholders

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the instrument of proxy will be voted in accordance with such instructions. The management designee named in the accompanying Instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing him or her on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares will be voted "FOR" or in favour of the proposed resolutions at the Meeting. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** At the time of printing this Management Information Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

## VOTING SHARES AND PRINCIPAL HOLDERS OF COMMON SHARES

### Voting of Common Shares – General

Shareholders of record on the Record Date are entitled to receive notice of and attend the Meeting and vote thereat on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Common Shares at the Meeting.

On the Record Date, of the Corporation's authorized unlimited number of Common Shares, 30,866,415 Common Shares were issued and outstanding as fully paid and non-assessable.

### Quorum

Pursuant to the by-Laws of the Corporation ("By-Laws"), a quorum of Shareholders is present at the Meeting irrespective of the number of persons actually present, if two persons are present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a Shareholder so entitled. Pursuant to the *Business Corporations Act* (Alberta) and the By-Laws, if a quorum is present at the opening of the Meeting, the Shareholders present may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the Shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business.

### Voting of Common Shares – Advice to Non-Registered Holders

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "Non-Registered Holder") 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; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or “CDS”).

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice, this Management Information Circular and the instrument of proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Investor Communications Solutions (“Broadridge”)) to forward meeting materials to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive meeting materials will:

- (a) have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Non-Registered Holder in accordance with the directions on the voting instruction form; voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through the Internet at [www.proxyvotecanada.com](http://www.proxyvotecanada.com); or
- (b) less typically, be given a 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 Non-Registered Holder but which is otherwise uncompleted. The Non-Registered Holder need not sign this instrument of proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the instrument of proxy and deposit it with the Corporation at Suite 815, 808-4th Avenue S.W., Calgary, Alberta, T2P 3E8, as described above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.**

Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and, if necessary, revoke their proxy in accordance with the revocation procedures set above.

### Principal Holders of Common Shares

To the knowledge of the directors and senior officers of the Corporation, as of August 13, 2019, only the following Corporation beneficially owns, directly or indirectly, or exercises control or direction over more than ten percent (10%) of the votes attached to the securities of the Corporation:

Name and Address	Number of Common Shares	Percentage of Issued Common Shares
Altius Resources	4,805,000	15.57%

Note:

- (1) Altius Resources Inc. (“Altius”), a subsidiary of Altius Minerals Corporation (TSX:ALS), owns 4,805,000 common shares of Canex representing 15.57%. If Altius exercises all of its warrants, then Altius would own and control an aggregate of 7,305,000 common shares of Canex representing an ownership interest of approximately 21.9% (post issuance), assuming no other securities of Canex are exercised.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Financial Statements and Auditors Report

The financial statements of the Corporation for the year ended September 30, 2018 and the Auditors' Reports thereon will be placed before the Shareholders at the Meeting for their consideration (the “**Statements**”). These Statements were mailed to all registered Shareholders and all Shareholders who had requested receipt of these Statements. Upon request, the Corporation will promptly provide a copy of the year-end financial statements to a Shareholder free of charge.

Shareholders who wish to receive annual and interim financial statements are encouraged to send the enclosed notice, in the addressed envelope, to the Corporation at Suite 815, 808-4th Avenue S.W., Calgary, Alberta, T2P 3E8.

### Election of Directors

**Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the election, as directors, of the nominees whose names are set forth below.** It is proposed that the number of directors to be elected at the Meeting will be fixed at four (4). It is intended that each person whose name appears hereunder will be nominated at the Meeting for election as a director of the Corporation to serve until the next annual meeting of the Shareholders of the Corporation, unless his office is earlier vacated. All of the nominees, except Gregory Hanks, are currently members of the board of directors (the “Board of Directors” or the “Board”, and each individual director, a “Director”) of the Corporation.

In the event that prior to the Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors. Management is not currently aware that any such nominees would not be willing to serve as Director if elected.

The following information concerning the proposed nominees has been furnished by each of them:

<u>Name, Present Office Held and Municipality of Residence</u>	<u>Principal Occupation or Employment for the Last Five Years</u>	<u>Director Since</u>	<u>Number of Common Shares Beneficially Owned and Controlled<sup>(2)</sup></u>
Dr. Shane Ebert, Ph.D., P.Geo. President and Director <sup>(1)</sup> <i>British Columbia, Canada</i>	Self-employed Professional Geologist. President of Vector Resources Inc. and consulting geologist 1999 to present. Director of Jade Leader Corp. since 2001. President and Director of Surge Copper Corp. since December 2011 to March 2015 and April 2011, respectively.	March 13, 2003	672,038
Jean Pierre Jutras, P.Geo. Director and Vice-President <i>Alberta, Canada</i>	Self-employed Professional Geologist from 1996 to date. Vice-President and Director of Jade Leader Corp. since 2000 and President from March 2014 to date.	October 4, 2000	151,646

