

# **MEMEX INC.**

**Notice of Meeting**

**and**

**Management Information Circular**

Dated January 31, 2017

For the Annual Meeting of Shareholders to be held on March 16, 2017

## TABLE OF CONTENTS

<b>NOTICE OF MEETING .....</b>	<b>1</b>
<b>MANAGEMENT INFORMATION CIRCULAR.....</b>	<b>2</b>
<b>PROXIES .....</b>	<b>2</b>
SOLICITATION OF PROXIES .....	2
METHODS OF VOTING .....	2
DELIVERY OF MEETING MATERIALS TO BENEFICIAL SHAREHOLDERS .....	3
EXERCISE OF DISCRETION BY PROXY.....	4
<b>INFORMATION CONCERNING THE CORPORATION.....</b>	<b>4</b>
DATE OF INFORMATION .....	4
VOTING RIGHTS, RECORD DATE, QUORUM AND PRINCIPAL SHAREHOLDERS.....	4
EXECUTIVE COMPENSATION .....	5
COMPENSATION OF DIRECTORS.....	9
EQUITY COMPENSATION PLAN INFORMATION.....	11
INDEBTEDNESS OF DIRECTORS AND OFFICERS.....	14
INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS .....	14
AUDIT COMMITTEE INFORMATION.....	15
STATEMENT OF CORPORATE GOVERNANCE PRACTICES .....	15
DIRECTORS OF THE CORPORATION.....	19
ADDITIONAL INFORMATION.....	21
<b>PARTICULARS OF MATTERS TO BE ACTED UPON AT MEETING.....</b>	<b>22</b>
FINANCIAL STATEMENTS .....	22
FIX NUMBER OF DIRECTORS TO BE ELECTED.....	22
ELECTION OF DIRECTORS.....	22
APPOINTMENT OF AUDITORS .....	22
RE-APPROVAL OF OPTION PLAN.....	22
OTHER MATTERS TO BE ACTED UPON .....	23
INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON .....	23
<b>BOARD APPROVAL .....</b>	<b>23</b>
<b>SCHEDULE A – AUDIT COMMITTEE MANDATE .....</b>	<b>A-1</b>

## NOTICE OF MEETING

Notice is hereby given of the 2017 annual meeting of the shareholders of Memex Inc. ("**Memex**").

**Date:** March 16, 2017

**Time:** 11:00 a.m. EST

**Place:** The head office of Memex, 105, 3425 Harvester Road, Burlington, Ontario

The purpose of the meeting is to:

1. **Financial Statements:** Receive the audited consolidated financial statements of Memex for the financial year ended September 30, 2016 and the auditors' report thereon;
2. **Fix Number of Directors:** Fix the number of directors to be elected at the meeting at not more than six (6);
3. **Elect Directors:** Elect directors for the ensuing year;
4. **Appoint Auditors:** Appoint independent auditors for the ensuing year;
5. **Re-approve Option Plan:** Re-approve the company's incentive stock option plan; and
6. **Other Business:** Transact such other business as may properly be brought before the meeting or any adjournment thereof.

The accompanying Management Information Circular provides further details on the matters proposed to be put before the meeting.

The Board of Directors has set the close of business on February 6, 2017 as the record date for determining those shareholders entitled to receive notice of, and to vote at, the meeting. **The accompanying Management Information Circular provides instructions on the various methods that Memex shareholders can use to have their shares voted at the meeting including instructions regarding voting in person, by mail, by internet or by phone.**

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) "David R. McPhail"*

---

**David R. McPhail**

President, CEO and a Director

**Memex Inc.**

January 31, 2017

## MANAGEMENT INFORMATION CIRCULAR

### FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JANUARY 31, 2017

## PROXIES

### Solicitation of Proxies

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Memex Inc. (referred to herein as “**Memex**” or the “**Corporation**”) for use at the annual meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of the Corporation to be held on March 16, 2017, at 11:00 am (EST), at the head office of Memex, 105, 3425 Harvester Road, Burlington, Ontario, and at any adjournment thereof, for the purposes set forth in the notice of the Meeting delivered by the Corporation to Shareholders for the Meeting.

Solicitation of proxies will be primarily by mail, but some proxies may be solicited at a nominal cost personally or by telephone, facsimile transmission or other electronic means by directors, officers, or employees of the Corporation who will not be specifically remunerated for such activities. The cost of solicitation will be borne by the Corporation.

### Methods of Voting

<b>Registered Shareholder Voting</b>	<b>Beneficial Shareholder Voting</b>
<p>You are a registered holder if your Common Shares are in your name and you have a physical share certificate in your possession or you have a book entry only statement indicating that the shares are registered in your name.</p>	<p>You are a beneficial holder if your Common Shares are held in the name of a nominee. That is, your share certificate was deposited with, or you purchased and continue to hold your Common Shares through, a bank, trust company, securities broker, trustee or other institution.</p>
<p><b>Voting Options</b></p> <ol style="list-style-type: none"><li>1. In person at the Meeting (see below)</li><li>2. By proxy (see below)</li><li>3. By telephone (see enclosed proxy form)</li><li>4. By internet (see enclosed proxy form)</li></ol>	<p><b>Voting Options</b></p> <ol style="list-style-type: none"><li>1. In person at the Meeting (see below)</li><li>2. By voting instruction form (see below)</li><li>3. By telephone (see enclosed voting instruction form)</li><li>4. By internet (see enclosed voting instruction form)</li></ol>
<p><b>Voting in Person</b></p> <p>If you plan to attend the Meeting <i>and want to vote your Common Shares in person</i>, do not complete or return the enclosed proxy. Your vote will be taken and counted at the Meeting. Please register with our transfer agent, Computershare Trust Company of Canada, when you arrive at the Meeting to ensure that your vote will be counted.</p>	<p><b>Voting in Person</b></p> <p>If you plan to attend the Meeting <i>and wish to vote your Common Shares in person</i>, insert your own name in the space on the enclosed voting instruction form. Then follow the signing and return instructions provided by in that form. Your vote will be taken and counted at the Meeting, so do not indicate your votes on the form. Please register with our transfer agent, Computershare Trust Company of Canada, when you arrive at the Meeting to ensure that your vote will be counted.</p>
<p><b>Voting by Proxy</b></p> <p>Whether or not you attend the Meeting, you can appoint someone else to attend and vote as your</p>	<p><b>Voting by Voting Instruction Form</b></p> <p>Whether or not you attend the Meeting, you can appoint someone else to attend and vote as your</p>

proxy holder. Use the enclosed proxy form to do this. The people named in the enclosed proxy are members of management or the board of directors. **You have the right to choose another person to be your proxy holder by printing that person's name in the space provided.** Then complete the rest of the proxy, sign it and return it. Your votes can only be counted if the person you appointed attends the Meeting and votes on your behalf. **If you have voted by proxy, you may not vote in person at the Meeting, unless you properly revoke your proxy.**

Return your completed proxy in the envelope provided so that it arrives not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.

#### **Revoking your Proxy**

**You may revoke your proxy at any time before it is acted on.** To do so, you can deliver a written statement that you want to revoke your proxy (which includes another proper form of proxy with a later date) to our transfer agent, Computershare Trust Company of Canada, in accordance with the instructions set out in the form of proxy provided not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.

Or, you can revoke your proxy by delivering a properly executed instrument in writing at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or with the Chairperson of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

proxy holder. Use the enclosed voting instruction form to do this. The people named in the enclosed voting instruction form are members of management or the board of directors. **You have the right to choose another person to be your proxy holder by printing that person's name in the space provided.** Then complete the rest of the form, sign it and return it. Your votes can only be counted if the person you appointed attends the Meeting and votes on your behalf. **If you have voted on the voting instruction form, neither you nor your proxy holder may vote in person at the Meeting, unless you properly revoke your proxy.**

Return your completed voting instruction form in the envelope provided so that it arrives not less than 72 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof so that your nominee has time to deliver your instructions.

#### **Revoking your Proxy**

**You may revoke your proxy before is it acted on.**

Follow the procedures provided by your nominee. Your nominee will likely need to receive your request to revoke your instructions not less than 72 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof in order for your nominee to have time to deliver your instructions to our transfer agent.

### **Delivery of Meeting Materials to Beneficial Shareholders**

The materials for the Meeting are being sent to both registered Shareholders and beneficial Shareholders. If a beneficial Shareholder receives the Meeting materials from the Corporation or its agent, that beneficial Shareholder's name and address and information about his or her holdings of securities has been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Corporation's shares on the beneficial Shareholder's behalf. By choosing to send the Meeting materials to the beneficial Shareholder directly, the Corporation (and not the intermediary holding on the beneficial Shareholder's behalf) has assumed responsibility for (a) delivering the Meeting materials to the beneficial Shareholder, and (b) executing the beneficial Shareholder's proper voting instructions. Beneficial Shareholders are kindly asked to return their voting instructions as specified in the request for voting instructions.

## Exercise of Discretion by Proxy

The Common Shares represented by the form of proxy delivered to Shareholders by the Corporation with the notice of the Meeting will be voted or withheld from voting in accordance with the instructions of the Shareholder. The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and the notice of the Meeting delivered by the Corporation to the Shareholders and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof, in accordance with their best judgement. At the time of printing this Management Information Circular, the management of the Corporation knew of no such amendment, variation, or other matter.

Unless otherwise specified, proxies in the accompanying form will be voted in favour of:

1. **Fixing the number of directors to be elected at the Meeting at not more than six (6);**
2. **Electing the nominees hereinafter set forth as directors of the Corporation (provided that in the event that a vacancy among such nominees occurs because of death or for any other reason prior to the Meeting, proxies shall not be voted with respect to such vacancy);**
3. **Re-appointing MNP LLP as auditors of the Corporation; and**
4. **Re-approving the incentive stock option plan for the Corporation.**

## INFORMATION CONCERNING THE CORPORATION

### Date of Information

Unless otherwise noted, the information provided in this Management Information Circular is given as of January 31, 2017.

### Voting Rights, Record Date, Quorum and Principal Shareholders

As at January 31, 2017, 116,184,983 Common Shares of the Corporation were issued and outstanding, each such Common Share carrying the right to one vote at the Meeting.

The Board of Directors (the “**Board**”) of the Corporation has fixed the record date for the Meeting as at the close of business on February 6, 2017 (the “**Record Date**”). Only Shareholders of the Corporation of record as at that date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Common Shares owned as at the Record Date, unless any such Shareholder transfers such Shareholder’s Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not later than 10 days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

A quorum for the transaction of business at the Meeting shall consist of at least two (2) persons present holding or representing by proxy not less than five percent (5%) of the outstanding Common Shares entitled to vote at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at January 31, 2017 no person or company beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the outstanding Common Shares of the Corporation except as set out below:

Shareholder	Number of Common Shares	Percentage of Common Shares
David R. McPhail	17,012,500	14.64%

Notes:

- (1) DPA Automation Inc., a company controlled by Mr. McPhail, is the registered shareholder of the Common Shares.

## **Executive Compensation**

### ***Compensation Objectives and Practice***

The objectives of Memex's executive compensation policy are to attract and retain individuals of high calibre to serve as executive officers of Memex, to motivate their performance in order to achieve Memex's strategic objectives and to align the interests of executive officers with the long-term interests of the Shareholders.

At this stage of its development where the efficient use of the company's cash resources to fund the development of the company's business is paramount, it is critical for Memex is to determine the right balance between cash incentives, such as salaries and bonuses, and non-cash related incentives such as stock options. As such, Memex endeavours to retain executive officers that are primarily motivated by the future potential of Memex rather than cash incentives. Memex then endeavours to pay those executive officers competitive but below market salaries, provide them with cash bonuses where appropriate that are financed by the financial success of the company and provide them with incentive stock options so that they can participate in the future success of the company.

This compensation mix is determined by the Board, after considering the recommendations of senior management and the Corporate Governance / Compensation Committee. The Board makes these determinations based on its business experience, its knowledge of the marketplace in which Memex is competing for talent and its knowledge of the needs of Memex.

### ***Salaries and Cash Bonuses***

For information on the salary and cash incentive bonuses payable to Memex's most highly compensated executive officers, see "Executive Compensation - Summary Compensation Table".

### ***Option-based Awards***

Memex believes that employee ownership is critical to its success. Employee ownership provides employees with a vested interest in Memex's future and allows them to fully participate in the benefits of Memex's success. As such, Memex's executive officers are also eligible to receive awards through Memex's Option Plan. These awards are purely at the discretion of the Board and are not subject to any pre-determined performance criteria. In determining whether or not to grant an award under the Option Plan, the Board considers all of the information available to it at the time of such determination including, but not limited to, the performance of Memex in the most recently completed financial year, other relevant factors affecting performance that arose since that time, general market and economic conditions, the performance of each particular executive officer in light of the foregoing and Memex's objectives moving forward.

Common Shares reserved for issuance pursuant to the Option Plan, may not exceed 10% of the issued and outstanding Common Shares, from time to time. For further information on the Option Plan, see "Information Concerning the Corporation – Equity-Related Compensation Plan Information – Option Plan".

### ***Corporate Governance / Compensation Committee***

In November 2013 the Board established the Corporate Governance / Compensation Committee of the Board and developed its mandate which sets out the committee's objectives, functions and responsibilities. The committee assists the Board in carrying out its responsibility for the Corporation's (i) compensation and succession planning policies and practices and (ii) other corporate governance policies and practices. The Corporate Governance / Compensation Committee is also be responsible for, among other items,

periodically reviewing the adequacy and form of compensation of directors and officers and for making recommendations to the Board on such compensation. The committee considers the time commitment, risks and responsibilities of directors and officers and takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies.

The Corporate Governance / Compensation Committee is currently composed of Joe Brennan (Chair), Scott Kaplanis and Robert Chafee, all of whom are independent Board members under National Instrument 58-101 – Disclosure of Corporate Governance Practices, as determined by the Board (see “Information Concerning the Corporation – Statement of Corporate Governance Practices”), and the Board feels that the committee conducts its activities in an objective manner. Each of Mr. Brennan, Mr. Kaplanis and Mr. Chafee has direct experience that is relevant to their responsibilities in executive compensation, as well as the skills and experience that enable them to make informed decisions on the suitability of the Corporation’s executive compensation policies and practices. More specifically, each of Mr. Brennan, Mr. Kaplanis and Mr. Chafee has been a member of other publicly traded boards of directors where human resources and compensation issues were the object of discussion, recommendation and implementation on a regular basis.

#### *Risks Related to Compensation Policies and Practices*

During each annual review and assessment by the Corporate Governance / Compensation Committee of the Corporation’s executive compensation program, the Corporate Governance / Compensation Committee also explicitly and implicitly takes into consideration any risks associated therewith. At the present time, the Corporate Governance / Compensation Committee has not identified any risks associated with the Corporation’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation. In the assessment of senior management and the Board, the risks and uncertainties facing the Corporation that are likely to have a material adverse effect on the Corporation are disclosed quarterly in the Corporation’s management discussion and analysis of the Corporation’s financial condition and results of operations for the most recently completed quarter. One of the Corporation’s key business risks is the dependence on key personnel, the loss of which could have a material adverse effect on Memex’s operations and business prospects. No such risks relate to the Corporation’s compensation policies and practices.

#### *Hedging*

Pursuant to Memex’s Insider Trading Policy, executive officers and directors shall not engage in short selling of, or trading in puts, calls or options of Common Shares or other securities of the Corporation.

#### **Summary Compensation Table**

In accordance with applicable Canadian securities laws, the following table sets forth the annual compensation earned by certain of its executive officers (the “**Named Executive Officers**”).