<u>Name, Present Office Held and Municipality of Residence</u>	<u>Principal Occupation or Employment for the Last Five Years</u>	<u>Director Since</u>	<u>Number of Common Shares Beneficially Owned and Controlled<sup>(2)</sup></u>
Lesley Hayes, MBA Director <sup>(1)</sup> <i>Alberta, Canada</i>	Self-employed consultant from 2002 to date. Ms. Hayes is CCO of HessePartners and CEO of NoDrama Media, training CEOs and Presidents with Young President's Organization and Entrepreneurs Organization in the US, Canada and internationally. Ms. Hayes has management and board experience with a number of public companies with operations in the US and Canada, and international experience including Belgium and Costa Rica. Those companies include Burntsand Inc, Vicom Multimedia Inc and Tyler Resources Inc.	Dec. 6, 1996	43,600
Gregory Hanks Nominee <i>British Columbia, Canada</i>	Self-employed consultant from 2017 to date. Mr. Hanks is currently a director of Freegold Ventures Limited. He holds a B,Comm (Honors) with a major in Finance. He has held a number of management and senior management roles throughout his more that 25 years in the Financial Services Industry. He has extensive experience in commercial and industrial lending and was Senior Manager, Commercial Services at Integris Credit Union until March 2018. He has held several nonprofit board positions and currently providing consulting services in the areas of Human Resources and Finance to corporations in northern BC.	Nominee	288,000

**Notes:**

- (1) Member of the Audit Committee.  
(2) The information as to the number of Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective nominees.

*Other Directorships*

The following Directors are currently directors of other reporting issuers or their equivalent in a domestic or foreign jurisdiction.

<u>Name of Director</u>	<u>Name of Company</u>	<u>Position</u>	<u>Term of Service</u>
Shane Ebert	Jade Leader Corp.	Director	March 2001 - Present
Jean Pierre Jutras	Surge Copper Corp.	Director	April 2011 - Present
	Jade Leader Corp.	Director	October 2000 – Present
Gregory Hanks	Freegold Ventures Limited	President	March 2014 -Present
		Director	May 2015 to Present

## Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no Director is, or has been within the past ten years, a director or officer of any other corporation that, while such person was acting in that capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the corporation access to any exemptions under securities legislation for a period of more than 30 consecutive days;
- (ii) was subject to an event that resulted, after that individual ceased to be a Director or officer, in the corporation being the subject of a cease trade or similar order or an order that denied the corporation access to any exemptions under securities legislation for a period of more than 30 consecutive days; or
- (iii) within a year of that individual 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.

Ms. Hayes was a director and officer (CEO) of Crailar Technology Inc. who on November 9, 2015 obtained a Court Order from the Supreme Court of British Columbia pursuant to the Companies' Creditor Arrangement Act. The stay expired on May 31, 2016. The company Petitioned under Chapter 15 of the US Bankruptcy Code in the District of South Carolina on December 21, 2015 and received recognition that the CCAA was the main proceeding. Crailar was further assigned into Bankruptcy on July 5, 2016. The Bowra Group Inc of Vancouver BC was appointed Trustee in Bankruptcy.

### Individual Bankruptcies

No Director is or has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

### Penalties or Sanctions

No Director or proposed Director has been subject to 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. No Director or proposed Director has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed Director.

### Appointment of Auditors

At the Meeting, Shareholders will be asked to approve an ordinary resolution to approve appointment of BDO Canada LLP, Chartered Accountants, of Calgary, Alberta as auditors of the Corporation at a remuneration to be fixed by the Corporation and to hold such office until the next annual meeting of Shareholders. BDO has served as the Corporation's auditor since November 2013. **Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote "FOR" the resolution.**

### Approval of Stock Option Plan

Pursuant to TSX Venture Exchange ("TSXV") Policy 4.4, corporations that have a rolling stock option plan reserving a maximum of 10% of the issued and outstanding shares of the corporation must receive annual shareholder approval of their stock option plan. In accordance with this policy, the Corporation adopted a stock option plan in March of 2008 which was approved by the Shareholders at the Annual and Special Meeting held on March 23, 2018 (the "Plan"). The Plan authorizes the Board to issue options to Directors, officers, key employees and others who are in a position to contribute to the future success and growth of the Corporation. The corporation wishes to continue to use the Plan and is seeking the approval of the Shareholders at this Meeting.

Under the Plan, the aggregate number of Common Shares issuable upon exercise of options granted thereunder may not exceed 10% of the total number of outstanding Common Shares of the Corporation at the time the options are granted. Further, the aggregate number of Common Shares issuable upon the exercise of the options granted thereunder to any one individual may not exceed 5% of the total number of outstanding Common Shares of the Corporation and, in the case of consultants and persons retained to perform investor relation activities, shall not exceed 2% in any 12-month period. Options issued pursuant to the Plan must have an exercise price not less than that from time to time permitted by the stock exchange on which the Common Shares are then listed. The period during which an option may be exercised shall be determined by the Board at the time the option is granted, subject to any vesting limitations which may be imposed by the Board at the time such option is granted, provided no option shall be exercisable for a period exceeding 5 years from the date the option is granted for a Tier 2 Corporation and 10 years for a Tier 1 Corporation. All options are non-assignable and non-transferable.

The options granted under the Plan expire on the earlier of the date of the expiration of the option period noted above and must expire 90 days after the date a holder ceases to hold the position or positions of Director, officer, employee or consultant of the Corporation and within 30 days for any optionee engaged in investor relations activities. In the event of the death or permanent disability of a holder, any option previously granted to him shall be exercisable until the end of the option period noted above or until the expiration of 12 months after the date of death or permanent disability of such option holder, whichever is earlier.

In the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change in control of the Corporation, each holder shall be entitled to exercise, in whole or in part, the options granted to such holder, either during the term of the option or within 90 days after the date of the sale or change of control, whichever first occurs.

The approval by Shareholders of the Plan requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting.

A total of 3,086,641 options are currently available for grant under the Plan. During the year ended September 30, 2018, no options were granted and a total of 1,175,000 options at \$0.06 per share expiring on June 26, 2022 were outstanding.

The text of the resolution regarding this matter is as follows:

**“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. the Corporation's stock option plan as described in the Corporation's Management Circular dated August 13, 2019, as may be amended by the Board of Directors as required by applicable securities regulatory authorities or stock exchanges, is hereby ratified and approved;
2. the form of the plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;
3. the shareholders of the Corporation hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
4. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution.”

**It is the intention of the persons named in the enclosed instrument of proxy, if not expressly directed otherwise in such instrument of proxy, to vote such proxies FOR the ordinary resolution to approve, ratify and confirm the Plan.**

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The following information, dated as of August 13, 2019, is provided in accordance with Form 51-102F6V – Statement of Executive Compensation – Venture Issuers (the "Form"), in such term as defined by National Instrument 51-102.

For the purposes of this Form, a "Named Executive Officer", or "NEO", means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer ("CEO"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer ("CFO"), including an individual performing functions similar to a CFO;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000;

each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

The Named Executive Officers of the Corporation for the year ended September 30, 2018 were Dr. Shane Ebert, President and Mr. Douglas Porter, Chief Financial Officer. Dr. Ebert billed on an hourly or *per diem* basis individually or through his controlled company for consulting services in the aggregate amount of \$33,700 for fiscal 2018. Other than as described above there were no other Named Executive Officers for the year ending on September 30, 2018, as no other employees earned in excess of \$150,000 in fiscal 2018. Named Executive Officers are also eligible to participate in the Corporation's stock option plan (the "Plan") as described herein.

### Philosophy and Objectives

The Corporation does not have a compensation committee. The Board of Directors as a whole, including Messrs. Ebert and Jutras (officers of the Corporation), is responsible for approving all compensation paid by the Corporation to its Directors and senior officers. Messrs. Ebert and Jutras do not vote with respect to compensation matters affecting them.

The Board is responsible for reviewing and approving the position description for the President, which shall include (a) his authorities and accountabilities; (b) the corporate goals and objectives for which the President shall be responsible; (c) monitoring the President's performance relative to these goals and objectives; and (d) formally evaluate his performance at least annually.

The President makes recommendations to the Board regarding the position description, corporate goals and objectives as well as the compensation level of the other senior executives of the Corporation.

The Board reviews the President's recommendations respecting compensation of other senior executives of the Corporation, to ensure such arrangements reflect the responsibilities and risk associated with each position. When determining the compensations, the Board considers: (i) recruiting and retaining executives critical to the success of the Corporation and the enhancement of Shareholder value; (ii) providing fair compensation based on the nature and scope of the Corporation's business; (iii) balancing the interest of management and the Shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations in general. The Corporation's executive officers bill for their services at a base per diem or hourly rate and a executive officer from time to time may receive incentives in the form of stock options.

The Corporation does not have a standard arrangement pursuant to which directors are compensated by the Corporation for their services in their capacity as directors. From time to time directors receive grants of stock options, under the Plan.



The Corporation maintains directors' and officers' liability insurance for its directors and officers. The amount of the premium for 2017-2018 was \$6,000 per annum per year for annual aggregate coverage of \$1,000,000 with a deductible of \$15,000 for each claim and 2018-2019 was \$4,250 per annum per year for annual aggregate coverage of \$1,000,000 with a deductible of \$15,000 for each claim. The current policy expires June 1, 2020.

### Summary Compensation Table

The following table sets forth information concerning the total compensation paid during the years ended September 30, 2016, 2017 and 2018 to the Named Executive Officers.

Name and Principal Position	Fiscal Year Ended Sept. 30	Annual Compensation			Non-Equity Incentive Plan Compensation (\$)			All Other Compensation (\$)	Total Compensation (\$)
		Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Annual Incentive Plans	Long-Term Incentive Plans	Pension Value (\$)		
Shane Ebert, President	2018	Nil	Nil	Nil	Nil	Nil	Nil	\$33,700 <sup>(1)</sup>	\$33,700
	2017	Nil	Nil	\$15,098	Nil	Nil	Nil	\$25,125 <sup>(1)</sup>	\$40,223
	2016	Nil	Nil	Nil	Nil	Nil	Nil	\$4,000 <sup>(1)</sup>	\$4,000
Douglas Porter, CFO	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	\$5,490	Nil	Nil	Nil	Nil	\$5,490
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Note:**

- (1) Represent amounts paid to the individual or his/her controlled corporation for consulting services billed on an hourly or per diem basis.
- (2) The options were valued using the Black-Scholes Option Pricing model assuming a 5 year term, volatility of 289.75%, a risk free discount rate of 1.12% and a dividend rate of 0%.