Name and Principal Position	Year ended Sept 30	Share-	Option-	Non-Equity	All Other	Total	
		Based Awards	Based Awards <sup>(5)</sup>	Incentive Plan Compensation	Compensation	Compensation <sup>(6)</sup>	
		Salary					
		(\$)	(\$)	(\$)	(\$)	(\$)	
<b>David R. McPhail</b> , President, Chief Executive Officer and a director <sup>(1)</sup>	2016	\$175,000	nil	nil	\$31,875	\$13,200	\$220,075
	2015	\$166,250	nil	\$27,800	\$24,933	\$13,200	\$232,183
	2014	\$140,000	nil	nil	nil	\$7,700	\$147,700
<b>Edward Crymble</b> , Chief Financial Officer, Vice President of Finance, HR and Admin, & Secretary <sup>(2)</sup>	2016	\$155,613	nil	nil	nil	\$7,200	\$162,813
	2015	\$148,634	nil	\$27,800	nil	\$5,400	\$181,834
	2014	\$91,273	nil	nil	nil	nil	\$91,273



Name and Principal Position	Year ended Sept 30	Share-Based Awards	Option-Based Awards <sup>(5)</sup>	Non-Equity Incentive Plan Compensation	All Other Compensation	Total Compensation <sup>(6)</sup>
		Salary (\$)	(\$)	(\$)	(\$)	(\$)
<b>Dave Edstrom,</b> Chief Technology Officer <sup>(3)</sup>	2016	\$263,250	nil	nil	nil	\$263,250
	2015	\$239,597	nil	\$27,800	nil	\$267,397
	2014	\$93,417	nil	nil	nil	\$93,417
<b>Rick Mosca,</b> Chief Operating Officer <sup>(4)</sup>	2016	\$243,000	nil	nil	nil	\$243,000
	2015	\$231,563	nil	\$27,800	nil	\$259,363

Notes:

(1) With respect to Mr. McPhail:

(a) Salary amounts presented for Mr. McPhail are a combination of wages paid to him directly and payments made to his management company. Between July 1, 2010 and June 30, 2011 the payment of a total of \$97,794 of Mr. McPhail's remuneration was postponed due to cash flow constraints. In September 2015 \$11,251 was paid, with the \$86,543 remaining balance unpaid and included in unsecured shareholders' loans (long-term liability) as of September 30, 2016. Effective January 1, 2015, Mr. McPhail's base salary was increased to \$175,000. Mr. McPhail also receives a vehicle allowance of \$1,100 per month effective September 2014 (\$600 per month prior).

(b) With respect to non-equity incentive plan compensation:

i. For the 2015 financial year, Mr. McPhail was also entitled to cash incentive bonuses to a maximum incentive of 25% (\$42,500) of his annual wage attainable through delivering on a variety of company critical success factors as follows:

- A. Achieve or exceed top line revenue of Board approved forecast - (5%);
- B. An increase in quarter over quarter sales through fiscal 2015 - (10%);
- C. Bottom line performance at or above the Board approved forecast loss for the fiscal year - (10%);
- D. Spending maintained within the Board approved forecast for the year - (5%);
- E. Establish / enhance relationships with (2) full service brokerage firms, attain research coverage - (20%);
- F. Increase liquidity / trading volume in the stock judged by daily average - (10%);
- G. Increase valuation (tiered approach, 6% of bonus for every \$2M increase from baseline of \$8M up to the maximum weighted percentage (30%); and
- H. Keep the company adequately financed with cash through this growth phase, including raising appropriate capital from the market when required - (10%).

ii. For the 2016 financial year, Mr. McPhail was also entitled to cash incentive bonuses to a maximum incentive of 25% (\$42,500) of his annual wage attainable through delivering on a variety of company critical success factors as follows:

- A. Achieve or exceed top line revenue of Board approved forecast - (10%);
- B. An increase in quarter over quarter sales through fiscal 2016 - (10%);
- C. Bottom line performance at or above the Board approved forecast loss for the fiscal year - (10%);
- D. Spending maintained within the Board approved forecast for the year - (5%);
- E. Maintain / enhance relationships with (2) full service brokerage firms, attain research coverage - (25%);
- F. Increase liquidity / trading volume in the stock judged by daily average - (10%); and
- G. Increase valuation (tiered approach, 6% of bonus for every \$2M increase from baseline of \$13.8M up to the maximum weighted percentage (30%).

(c) For the 2015 financial year, Mr. McPhail was issued options to purchase 250,000 Common Shares on or before February 23, 2020 at an exercise price of \$0.15 per share, with 50% of such options vesting two years after the date of issue and the other 50% vesting three years after the date of issue.

(d) Mr. McPhail's employment contract does not contain any provisions relating to compensation in the event of termination of employment without cause or upon a change in control of the company.

(2) With respect to Mr. Crymble:

(a) He was appointed Chief Financial Officer and Secretary on July 18, 2013 and became a salaried employee on that date. Mr. Crymble is engaged on an 'as needed' basis based upon an annualized salary of \$135,000.

- (b) For the 2015 and 2016 financial years, Mr. Crymble was not eligible for any additional cash incentives
- (c) For the 2015 financial year, Mr. Crymble was issued options to purchase 250,000 Common Shares on or before February 23, 2020 at an exercise price of \$0.15 per share, with 50% of such options vesting two years after the date of issue and the other 50% vesting three years after the date of issue
- (d) Mr. Crymble's employment contract does not contain any provisions relating to compensation in the event of termination of employment without cause or upon a change in control of the company.
- (3) With respect to Mr. Edstrom:
- (a) Mr. Edstrom resigned as an officer of the Corporation on October 10, 2016.
- (b) For the 2016 financial year, he was paid an annual salary of USD\$195,000. The Canadian dollar equivalent in the table is based on the average exchange rate for the fiscal year ended September 30, 2016 of USD\$1.00 = CAD\$1.35 (2015 - USD\$1.00 = CAD\$1.2287 and 2014 - USD\$1.00 = CAD\$1.0831).
- (c) For the 2015 and 2016 financial years, Mr. Edstrom was not eligible for any additional cash incentives.
- (d) For the 2015 financial year, Mr. Edstrom was issued options to purchase 250,000 Common Shares on or before February 23, 2020 at an exercise price of \$0.15 per share, with 50% of such options vesting two years after the date of issue and the other 50% vesting three years after the date of issue.
- (e) Mr. Edstrom's employment contract does not contain any provisions relating to compensation in the event of termination of employment without cause or upon a change in control of the company.
- (4) With respect to Mr. Mosca:
- (a) For the 2016 financial year, he was paid an annual salary of USD\$180,000. The Canadian dollar equivalent in the table is based on the average exchange rate for the fiscal year ended September 30, 2016 of USD\$1.00 = CAD\$1.35 (2015 - USD\$1.00 = CAD\$1.2287).
- (b) For the 2015 financial year, after six months of continual employment, Mr. Mosca was also eligible for USD\$20,000 performance bonus based on the CEO's assessment of his performance (Again, the Canadian dollar equivalent in the table is based on the average exchange rate for the fiscal year ended September 30, 2015). He was not eligible for any additional cash incentives. For the 2016 financial year Mr. Mosca was not eligible for any additional cash incentives.
- (c) For the 2015 financial year, Mr. Mosca was issued options to purchase 250,000 Common Shares on or before February 23, 2020 at an exercise price of \$0.15 per share, with 50% of such options vesting two years after the date of issue and the other 50% vesting three years after the date of issue.
- (d) Mr. Mosca's employment contract does not contain any provisions relating to compensation in the event of termination of employment without cause or upon a change in control of the company.
- (5) With respect to the Option based awards provided in fiscal 2015, the fair value of the options at the time of granting was determined as at the date of the grant of the award using the Black-Scholes option pricing model using a risk free interest rate of 0.74%, a five year expected life, a 0% dividend rate, and an expected annual volatility of 100%. For further information on the Option Plan, see "Information Concerning the Corporation – Equity-Related Compensation Plan Information – Option Plan".
- (6) Perquisites, other than those reflected in the "Other Compensation" figures, have not been included as they do not reach the prescribed threshold of the lesser of \$50,000 and 10% of the total base salary of the Named Executive Officer for the indicated financial year.

### ***Outstanding Option-Based Awards***

The following table indicates for each Named Executive Officer all option-based awards outstanding at the end of the most recently completed financial year.

Name	Number of Shares Underlying Unexercised Options (#)	Option-Based Awards <sup>(1)</sup>		
		Option Exercise Price (\$)	Option Expiration Date (Y-M-D)	Value of Unexercised In-The-Money Options <sup>(2)</sup> (\$)
David McPhail	250,000	\$0.150	2020-02-23	\$53,750
Edward Crymble	250,000	\$0.150	2020-02-23	\$53,750
Dave Edstrom <sup>(3)</sup>	250,000	\$0.150	2020-02-23	\$53,750
Rick Mosca	250,000	\$0.150	2020-02-23	\$53,750

Notes:

- (1) Represents Options granted pursuant to the Corporation's Option Plan. For further information on the Option Plan, see "Information Concerning the Corporation – Equity-Related Compensation Plan Information – Option Plan".
- (2) Based on the difference between the market value of the underlying Common Shares as at September 30, 2016 (\$0.365) and the exercise price of the Option.
- (3) Mr. Edstrom resigned as an officer of the Corporation on October 10, 2016.

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

The following table indicates for each Named Executive Officer the value of all indicated compensation awards that vested during the most recently completed financial year.