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

No share-based (as opposed to option-based) awards have been granted to the Corporation's Named Executive Officers during the year ended September 30, 2018. No stock options granted to the Named Executive Officers have been repriced during the year ended September 30, 2018. See "Approval of Stock Option Plan" on page 6 of this Management Information Circular for a summary of the Plan.

Details of options awarded to Named Executive Officers that were outstanding as at September 30, 2018 are set forth in the following table:

Name and Principal Position	Option-Based Awards				Share-Based Awards	
	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Shane Ebert President	275,000	\$0.06	June 26, 2022	Nil	Nil	Nil
					Nil	Nil
Douglas Porter CFO	100,000	\$0.06	June 26, 2022	Nil	Nil	Nil

**Note:**

- (1) Value of in-the-money options is calculated as the difference between the closing price of the Common Shares on the TSXV on September 30, 2018, which closing price was \$0.04 and the exercise prices of the options multiplied by the number of Common Shares underlying the options.

### ***Incentive Awards – Value Vested or Earned During the Year***

The following table summarizes the value of options held by Named Executive Officers that vested during the year ended September 30, 2018.

<b>Name and Principal Position</b>	<b>Option-Based Awards – Value Vested During the Year<sup>(1)</sup> (\$)</b>	<b>Share-Based Awards – Value Vested During the Year (\$)</b>	<b>Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)</b>
Shane Ebert, <i>President</i>	Nil	Nil	Nil
Douglas Porter, <i>CFO</i>	Nil	Nil	Nil

**Note:**

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

### **Pension Plan Benefits**

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

### **Termination of Employment, Change in Responsibilities and Employment Contracts**

There are no employment contracts between the Corporation and any executive officer. There are no compensatory plans or arrangements with any executive officer (including payments to be received from the Corporation or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such executive officer or from a change of control of the Corporation or any subsidiary thereof or any change in such executive officer's responsibilities following a change in control.

### **Compensation of Directors**

The Corporation compensates outside directors with a fee of \$500 per meeting attended in person and \$300 for meetings attended by telephone. For the financial year ended September 30, 2018, a total of \$2,100 was paid in directors fees. The Corporation will reimburse its directors for any expenses incurred in connection with their services as directors, however, there were no expenses incurred during the year ended September 30, 2018. From time to time directors receive grants of stock options under the Corporation's Option Plan.

The following table summarizes all amounts of compensation provided to the directors, in their capacities as directors, during the financial year ended September 30, 2018.

<b>Name</b>	<b>Fees Earned (\$)</b>	<b>Share-Based Awards (\$)</b>	<b>Option-Based Awards (\$)</b>	<b>Non-Equity Incentive Plan Compensation (\$)</b>	<b>Pension Value (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total Compensation (\$)</b>
Lesley Hayes	\$900	Nil	Nil	Nil	Nil	Nil	\$900
Jean Pierre Jutras	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shane Ebert <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Cageorge	\$1,200	Nil	Nil	Nil	Nil	Nil	\$1,200

**Note:**

- (1) For a description of all compensation paid to Dr. Ebert, for the year ending September 30, 2018 in his capacity as a Named Executive Officer of the Corporation, please refer to the sections herein entitled “*Compensation, Discussion and Analysis*”, “*Summary Compensation Table*” and “*Incentive Awards*”.
- (2) The options were valued using the Black-Scholes Option Pricing model assuming a 5 year term, volatility of 289.75%, a risk free discount rate of 1.12% and a dividend rate of 0%.

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

No share-based (as opposed to option-based) awards have ever been granted to the directors. No stock options granted to the directors have been repriced or cancelled during the year ended September 30, 2018. During the year ended September 30, 2018, no other options were exercised during the year by Directors or NEO's. No options expired or were granted during the year ended September 30, 2018.

Details of options awarded to directors, who were not Named Executive Officers, that were outstanding as at September 30, 2018 are set forth in the following table:

Name and Principal Position	Option-Based Awards			Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Lesley Hayes	150,000	\$0.06	June 26, 2022	Nil	Nil	Nil
Jean Pierre Jutras	250,000	\$0.06	June 26, 2022	Nil	Nil	Nil
Douglas Cageorge	150,000	\$0.06	June 26, 2022	Nil	Nil	Nil

**Note:**

- (1) Value of in-the-money options is calculated as the difference between the closing price of the Common Shares on the TSXV on September 30, 2018, which closing price was \$0.04 and the exercise prices of the options multiplied by the number of Common Shares underlying the options.

### ***Incentive Awards – Value Vested or Earned During the Year***

The following table summarizes the value of options on the vesting date held by directors who were not Named Executive Officers that vested during the financial year ended September 30, 2018:

Name and Principal Position	Option-Based Awards – Value Vested During the Year (\$) <sup>(1)</sup>	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Lesley Hayes	Nil	Nil	Nil
Jean Pierre Jutras	Nil	Nil	Nil
Douglas Cageorge	Nil	Nil	Nil

**Note:**

- (1) Calculated as the difference between the market price of the Common Shares underlying the options on the vesting date and the exercise price of the options

## **CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are 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 Corporation. The Board is committed to sound corporate governance practices, which are both in the interests of its shareholders and contribute to effective and efficient decision-making. The Corporation believes that its corporate governance practices ensure that the business and affairs of the Corporation are effectively managed so as to enhance shareholder value.

### **Disclosure of Corporate Governance Practices**

The Corporation has reviewed its own corporate governance practices in light of the guidelines contained in National Instrument 58-201 – *Corporate Governance Guidelines* (“**NI 58-201**”). The Corporation's practices comply generally with the guidelines; however, the Board of Directors considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. Set out below is a description of the Corporation's corporate governance practices as required by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”).

### *Board of Directors*

The Board of Directors functions independently of management because at least one half of the members are non-management. The Board has determined that two of its four directors proposed for election at the meeting are independent. An “independent” director is a director who is independent of management and free from any interest any business or other relationship that could, or could reasonably be perceived to materially interfere with the director's ability to act in the best interests of the Corporation, other than interests arising from shareholdings. These directors are Lesley Hayes and Gregory Hanks. Messrs. Ebert and Jutras are not considered to be “independent” directors because they are officers of the Corporation.

Directors meet at least quarterly. The Board holds meetings as required, at which the opinion of the independent Directors is sought and duly acted upon for all material matters relating to the Corporation.

The Executive Chairman of the Board, Shane Ebert, is not an independent director. Mr. Cageorge and Ms. Hayes sit on the Audit Committee and provide leadership for the independent directors in accounting or business matters. Dr. Ebert and Mr. Jutras, both professional geologists, provide leadership on technical matters.

The Board has not developed written position descriptions for the chair of each committee. The role of the chair of each committee is to preside over all meetings of the Board, consult regarding agendas and information sent to the Board and notifies other Board members regarding any legitimate shareholder concerns of which he becomes aware.

### *Orientation and Continuing Education*

At present, each new director is given an outline of the nature of the Corporation's business, its corporate strategy, and current issues with the Corporation. New directors are also required to meet with management of the Corporation to discuss and better understand the Corporation's business and policies. As each director has a different skill set and professional background, orientation will be tailored to the particular needs and experience of each director.

Continuing education is provided through relevant industry seminars, attending conferences, reading materials, board meeting presentations and discussions to ensure the directors maintain the knowledge and skill necessary to meet their obligations as directors. In addition, management of the Corporation makes itself available for discussion with all Board members.

### *Ethical Business Conduct*

To encourage and promote a culture of ethical business conduct, the Board of Directors has adopted a code of business conduct and ethics applicable to all members of the Corporation including directors, officers, consultants and employees. Each director, officer, consultant and employee of the Corporation receives a copy of the code of business conduct and ethics. Upon request, the Corporation will provide a copy of this policy to a shareholder free of charge.

In addition, the Board of Directors monitors the ethical conduct of the Corporation to ensure that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions, stock exchanges and the Alberta *Business Corporations Act*. The Board of Directors believes that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and common law, as well as the restrictions placed by applicable corporate legislation on the individual Director's participation in decisions of the Board of Directors in which the director has an interest, have been sufficient to ensure that the Board of Directors operated independently of management and in the best interest of the Corporation.

The Board of Directors has also adopted a “Whistleblower Policy” wherein employees, directors, officers or consultants of the Corporation are provided with a mechanism by which they can raise concerns in a confidential, anonymous process.

### *Nominating and Corporate Governance Committee*

The Board of Directors has no standing Nominating Committee or Corporate Governance Committee. The full Board performs these functions. The Board believes that it is appropriate for it to perform the functions of the Nominating Committee and Corporate Governance Committee as a result of its small size.

The Board identifies, recruits, nominates, endorses and recommends appointment of new directors based on the needs of the Board. Generally, new nominees for directors must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, shown support for the Corporation's mission and strategic objectives, and a willingness to serve.

#### *Assessments*

The Board of Directors will annually complete a self-assessment of its performance to satisfy itself that the Board as a whole, its committees, and its individual Directors are performing effectively. The Board is contemplating developing a formal questionnaire to be completed by each director on an annual basis for the purpose of formally assessing the effectiveness of the Board as a whole, committees of the Board and the contribution of individual directors. These questionnaires, and the issues arising therefrom, would then be reviewed and assessed by the Chairman on an annual basis or more frequently from time to time as need arose. The Chairman would then take appropriate action as required based on the results obtained.

#### **Audit Committee**

A copy of the Audit Committee Charter is attached hereto as Appendix "A". The Audit Committee is comprised of three Directors, two of whom are independent under Multilateral Instrument 52-110 ("**MI 52-110**"). All the members of the Committee are "financially literate" and have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity that can reasonably be expected to be raised by the Company's financial statements.