Name	Option-Based Awards – Value Vested During The Year <sup>(1)</sup> (\$)	Share-Based Awards – Value Earned During The Year (\$)	Non-Equity Annual Incentive Plan Compensation – Value Earned During The Year (\$)
David McPhail	Nil	Nil	\$31,875
Edward Crymble	Nil	Nil	Nil
Dave Edstrom <sup>(2)</sup>	Nil	Nil	Nil
Rick Mosca	Nil	Nil	Nil

Notes:

- (1) Represents the value of vested Options granted pursuant to the Corporation's Option Plan. For this purpose, the Options are valued on the date of vesting. The "value vested" represents the aggregate dollar value that would have been realized if the Options under the option-based award had been exercised on the vesting date. This is calculated by computing the dollar value that would have been realized by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the Options under the option-based award on the vesting date. For further information on the Option Plan, see "Information Concerning the Corporation – Equity-Related Compensation Plan Information – Option Plan".
- (2) Mr. Edstrom resigned as an officer of the Corporation on October 10, 2016.

**Compensation of Directors**

***Standard Compensation Arrangements***

The directors, other than the directors that are also Named Executive Officers, receive \$1,000/director each quarter, payable quarterly in cash for their services rendered to the Corporation in their capacities as directors of the Corporation.

The directors are also entitled to participate in the Option Plan from time to time. With respect to director options outstanding at the end of the most recently completed financial year:

- On January 22, 2014, options to purchase a total of 481,320 Common Shares (120,330 to each director), exercisable at \$0.14 per Common Share were issued to each of the four non-executive officer directors on that date (Joe Brennan, Bob Chafee, Peter Lacey and Richard Morley). On August 26, 2014, options to purchase a total of 120,330 Common Shares, exercisable at \$0.125 per Common Share, were issued to the Scott Kaplanis, who was also appointed as a director on that date. All of these options vest and expire as follows: one-third (40,110 per director) vested on the date of issue, one-third vested on January 1, 2015 and the final third vested on January 1, 2016, and all such options currently outstanding will expire on January 22, 2019. To date, a total of nil of these options have been exercised, 120,330 have expired due to the director no longer serving on the Board, and 481,320 remain exercisable.

- On February 26, 2016, options to purchase a total of 480,000 Common Shares (120,000 to each director), exercisable at \$0.14 per Common Share were issued to each of the four non-executive officer directors on that date (Joe Brennan, Bob Chafee, Peter Lacey and Scott Kaplanis). All of these options vest and expire as follows: one-third (40,000 per director) vested on the date of issue, one-third will vest on February 26, 2017 and the final third will vest on February 26, 2018, and all such options currently outstanding will expire on February 26, 2021. To date, a total of nil of these options have been exercised, nil have been cancelled and 480,000 remain exercisable.

### **Director Compensation Table**

The following table sets forth all compensation paid for the most recently completed financial year of the Corporation to each of the directors of the Corporation, other than the directors that are also Named Executive Officers, in their capacities as directors of the Corporation.

<b>Name<sup>(1)</sup></b>	<b>Fees Earned</b>	<b>Share – Based Awards</b>	<b>Option-Based Awards<sup>(3)</sup></b>	<b>Non-Equity Incentive Plan Compensation</b>	<b>All Other Compensation</b>	<b>Total</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Joe Brennan <sup>(2)</sup>	\$4,000	-	\$12,450	-	-	\$4,000
Peter Lacey	\$4,000	-	\$12,450	-	-	\$4,000
Scott Kaplanis	\$4,000	-	\$12,450	-	-	\$4,000
Robert Chafee	\$4,000	-	\$12,450	-	-	\$4,000

Notes:

- (1) David R. McPhail, President and Chief Executive Officer of the Corporation and Ed Crymble, Chief Financial Officer and Secretary, are also a directors, however they do not receive any compensation for their services as a directors and are therefore not listed in this table. For a summary of the compensation paid by the Corporation to Mr. McPhail and Mr. Crymble in their capacity as executive officers of the Corporation, see the section titled “Information Concerning the Corporation – Executive Compensation”.
- (2) During the fiscal year ended September 30, 2016, the Corporation incurred fees totalling \$47,936 to a legal firm in which Joe Brennan, a director of the Corporation, is a partner.
- (3) The fair value of the options at the time of granting was determined as at the date of the grant of the award using the Black-Scholes option pricing model using a risk free interest rate of 0.67%, a five year expected life, a 0% dividend rate, and an expected annual volatility of 100%. For further information on the Option Plan, see “Information Concerning the Corporation – Equity-Related Compensation Plan Information – Option Plan”.

### **Outstanding Option-Based Awards**

The following table indicates for each director, other than the directors that are also Named Executive Officers, all option-based awards and Common Share-based awards outstanding at the end of the most recently completed financial year.

<b>Name<sup>(1)</sup></b>	<b>Option-Based Awards<sup>(2)</sup></b>			
	<b>Number of Shares Underlying Unexercised Options (#)</b>	<b>Option Exercise Price (\$)</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised In-The-Money Options<sup>(3)</sup> (\$)</b>
Joe Brennan	120,330	\$0.14	January 22, 2019	\$27,074
	120,000	\$0.14	February 26, 2021	\$27,000
Peter Lacey	120,330	\$0.14	January 22, 2019	\$27,074
	120,000	\$0.14	February 26, 2021	\$27,000
Scott Kaplanis	120,330	\$0.125	January 22, 2019	\$28,879
	120,000	\$0.14	February 26, 2021	\$27,000

Option-Based Awards <sup>(2)</sup>				
Name <sup>(1)</sup>	Number of Shares Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(3)</sup> (\$)
Robert Chafee	120,330	\$0.14	January 22, 2019	\$27,074
	120,000	\$0.14	February 26, 2021	\$27,000

Notes:

- (1) David R. McPhail, President and Chief Executive Officer of the Corporation and Ed Crymble, Chief Financial Officer and Secretary, are also directors, however they do not receive any compensation for their services as a directors and are therefore not listed in this table. For a summary of the compensation paid by the Corporation to Mr. McPhail and Mr. Crymble in their capacities as executive officers of the Corporation, see the section titled "Information Concerning the Corporation – Executive Compensation".
- (2) Represents Options granted pursuant to the Corporation's Option Plan. For further information on the Option Plan, see "Information Concerning the Corporation – Equity-Related Compensation Plan Information – Option Plan".
- (3) Based on the difference between the market value of the Common Shares as at September 30, 2016 (\$0.365) and the exercise price of the Option.

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

The following table indicates for each director, other than the directors that are also Named Executive Officers, the value of all indicated compensation awards that vested during the most recently completed financial year.

Name <sup>(1)</sup>	Option-Based Awards – Value Vested During The Year <sup>(2)</sup> (\$)	Share-Based Awards – Value Vested During The Year (\$)	Non-Equity Annual Incentive Plan Compensation – Value Earned During The Year (\$)
Joe Brennan	\$6,800	-	-
Peter Lacey	\$6,800	-	-
Scott Kaplanis	\$7,405	-	-
Robert Chafee	\$6,800	-	-

Notes:

- (1) David R. McPhail, President and Chief Executive Officer of the Corporation and Ed Crymble, Chief Financial Officer and Secretary, are also directors, however they do not receive any compensation for their services as a directors and are therefore not listed in this table. For a summary of the compensation paid by the Corporation to Mr. McPhail and Mr. Crymble in their capacities as executive officers of the Corporation, see the section titled "Information Concerning the Corporation – Executive Compensation".
- (2) Represents options granted pursuant to the Corporation's stock option plan. For this purpose, the options are valued on the date of vesting. The "value vested" represents the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This is calculated by computing the dollar value that would have been realized by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date. For further information, see "Information Concerning the Corporation – Equity Compensation Plan Information – Option Plan".

### **Equity Compensation Plan Information**

The following table summarizes certain information as of September 30, 2016 regarding compensation plans of the Corporation under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by securityholders <sup>(1)(2)</sup>	4,004,867	\$0.155	7,229,545
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	4,004,867	\$0.155	7,229,545

Notes:

- (1) A number of common shares equal to ten (10%) percent of the issued and outstanding common shares in the capital stock of the Corporation from time to time are reserved for the issuance of stock options pursuant to the Corporation's incentive stock option plan (the "**Option Plan**"). The Option Plan provides that the terms of the options and the option price shall be fixed by the directors subject to the price restrictions and other requirements of the TSX Venture Exchange. The Option Plan also provides that no option shall be granted to any person except upon the recommendation of the directors of the Corporation, and only directors, officers, employees, consultants and other key personnel of the Corporation or its subsidiaries may receive stock options. Stock options granted under the Option Plan may not be for a period longer than five (5) years and the exercise price must be paid in full upon exercise of the option.
- (2) The Option Plan has previously been approved by the Shareholders. However, pursuant to the rules of the TSX Venture Exchange, the plan must be approved by the Shareholders at each annual meeting of Shareholders. See "Particulars of Matters to be Acted Upon".