#### **Relevant Education and Experience**

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities are as follows:

Dr. Ebert, PhD. is a self-employed Professional Geologist. Dr. Ebert is also the President of Vector Resources Inc. and consulting geologist from 1996 to present. Over the last five years he has been a director and officer of a number of public exploration companies. From 1999 to 2005 he was a Consulting Geologist and Research Associate at the Mineral Deposit Research Unit (MDRU) University of British Columbia. Dr. Ebert received a PhD. in Geology from the University of Western Australia (1996) and a BSc. in Geology from the University of Alberta (1991). He has been President and a director of Surge Copper Corp., a TSXV listed company, since December 2011 and April 2011 respectively.

Ms. Hayes, MBA, has been a self-employed consultant from 2002 to date. Ms. Hayes is CCO of HessePartners and CEO of NoDrama Media, training CEOs and Presidents with Young President's Organization and Entrepreneurs Organization in the US, Canada and internationally. Ms Hayes holds an MBA from the University of Calgary/University of Alberta and completed PhD graduate coursework with Athabasca University. Ms. Hayes has management and board experience with a number of public companies with operations in the US and Canada, and international experience including Belgium and Costa Rica. Those companies include Crailar Inc, Burtsand Inc, Vicom Multimedia Inc and Tyler Resources Inc.

Mr. Cageorge, had been a Partner with SCP LLP (formerly Smith Cageorge Perry LLP), Chartered Accountants from 1999 until 2015 when he retired. From 1990 to 1998 he was a self-employed Chartered Accountant providing income tax and accounting services to a variety of clients. From 1986 to 1990, Mr. Cageorge was a Tax Manager with Deloitte & Touche Chartered Accountants. He holds a Bachelor of Commerce degree from Sir George Williams University (1968).

The Audit Committee meets at least quarterly and holds special meetings as circumstances require. The Audit Committee held four meetings for the fiscal year ended September 30, 2018.

### Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board of Directors.

### Pre-Approval Policies and Procedures

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

### Nature and Amount of Auditor's Fees - External Audit Fees by Category

BDO Canada LLP, Chartered Accountants have served as the Corporation's auditors since November 21, 2013. The following table sets forth the Audit Fees, Audit - Related Fees, Tax Fees and All Other Fees billed to the Corporation by BDO Canada LLP in each of the last three years.

	2018	2017	2016
Audit Fees <sup>(1)</sup>	\$23,100	\$23,100	\$18,809
Audit-Related Fees <sup>(2)</sup>	Nil	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil	Nil
<b>Total</b>	<b>\$23,100</b>	<b>\$23,100</b>	<b>\$18,809</b>

#### Notes:

- (1) "Audit Fees" means the aggregate fees billed by BDO Canada LLP in each of the last three fiscal years for audit fees.
- (2) "Audit-Related Fees" means the aggregate fees billed in each of the last three fiscal years for assurance and related services by BDO Canada LLP that are reasonably related to the performance of the audit or review of the issuer's financial statements and are not reported under the caption "Audit Fees" above. These fees relate to the quarterly review of financial statements.
- (3) "Tax Fees" means the aggregate fees billed in each of the last three fiscal years for professional services rendered by BDO Canada LLP for tax compliance, tax advice, and tax planning.
- (4) "All Other Fees" means the aggregate fees billed in each of the last three fiscal years for products and services provided by BDO Canada LLP, other than the services reported under the captions "Audit Fees", "Audit-Related Fees" and "Tax Fees".

### Reliance on Certain Exemptions

The Corporation is relying upon the "venture issuer" exemption in section 6.1 of Multilateral Instrument 52-110, since not all the audit committee members are independent.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information with respect to compensation plans under which equity securities of the Corporation are authorized for issuance for the year ended September 30, 2018.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights  (a)	Weighted-average exercise price of outstanding options, warrants and rights  (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))  (c)
<b>Equity compensation plans approved by shareholders</b>	1,175,000	\$0.06	1,911,641
<b>Equity compensation plans not approved by shareholders</b>	-	-	-
<b>Total</b>	<b>1,175,000</b>	<b>\$0.06</b>	<b>1,911,641</b>

## MANAGEMENT AND CONSULTING CONTRACTS

Remuneration for the corporate, administrative and geological services of Shane Ebert (President, Chief Executive Officer and Director) is paid to at the rate of \$600 per diem or at the rate of \$75 per hour. The consulting agreement with Shane Ebert's includes no special termination or change of control provisions and contains a non-competition clause. The Corporation can give Mr. Ebert a 30 day notice of termination but there are no requirements for any payment to Mr. Ebert during that period. Douglas Porter, who was appointed as CFO on June 18, 2012, is not currently remunerated for this position.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Management Information Circular, none of the directors or senior officers of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the 2018 financial year ended or in any proposed transaction which, in either case, has affected or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

Jade Leader Corp. ("Jade"), a company related by virtue of certain common officers and directors, incurred and billed to the Corporation general, administrative and secretarial costs in the amount of \$5,653 during fiscal 2018. Additionally, the Corporation incurred certain administrative expenses on Jade's behalf that were billed quarterly totaling \$2,955 during fiscal 2018.

Pursuant to a lease agreement for office space, the Company is committed to pay \$1,566 per month until April 30, 2020. As at September 30, 2018, the committed base lease costs to the termination of the lease are as follows:

October 1, 2018 - September 30, 2019	\$	18,792
October 1, 2019 - April 30, 2020		<u>10,962</u>
Total to lease termination	\$	<u>29,754</u>

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

Except as disclosed in this Management Information Circular, no director or senior officer of the Corporation nor any proposed nominee for election as a director of the Corporation nor any 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 on, other than the election of directors, the approval of the Stock Option Plan and the proposed Consolidation of the Common Shares.

## ADDITIONAL INFORMATION

Additional Information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's comparative financial statements and MD&A for the year ended September 30, 2018. Upon request, the Corporation will promptly provide a copy of any document posted on SEDAR to a Shareholder free of charge. Financial information is also available at [www.canexmetals.ca](http://www.canexmetals.ca)

## OTHER MATTERS

As of the date of this Management Information Circular, the Board of Directors and management know of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, proxies in favour of management nominees will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy. The delivery of this Management Information Circular has been approved by the Directors of the Corporation.

## APPENDIX "A"

### CANEX METALS INC.

#### AUDIT COMMITTEE CHARTER

1. **Establishment of Audit Committee:** The directors of the Company (the "**Directors**") hereby establish an audit committee (the "**Audit Committee**").
2. **Membership:** The membership of the Audit Committee shall be as follows:
  - (a) The Audit Committee shall be composed of three members or such greater number as the Directors may from time to time determine.
  - (b) The majority of the members of the Audit Committee shall be independent Directors.
  - (c) Each member of the Audit Committee shall be financially literate. For purposes hereof "financially literate" has the meaning set forth under MI 52-110 (as amended from time to time) and currently means the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably be expected to be raised by the Company's financial statements.
  - (d) Members shall be appointed annually from among members of the Directors. A member of the Audit Committee shall *ipso facto* cease to be a member of the Audit Committee upon ceasing to be a Director of the Company.
3. **Oversight Responsibility:** The external auditor is ultimately accountable to the Directors and the Audit Committee, as representatives of the shareholders and such shareholder's representatives have the ultimate authority and responsibility to select, evaluate, and where appropriate, replace the external auditors (or to nominate the external auditors to be proposed for shareholder approval in any management information circular and proxy statement). The external auditor shall report directly to the Audit Committee and shall have the responsibilities as set forth herein.
4. **Mandate:** The Audit Committee shall have responsibility for overseeing:
  - (a) the accounting and financial reporting processes of the Company; and
  - (b) audits of the financial statements of the Company.

In addition to any other duties assigned to the Audit Committee by the Directors, from time to time, the role of the Audit Committee shall include meeting with the external auditor and the senior financial management of the Company to review all financial statements of the Company which require approval by the Directors, including year end audited financial statements. Specifically, the Audit Committee shall have authority and responsibility for:

- (a) reviewing the Company's financial statements and MD&A before the information is publicly disclosed;
- (b) overseeing the work of the external auditors engaged for purpose of preparing or issuing , an audit report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) reviewing annually and recommending to the Directors:
  - (i) the external auditors to be nominated for purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Company; and
  - (ii) the compensation of the external auditors.



- (d) discussing with the external auditor:
  - (i) the scope of the audit, in particular their view of the quality of the Company's accounting principles as applied in the financials in terms of disclosure quality and evaluation methods, inclusive of the clarity of the Company's financial disclosure and reporting, degree of conservatism or aggressiveness of the Company's accounting principles and underlying estimates and other significant decisions made by management in preparing the financial disclosure reviewed by the auditors;
  - (ii) significant changes in the Company's accounting principles, practices or policies; and
  - (iii) new developments in accounting principles, reporting matters or industry practices which may materially affect the Company.
- (e) reviewing with the external auditor and the Company's senior financial management the results of the annual audit regarding:
  - (i) the financial statements;
  - (ii) MD&A and related financial disclosure contained in continuous disclosure documents;
  - (iii) significant changes, if any, to the initial audit plan;
  - (iv) accounting and reporting decisions relating to significant current year events and transactions;
  - (v) the management letter, if any, outlining the auditor's findings and recommendations, together with management's response, with respect to internal controls and accounting procedures;
  - (vi) any other matters relating to the conduct of the audit, including such other matters which should be communicated to the Audit Committee under Canadian generally accepted auditing standards; and
  - (vii) the Company's fraud risk assessment and anti-fraud controls. Obtain confirmation from senior management and the external auditor whether they are aware of any instances of fraud.
- (f) reviewing and discussing with the Company's senior financial management and, if requested by the Audit Committee, the external auditor:
  - (i) the interim financial statements;
  - (ii) the interim MD&A;
  - (iii) any other material matters relating to the interim financial statements, including, inter alia, any significant adjustments, management judgments or estimates, new or amended accounting policies; and
  - (iv) the Company's fraud risk assessment and anti-fraud controls. Obtain confirmation from senior management and the external auditor whether they are aware of any instances of fraud.
- (g) receipt from external auditor of a formal written statement delineating all relationships between the auditor and the Company and considering whether the advisory services performed by the external auditor during the course of the year have impacted their independence, and also ensuring that no relationship or services between the external auditor and the Company is in existence which may affect the objectivity and independence of the auditor or recommending appropriate action to ensure the independence of the external auditor.