### **Option Plan**

**Purpose:** The purpose of the Corporation's incentive stock option plan (the "**Option Plan**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire Common Shares, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

**Eligibility:** Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries (hereinafter referred to in this section as the "**Management Company Employees**") shall be eligible for selection to participate in the Option Plan (such persons hereinafter in this section collectively referred to as "**Participants**").

**Administration:** The Option Plan shall be administered by the Board or by a special committee of the directors appointed from time to time by the Board. Subject to the terms of the Option Plan, the Board shall determine to whom options ("**Options**") to acquire Common Shares shall be granted, the terms and provisions of the respective Option agreements, the time or times at which such Options shall be granted and vested, the expiry dates for such Options and the number of Common Shares to be subject to each Option. All Options granted pursuant to the Option Plan shall be subject to rules and policies of any stock exchange or exchanges on which the Common Shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to in this section as the "**Exchange**").

**Number:** The aggregate number of Common Shares issuable upon the exercise of all Options granted under the Option Plan, together with any Common Shares issued or reserved for issuance pursuant to any other equity compensation plan of the Corporation, shall not exceed 10% of the issued and outstanding



Common Shares of the Corporation from time to time. If any Option granted under the Option Plan shall expire or terminate for any reason in accordance with the terms of the Option Plan without being exercised, the un-purchased Common Shares subject thereto shall again be available for the purpose of the Option Plan.

*Individuals:* No single Participant may be granted Options to purchase a number of Common Shares equaling, together with any Common Shares reserved for issuance pursuant to rights granted to such Participant under any other equity compensation plan of the Corporation, more than 5% of the issued Common Shares of the Corporation in any one 12 month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.

*Consultants:* Options shall not be granted if the exercise thereof, together with any Common Shares reserved for issuance pursuant to rights granted to such Participant under any other equity compensation plan of the Corporation, would result in the issuance of more than 2% of the issued Common Shares of the Corporation in any 12 month period to any one consultant of the Corporation (or any of its subsidiaries).

*Investor Relations:* Options shall not be granted if the exercise thereof, together with any Common Shares reserved for issuance pursuant to rights granted to such Participant under any other equity compensation plan of the Corporation, would result in the issuance of more than 2% of the issued Common Shares of the Corporation in any 12 month period to persons employed to provide investor relations activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than  $\frac{1}{4}$  of the Options vesting in any three month period.

*Exercise Price:* The exercise price of the Common Shares subject to each Option shall be determined by the Board, subject to applicable Exchange approval, at the time any Option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange. Once the exercise price has been determined by the Board, accepted by the Exchange and the Option has been granted, the exercise price of an Option may not be reduced unless disinterested shareholder approval is obtained.

*Expiry Date:* Each Option and all rights thereunder shall be expressed to expire on the date set out in the Option agreement as determined by the Board, provided that in no circumstances shall the duration of an Option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange, the maximum term may not exceed ten years.

*Extension During Black Out Periods:* Should the expiry date of an Option fall within a Black Out Period (as defined below) or within nine business days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Option Plan. "**Black Out Period**" means the period during which the relevant Participant is prohibited from exercising an Option due to trading restrictions imposed by the Corporation pursuant to any policy of the Corporation respecting restrictions on trading that is in effect at that time.

*Expiry on Termination of Employment:* If a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his Option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days (or such earlier time as determined by the Board at the time of the grant of the Option) after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, subject to extension at the discretion of the Board.

*Expiry on Death:* In the event of the death of a Participant, the Option previously granted to such Participant shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

*Non-Transferable:* All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of the Option Plan shall be non-assignable and non-transferrable.

*Amendment:* Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Option Plan. Subject to applicable approval of the Exchange and the provisions set out below, the Board may also at any time amend or revise the terms of the Option Plan or any Option granted hereunder; provided that no such amendment or revision shall result in a material adverse change to the terms of any Options theretofore granted under the Option Plan. Shareholder approval will not be required for any amendment to the Option Plan or any Options granted thereunder except for any amendment or modification that:

- (a) increases the number of Common Shares reserved for issuance under the Option Plan;
- (b) reduces the exercise price of an Option held by a Participant (other than pursuant to an adjustment in the event of a change in capitalization or a reorganization event as described in the plan);
- (c) extends the term of an Option beyond the expiry date;
- (d) extends eligibility to participate in the Option Plan to persons not currently eligible to participate;
- (e) increases the limit on the number of Common Shares subject to Options that may be granted to non-employee directors;
- (f) increases the limit on the number of Common Shares subject to Options that may be granted to any one Participant or consultant;
- (g) permits Options to be transferred or assigned other than for normal estate settlement purposes;
- (h) extends the expiry date of an Option beyond 10 years from its grant date (other than as provided for in the event of a Black Out Period being in effect at the time of expiry);
- (i) permits awards, other than Options, to be made under the Option Plan;
- (j) cancels and reissues Options;
- (k) grants additional powers to the Board to amend the Option Plan or entitlements hereunder without obtaining security holder approval;
- (l) amends any of the above-listed restrictions on amendment to the Option Plan without shareholder approval; or
- (m) an applicable stock exchange requires shareholder or disinterested shareholder approval.

### **Indebtedness of Directors and Officers**

As at the date of this Management Information Circular, no individual who is, or at any time during the most recently completed financial year of the Corporation was, a director or executive officer of the Corporation or of any of its subsidiaries, nor any proposed nominee for election as a director of the Corporation, nor any associate of any one of them:

- (a) is, or was at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries; or
- (b) is, or was at any time since the beginning of the most recently completed financial year of the Corporation, indebted to another entity, which such indebtedness is, or was during such time, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

### **Interests of Insiders in Material Transactions**

None of the Corporation's insiders, proposed nominees for election as directors of the Corporation, or their associates and affiliates, has had any material interest in any transaction with the Corporation since the commencement of the Corporations' last financial year which has not been previously disclosed in an information circular of the Corporation.



## Audit Committee Information

### *Audit Committee Mandate*

A copy of the mandate of the Audit Committee of the Corporation adopted by the Board of Directors is attached as Schedule A to this Information Circular.

### *Audit Committee Composition and Background*

The current Audit Committee of the Board of Directors of the Corporation consists of Peter Lacey (chair), Scott Kaplanis and Robert Chafee. All of the members of the Audit Committee are independent and financially literate insofar as it applies to the financial statements of a venture issuer such as the Corporation.

### *Relevant Education and Experience*

For a summary of the relevant education and experience of each of the members of the Audit Committee, see "Particulars of Matters to be Acted Upon – Election of Directors – Director Nominee Information". Each of the members of the Audit Committee have business experience and/or education which provides them with 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 level of complexity of accounting issues that can reasonably be expected to be raised by the Corporation's financial statements.

### *Pre-Approval Policies and Procedures*

The Audit Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by its external auditors or the external auditors of the Corporation's subsidiary entities.

### *External Auditor Service Fees*

The aggregate amounts paid or accrued by the Corporation with respect to fees payable to the auditor of the Corporation, for audit (including separate audits of subsidiary entities, financings and regulatory reporting requirements), audit-related, tax and other services in the fiscal years ended September 30, 2015 and 2016 were as follows:

	2015	2016
Audit fees <sup>(1)</sup>	\$38,690	\$35,310
Audit-related fees <sup>(2)</sup>	Nil	Nil
Tax fees <sup>(3)</sup>	Nil	Nil
All other fees <sup>(4)</sup>	Nil	Nil
<b>TOTAL</b>	<b>\$38,690</b>	<b>\$35,310</b>

Notes:

- (1) "Audit fees" include the aggregate professional fees paid to the auditor for the audit of the financial statements of the Corporation and other regulatory audits and filings.
- (2) "Audit-related fees" include the aggregate professional fees paid to the auditor for the reverse take-over transaction between GPS Investment Corp. and the Corporation.
- (3) "Tax fees" include the aggregate fees paid for tax compliance, tax advice, tax planning, and advisory services.
- (4) "All other fees" include the aggregate fees paid for all other services other than those presented in the categories of audit fees, audit-related fees, and tax fees.

## Statement of Corporate Governance Practices

### *Introduction*

The Canadian Securities Administrators have issued National Policy 58-201 – Corporate Governance Guidelines which provides their guidance on effective corporate governance practices. The Canadian

Securities Administrators have also adopted National Instrument 58-101 – Disclosure of Corporate Governance Practices (“**NI 58-101**”) which requires Canadian reporting issuers to annually disclose their corporate governance practices. Below is a discussion on the current composition of the Board and the current governance practices of the Corporation.

The Board believes that sound governance practices are essential to achieve the best long-term interests of the Corporation and the enhancement of value for all security holders. The Board has overall responsibility and full authority to manage the Corporation’s investments. As permitted by applicable law, the Board may from time to time delegate certain of its responsibilities to others but the Board retains its oversight function for all delegated responsibilities.

### **Board Composition**

As at January 31, 2017, the Board is composed of six (6) members. Such Board members are David R. McPhail, Ed Crymble, Peter Lacey, Joe Brennan, Robert Chafee and Scott Kaplanis. It is currently contemplated that all six (6) current Board members will be standing for re-election at the Meeting with no additional directors proposed for office. For further information on the individuals who will be put forth for election to the Board at the Meeting, see “Information Concerning the Corporation – Directors of the Corporation”.

### **Independence**

After reviewing the roles and relationships of each of the Board members, the Board has determined that four (4) of the six (6) directors that are anticipated to be standing for election at the Meeting, are “independent” (as defined in NI 58-101). Generally speaking, a Board member is “**independent**” if such Board member has no direct or indirect material relationship with the Corporation and a “**material relationship**” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the Board member’s independent judgment. Notwithstanding the foregoing, NI 58-101 prescribes that certain relationships are material relationships. The current Board members who are independent are Peter Lacey, Joe Brennan Robert Chafee and Scott Kaplanis. David R. McPhail is not independent due to the fact that he is the President and Chief Executive Officer of the Corporation, and Ed Crymble is not independent due to the fact that he is the Chief Financial Officer of the Corporation. The Board has determined that Joe Brennan is independent notwithstanding that he is a partner in a law firm that provides legal services to the Corporation.

A majority of the current and proposed Board members are independent. To further facilitate the exercise of independent judgment in carrying out its duties: (i) as a standing agenda item at each quarterly Board meeting, and at other Board meetings when deemed appropriate, the independent Board members are given the opportunity to hold an “in camera” session without management present; and (ii) the Board follows the provisions of the *Business Corporations Act* (Alberta), the Corporation’s governing statute, regarding conflicts of interest (i.e. directors with a conflict of interest on a particular matter refrain from voting on that matter).

### **Other Boards**

The following table sets forth the names of each other reporting issuer (or the equivalent thereof) that each of the current Board members, and each of the individuals to be nominated for election as a Board member at the Meeting serve as a trustee or director as at January 31, 2017.

<b>Name</b>	<b>Name of Reporting Issuer</b>
David R. McPhail	N/A
Joe Brennan	N/A
Peter Lacey	Cervus Equipment Corporation ENTREC Corporation
Robert Chafee	N/A

Name	Name of Reporting Issuer
Edward A. Crymble	N/A
Scott Kaplanis	N/A

### ***Independent Supervision Over Management***

As at January 31, 2017, the Directors and senior officers of the Corporation collectively own or control approximately 27.4% of the outstanding Common Shares of the Corporation. As such, the Board feels that the interests of management and shareholders are aligned. Therefore, the Board does not hold regularly scheduled Board meetings at which non-independent Directors and members of management are not present. However, the Board may meet independently of management, and the independent Directors may meet independent of the non-independent Directors on an as-needed basis.

David R. McPhail, who is not an independent Board member, is the Chairman of the Board. It is the responsibility of each director and the Board as a whole to ensure that the Board operates independently of management and that the Board functions effectively and meets its obligations and responsibilities, including responsibilities to security holders.

### ***Orientation and Continuing Education***

The Board and management of the Corporation do not have a formal orientation and education program for new directors and new committee members regarding the role of the Board, its committees and the directors and the nature and operation of the Corporation's business. Orientation and education is provided by other directors and management on an "as needed" basis.

The Board does not have a continuing education program for its members. However, the Board intends to annually assess each Board member on a confidential basis through an annual review process to ensure the Board members have maintained the skills and knowledge necessary to meet their obligations as Board members.

### ***Ethical Business Conduct***

The Board has adopted a written code of conduct for the directors, officers and employees of the Corporation. A copy of that code of conduct may be obtained on the internet at [www.sedar.com](http://www.sedar.com) or at [www.memex.com](http://www.memex.com). The Audit Committee is responsible for monitoring compliance with the code of conduct and any amendments thereto or waivers thereof. A copy of the code of conduct is provided to each director, officer and employee of the Corporation. Supervisors are responsible for monitoring compliance with the code of conduct by employees under their supervision and violations of the code of conduct are reported to the Audit Committee.

The Audit Committee has also adopted "whistleblower" procedures which allow directors, officers and employees of the Corporation to file a report on a confidential and anonymous basis with the appropriate persons regarding any concerns about accounting, internal accounting controls or auditing matters.

### ***Nomination of Board Members***

The Board as a whole determines who shall be a nominee for election to the Board. Nominations are generally the result of the collective evaluation efforts and recommendations of the Corporate Governance/Compensation Committee.

In November 2013, the Board appointed a nominating committee, being the Corporate Governance / Compensation Committee. This committee is currently composed of Joe Brennan (Chair), Scott Kaplanis and Robert Chafee, all of whom are independent Board members under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as determined by the Board (see "Information Concerning

the Corporation – Statement of Corporate Governance Practices - Independence”), and the Board feels that the committee conducts its activities in an objective manner. If a member of the committee has a conflict that may be perceived to affect that member’s objectivity, that member abstains from voting on the particular matter and may be excused from the discussion on a particular matter where deemed appropriate.

The Corporate Governance / Compensation Committee intends to annually assess the effectiveness of the Board as a whole, committees of the Board, and the contribution of individual Board members. This committee also reviews the Board’s size and composition from time to time to determine their impact on the Board’s effectiveness. This review includes considering the results of any confidential surveys completed by Board members. This committee then makes its recommendations to the Board. If the Board determines that a new Board member is required, this committee addresses it at that time and implements such processes and procedures it feels are necessary to encourage an objective nomination process. The Board believes that a board of five (5) to eight (8) Board members is an appropriate size for a public entity with a capitalization and business of the Corporation’s size. The Board believes that its current Board members comprise an appropriate mix of individuals with accounting, financial, legal and general business experience.

### ***Compensation***

See “Information Concerning the Corporation - Executive Compensation - Corporate Governance / Compensation Committee”.

The Board has appointed a compensation committee, being the Corporate Governance / Compensation Committee. This committee is currently composed of Joe Brennan (Chair), Scott Kaplanis and Robert Chafee, all of whom are independent Board members under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as determined by the Board (see “Information Concerning the Corporation – Statement of Corporate Governance Practices - Independence”), and the Board feels that the committee conducts its activities in an objective manner. If a member of the committee has a conflict that may be perceived to affect that member’s objectivity, that member abstains from voting on the particular matter and may be excused from the discussion on a particular matter where deemed appropriate.

See “Information Concerning the Corporation - Executive Compensation – Corporate Governance / Compensation Committee”.

### ***Other Board Committees***

The Board has no other standing committees other than the Audit Committee and the Corporate Governance / Compensation Committee.

The Audit Committee oversees the integrity of the Corporation’s financial reporting, its internal control, disclosure control and internal audit function, and its compliance with legal and regulatory requirements. The Audit Committee also reviews and assesses the qualifications, independence and performance of the Corporation’s external auditors. See “Information Concerning the Corporation – Audit Committee Information”.

### ***Assessments***

The Board annually reviews and assesses the skills, knowledge, independence and effectiveness of the entire Board and of each Board member. This annual review and assessment includes completion of a confidential director evaluation questionnaire, a skills matrix and an independence survey. The results are reviewed and summarized by the Chair of the Corporate Governance / Compensation Committee and circulated to the Board. The Corporate Governance / Compensation Committee then reviews the results and makes recommendations to the Board. The Board then considers those recommendations and either accepts them or makes its own determinations.

## Directors of the Corporation

### *Director Nominee Information*

The following table sets forth certain information in respect of each proposed director of the Corporation as of January 31, 2017.