- (h) pre-approval of all non-audit services to be provided to the Company or its subsidiary entities by the external auditors or the external auditors of the Company's subsidiary entities, unless such pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit committee.
- (i) reviewing and discussing with the external auditors and senior financial management: the adequacy of procedures for review of disclosure of financial information extracted or derived from financial statements, other than the disclosure referred to in subparagraph (a) above.
- (j) establishing and reviewing procedures for:
  - (i) receipt, retention and treatment of complaints received by the Company and its subsidiary entities regarding internal accounting controls, or auditing matters;
  - (ii) confidential anonymous submission by employees of the Company and its subsidiary entities of concerns regarding questionable accounting or auditing matters or fraud; and
  - (iii) hiring policies regarding employees and former employees of present and former external auditors of the Company and its subsidiary entities.
- (k) reviewing with the external auditor, the adequacy of management's internal control over financial reporting relating to financial information and management information systems and inquiring of management and the external auditor about significant risks and exposures to the Company that may have a material adverse impact on the Company's financial statements, and inquiring of the external auditor as to the efforts of management to mitigate such risks and exposures.
- (l) review with the Chief Financial Officer and the Chief Executive Officer of the Company their respective disclosures made to the Committee during the certification process as required by National Instrument 52-109.
- (m) reviewing and/or considering that, with regard to the previous fiscal year,
  - (i) management has reviewed the Company's audited financial statements with the Audit Committee, including a discussion of the quality of the accounting principles as applied and significant judgments affecting the financial statements;
  - (ii) the external auditors and the Audit Committee have discussed the external auditors' judgments of the quality of the accounting principles applied and the type of judgments made with respect to the Company's financial statements;
  - (iii) the Audit Committee, on its own (without management or the external auditors present), has considered and discussed all the information disclosed to the Audit Committee from the Company's management and the external auditor; and
  - (iv) in reliance on review and discussions conducted with senior financial management and the external auditors, the Audit Committee believes that the Company's financial statements are fairly presented in conformity with Canadian Generally Accepted Accounting Principles (GAAP) in all material respects and that the financial statements fairly reflect the financial condition of the Company.
- (n) investigating fraud, illegal acts or conflicts of interest.

5. **Administrative Matters:** The following general provisions shall have application to the Audit Committee:

- (a) A quorum of the Audit Committee shall be the attendance of a majority of the members thereof. No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present or by a resolution in writing signed by all the members of the Audit Committee.

- (b) Any member of the Audit Committee may be removed or replaced at any time by resolution of the Directors of the Company. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all their powers so long as a quorum remains. Subject to the foregoing, each member of the Audit Committee shall hold such office until the close of the annual meeting of shareholders next following the date of appointment as a member of the Audit Committee or until a successor is duly appointed.
- (c) The Audit Committee may invite such directors, officers and employees of the Company or affiliates thereof as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the discussion of matters being considered by the Audit Committee. The independent auditor is to appear before the Audit Committee when requested to do so by the Audit Committee.
- (d) The time and place for the Audit Committee meetings, the calling and the procedure at such meetings shall be determined by the Audit Committee having regard to the Articles and By-Laws of the Company.
- (e) The Chair shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. In the absence of the Chair, the other members of the Audit Committee shall appoint a representative amongst them to act as Chair for that particular meeting.
- (f) Notice of meetings of the Audit Committee may be given to the independent auditor and shall be given in respect of meetings relating to the annual audited financial statements. The independent auditor has the right to appear before and to be heard at any meeting of the Audit Committee. Upon the request of the independent auditor, the Chair of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters which the external auditor believes should be brought to the attention of the Directors or shareholders of the Company.
- (g) The Audit Committee shall report to the Directors of the Company on such matters and questions relating to the financial position of the Company or any affiliates of the Company as the Directors of the Company may from time to time refer to the Audit Committee.
- (h) The members of the Audit Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of the Company and its affiliates, and to discuss such books and records that are in any way related to the financial position of the Company with the directors, officers, employees and independent auditor of the Company and its affiliates.
- (i) Minutes of the Audit Committee meetings shall be recorded and maintained. The Chair of the Audit Committee will report to the Directors on the activities of the Audit Committee and/or the minutes of the Audit Committee meetings will be promptly circulated to the Directors or otherwise made available at the next meeting of Directors.
- (j) The Audit Committee shall, upon the approval of the Directors, adopt a formal written charter, which sets out the Audit Committee's responsibilities, the way they should be implemented and any other requirement such as membership and structure of the Audit Committee. The Audit Committee shall review and reassess the adequacy of the charter on an annual basis.
- (k) The Audit Committee shall have the authority to:
  - (i) engage independent counsel and other advisors or consultants as it determines necessary to carry out its duties;
  - (ii) set and pay the compensation for any advisors employed by the Audit Committee; and
  - (iii) communicate directly with the internal (if any) and external auditors.