<b>Name and Jurisdiction of Residence</b>	<b>Current Office in the Corporation<sup>(1)</sup></b>	<b>Principal Occupation and Other Information</b>	<b>Common Shares Owned Beneficially or Subject to Control or Direction</b>
David R. McPhail Ontario, Canada	President, Chief Executive Officer and Director	Mr. McPhail has been President, CEO and a director of the Corporation, and its predecessors, since 2008. Prior thereto, Mr. McPhail was the Vice President, Operations for Process Systems Integration Inc., a factory automation services company, from September 2004 to December 2007, where he was a founding partner and equal shareholder.	17,012,500 (14.64%)
Edward A. Crymble Brantford, ON	Chief Financial Officer, Secretary and Director	Mr. Crymble has been the Chief Financial Officer and Secretary of the Corporation, and its predecessors, since July 2013. Mr. Crymble came to the Corporation from public practice where he has provided accounting, income tax and business development advice to small and medium sized business for more than 10 years. He has 25+ years of senior accounting and financial management experience primarily in the manufacturing and technology sectors. Mr. Crymble's background includes senior management positions with two multi-national companies that traded on the Toronto Stock Exchange. Mr. Crymble has been a director of the Corporation since March 2014.	290,000 (<1%)
Joe Brennan Alberta, Canada	Director <sup>(3)</sup>	Mr. Brennan has been a business lawyer with Shea Nerland Calnan LLP, a tax and business law firm located in Calgary, Alberta, since 1997. Mr. Brennan's practice has focused primarily on corporate finance, securities law and mergers and acquisitions. Mr. Brennan received a Bachelor of Laws degree from the University of Alberta in 1996 and was admitted to the Law Society of Alberta in 1997. Mr. Brennan has been a director of the Corporation since October 2013.	200,000 (<1%)
Peter Lacey Alberta, Canada	Director <sup>(2)</sup>	Mr. Lacey has been the Board Chair of Cervus Equipment Corporation, a public company listed on the Toronto Stock Exchange that acquires and manages authorized agricultural, commercial, industrial and transportation equipment dealerships, since April 2012. Prior thereto, Mr. Lacey was the President and Chief Executive Officer of Cervus Equipment Corporation, and its predecessor entities, from 1998 to April 2012. Mr. Lacey has also been a director of Cervus Equipment Corporation, and its predecessor entities, since 1998. Mr. Lacey has been a director of the Corporation since October 2013.	2,,711,185 (2.33%)

Name and Jurisdiction of Residence	Current Office in the Corporation <sup>(1)</sup>	Principal Occupation and Other Information	Common Shares Owned Beneficially or Subject to Control or Direction
Robert Chafee Ontario, Canada	Director <sup>(2)(3)</sup>	Robert E. (Bob) Chafee is an entrepreneur, business owner and advisor. He has been involved in the mining, trucking and manufacturing industries since 1957, originally in Elliot Lake, Manitowadge and Sudbury as well as in Northwestern Quebec, Manitoba, British Columbia and the Yukon. Mr. Chafee currently serves as the Chairman of Tonolli Canada Inc. and is involved in the directorship and ownership of: Club Coffee; Morrison Lamothe; Etobicoke Ironworks Ltd.; Andamios Atlas, a scaffold and shoring rental and manufacturing company in Mexico; Volume Tank Transport; Wingex Transport; Integro Building Systems Inc.; CannTrust Inc.; and Hardrock Mining Company, a Sudbury based supplier of specialty drill steel products. He served as a past Director of Veris Gold Corp (formerly Yukon-Nevada Gold Corp.), Tagish Lake Gold Corp, Igeacare Systems Inc., Healthanywhere Inc., TCS Transport and Ambro Transport. Mr. Chafee's past business achievements include building Antamex International Inc. from \$15 million to \$120 million in sales as Chairman and CEO. He also led the expansion of Mathews Equipment from a regional to a national construction and rental equipment company that was then sold to Hertz Equipment Rentals. Mr. Chafee has been a Director of the Corporation since November 2013.	2,585,360 (2.23%)
Scott Kaplanis Toronto, ON	Director <sup>(2)(3)</sup>	Mr. Kaplanis has more than 12 years of experience in Canadian capital markets and is currently a partner and portfolio manager at Epic Capital Management Inc. ("Epic"), a boutique Toronto-based investment firm. Epic has actively invested in Canadian small and micro-caps since 2000 and has been a part of many successful growth stories. Prior to joining Epic, Mr. Kaplanis worked as a Special Situations Equity Research Analyst at Macquarie Capital Markets Canada. Mr. Kaplanis holds an HBA degree from the Richard Ivey School of Business and is a CFA Charterholder. Mr. Kaplanis has been a Director of the Corporation since August 2014.	391,025 (<1%)

Notes:

- (1) Directors hold office upon appointment until the close of the next annual general meeting of Shareholders unless re-elected at that meeting.
- (2) Member of the Audit Committee.
- (3) Member of the Corporate Governance / Compensation Committee.

*Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

Except as set forth below, to the best of the knowledge of management of Memex:

- (a) no person who is a proposed director of Memex is, as at the date of this management information circular, or has been, within 10 years before the date of this management information circular, a director, chief executive officer or chief financial officer of any company (including Memex) 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, in each case that was in effect for a period of more than 30 consecutive days and that was issued while such person 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, in each case that was in effect for a period of more than 30 consecutive days and that was issued after such person ceased to be a director, chief executive officer or chief financial officer but resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; and
- (b) no person who is a proposed director of Memex:
- (i) is, as at the date of this management information circular, or has been within 10 years before the date of this management information circular, a director or executive officer of any company (including Memex) 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
  - (ii) has, within the 10 years before the date of this management information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or trustee; and
- (c) no person who is a proposed director of Memex has been subject to:
- (i) 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
  - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Peter Lacey resigned as a Director of BioExx Specialty Proteins Ltd. on September 29, 2013. That corporation filed for protection under the Companies' Creditors Arrangement Act on October 1, 2013.

### **Additional Information**

Additional information relating to the Corporation can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Additional financial information is included in the audited consolidated financial statements, and related management's discussion and analysis of the financial condition and results of operations, of the Corporation for the year ended September 30, 2015 as filed with the applicable Canadian regulatory authorities. These documents, as well as any document incorporated by reference herein, are available on SEDAR at [www.sedar.com](http://www.sedar.com) and may also be obtained by Shareholders without charge from the Corporation by writing to the Chief Financial Officer of the Corporation at 3425 Harvester Road, Suite 200, Burlington, ON, L7N 3N1 (telephone number: 905-635-3040).

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

### **Financial Statements**

The audited financial statements of the Corporation for the year ended September 30, 2016 and the auditors' report thereon will be tabled before the Shareholders at the Meeting for the consideration of the Shareholders. The audited financial statements have been approved by the Audit Committee and by the Board.

### **Fix Number of Directors to be Elected**

At the Meeting, Shareholders will be asked to vote on an ordinary resolution to fix the number of directors of the Corporation to be elected at the Meeting at not more than six (6).

Notwithstanding the foregoing, the directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the close of the next annual general meeting, but the total number of additional directors shall not at any time exceed  $\frac{1}{3}$  of the number of directors elected at the Meeting.

### **Election of Directors**

At the Meeting, Shareholders will be asked to vote on ordinary resolutions to elect persons to serve as the directors of the Corporation to hold office until the close of the next annual meeting of Shareholders or until their successors are elected or appointed. It is proposed that the six (6) current directors of the Corporation, each of whom ceases to hold office at the close of the Meeting unless re-elected at the Meeting, be re-elected at the Meeting. See "Information Concerning the Corporation – Directors of the Corporation" for further information on each proposed nominee for election as a director of the Corporation.

### **Appointment of Auditors**

At the Meeting, Shareholders will be asked to vote on an ordinary resolution to appoint MNP LLP, Chartered Accountants, of Toronto, Ontario, to serve as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the Board of Directors of the Corporation to fix the auditors' remuneration. MNP LLP has been the Corporation's auditor since October 2013.

### **Re-Approval of Option Plan**

Under the rules of the TSX Venture Exchange, listed issuers with stock option plans that reserve a percentage of the issued and outstanding voting securities in the capital stock of the listed issuer from time to time for the issuance of stock options pursuant to the listed issuer's incentive stock option plan must have that stock option plan approved at each annual meeting of shareholders of the listed issuer. The aggregate number of Common Shares issuable upon the exercise of all Options granted under the Corporation's Option Plan, together with any Common Shares issued or reserved for issuance pursuant to any other equity compensation plan of the Corporation, shall not exceed 10% of the issued and outstanding Common Shares of the Corporation from time to time). For information on the Corporation's Option Plan, see "Information Concerning the Corporation – Equity Compensation Plan Information – Option Plan."

At the Meeting, Shareholders will be asked to vote FOR the following ordinary resolution, with or without variation, and the Board recommends that the Shareholders vote FOR such resolution:

"Be it resolved that the Option Plan of the Corporation, as further described in the Management Information Circular of the Corporation dated January 31, 2017, be and is hereby ratified and approved."

To be effective, the foregoing ordinary resolution must be approved by the affirmative vote thereof by a majority of the votes cast by the Shareholders of the Corporation who vote on this ordinary resolution either



in person or by Proxy, at the Meeting. In the event this ordinary resolution is not passed, the Corporation will not be able to grant any additional Options under the Option Plan and the Corporation will need to compensate its employees in another manner.

#### **Other Matters to Be Acted Upon**

Management knows of no matters to come before the Meeting other than the matters referred to in the notice of the Meeting delivered by the Corporation to Shareholders for the Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy.

#### **Interest of Certain Persons in Matters to Be Acted Upon**

None of the directors or executive officers of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a director, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and the re-approval of the Corporation's incentive stock option plan. See "Particulars of Matters to be Acted Upon at Meeting".

#### **BOARD APPROVAL**

The contents and the sending of this Management Information Circular have been approved by the Board.

Burlington, Ontario  
January 31, 2017

## SCHEDULE A

### MEMEX INC. (operating under the trade name Memex Automation)

#### AUDIT COMMITTEE MANDATE

##### Adoption

The Board of Directors (the “**Board**”) of Memex Inc. (the “**Corporation**”) adopted this Mandate by resolution dated January 22, 2014.

##### Policy Statement

1. It is the policy of the Corporation to establish and maintain an Audit Committee to assist the Board in carrying out their oversight responsibility for the Corporation’s accounting and financial reporting processes and audits of the Corporation’s financial statements, internal controls, financial reporting and risk management processes.
2. The Audit Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including administrative support.
3. If determined necessary by the Audit Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or experts at the expense of the Corporation.

##### Composition

1. The Audit Committee shall consist of at least three directors and may from time to time be comprised of the entire Board. The Board shall appoint the members of the Audit Committee. Every member of the Audit Committee must be a director of the Corporation. The Board shall appoint one member of the Audit Committee to be the Chair of the Audit Committee.
2. Except for such times as when the entire Board assumes the responsibilities of the Audit Committee and in circumstances where there is an exemption from the following requirement available to the Corporation in National Instrument 52-110 of the Canadian Securities Administrators entitled “Audit Committees” (“**NI 52-110**”), each director appointed to the Audit Committee by the Board shall be independent (as such term is defined in NI 52-110).
3. Unless there is an exemption from the following requirement available to the Corporation in NI 52-110, each member of the Audit Committee shall be “financially literate” (as such term is defined in NI 52-110).
4. A director appointed by the Board to the Audit Committee shall be a member of the Audit Committee until replaced by the Board or until his or her resignation.

##### Meetings

1. The Audit Committee shall convene as deemed necessary at such times and places as may be designated by the Chair of the Audit Committee, and whenever a meeting is requested by the Board, a member of the Audit Committee, the auditors, or a senior officer of the Corporation.
2. Notice of each meeting of the Audit Committee shall be given to each member of the Audit Committee. At the discretion of the Chair of the Audit Committee, notice of each meeting of the Audit Committee shall be provided to the Corporation’s external auditors, who shall be entitled to attend each meeting of the Audit Committee and shall attend whenever requested to do so by a member of the Audit

Committee. Notwithstanding the foregoing, the Corporation's external auditor shall receive notice of, and shall attend, each meeting of the Audit Committee held to review and approve audited annual financial statements of the Corporation. However the Audit Committee (i) shall also meet with the external auditors independent of management at any time, (ii) may meet separately with management at any time; and (iii) may meet independent of both the external auditors and management at any time.

3. Notice of a meeting of the Audit Committee shall:
  - a. be in writing;
  - b. state the nature of the business to be transacted at the meeting in reasonable detail;
  - c. to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
  - d. be given at least 48 hours prior to the time stipulated for the meeting or such shorter period as the members of the Audit Committee may permit.
4. A quorum for the transaction of business at a meeting of the Audit Committee shall consist of a majority of the members of the Audit Committee. However, it shall be the practice of the Audit Committee to require review, and, if necessary, approval of certain important matters by all members of the Audit Committee.
5. A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
6. In the absence of the Chair of the Audit Committee, the members of the Audit Committee shall choose one of the members present to be Chair of the meeting.
7. In addition, the members of the Audit Committee shall choose one of the persons present, although not necessarily required to be an Audit Committee member, to be the Secretary of the meeting.
8. Minutes shall be kept of all meetings of the Audit Committee and shall be signed by the Chair and the Secretary of the meeting. Such minutes shall be filed with the Corporate Secretary of the Corporation at the earliest opportunity after each meeting.
9. A resolution in writing, signed by all of the members of the Audit Committee entitled to vote on that resolution at a meeting of the Committee and filed with the Corporate Secretary of the Corporation, is valid as if it had been passed at a meeting of the Audit Committee.
10. The Audit Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.

#### **Relationship with External Auditor**

1. An external auditor must report directly to the Audit Committee.

#### **Responsibilities**

1. The Audit Committee must have a written charter, such as this one, that sets out its mandate and responsibilities.
2. The Audit Committee must recommend to the Board:
  - a. the external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; and
  - b. the compensation of the external auditors.

3. The Audit Committee must be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting.
4. The Audit Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by its external auditors or the external auditors of the Corporation's subsidiary entities. The Audit Committee may satisfy the pre-approval requirement if:
  - a. the aggregate amount of all the non-audit services that were not pre-approved constitutes no more than five per cent of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the services are provided;
  - b. the services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
  - c. the services are promptly brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by one or more members of the Audit Committee to whom authority to grant such approvals has been delegated by the Audit Committee.
5. The Audit Committee must review the Corporation's financial statements, management discussion and analysis and earnings press releases and make an appropriate recommendation to the Board before the Corporation publicly discloses this information.
6. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements, other than the disclosure referred to in subsection (5), and must periodically assess the adequacy of those procedures.
7. The Audit Committee must establish procedures for:
  - a. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
  - b. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
8. An Audit Committee must review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present or former auditor of the Corporation.

### **Authority**

1. The Audit Committee shall have the authority to:
  - a. inspect any and all of the books and records of the Corporation, its subsidiaries and affiliates;
  - b. discuss with the management of the Corporation, its subsidiaries and affiliates, and with employees of the Corporation, any affected party and the external auditors, such accounts, records and other matters as any member of the Audit Committee considers necessary and appropriate;
  - c. engage independent counsel and other advisors as it determines necessary to carry out its duties;
  - d. to set and pay the compensation for any advisors employed by the Audit Committee; and
  - e. to communicate directly with the internal and external auditors.

### **Specific Duties**

1. The Audit Committee shall:
  - a. review the audit plan with the Corporation's external auditors and with management;
  - b. discuss with management and the external auditors, if necessary, any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgements of management that may be material to financial reporting;
  - c. review with management and with the external auditors, if necessary, significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;

- d. review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
  - e. review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
  - f. consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the integrity, adequacy and effectiveness of the internal financial controls of the Corporation and subsequent follow-up to any identified weaknesses;
  - g. review audited annual financial statements and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all significant variances between comparative reporting periods;
  - h. before release review with financial management and the external auditors, if necessary, the quarterly unaudited financial statements and management discussion and analysis and obtain an explanation from management of all significant variances between comparative reporting periods;
  - i. before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, offering memorandums, annual reports, annual information forms, management discussion and analysis and press releases; and
  - j. oversee any of the financial affairs of the Corporation, its subsidiaries or affiliates, and, if deemed appropriate, make recommendations to the Board, external auditors or management.
2. The Audit Committee shall:
    - a. evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor or the discharge of the external auditor when circumstances are warranted;
    - b. consider the recommendations of management in respect of the appointment of the external auditors;
    - c. approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and consider the potential impact of such services on the independence of the external auditors;
    - d. when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51-102 (or any successor legislation) as adopted by the relevant securities commissions in Canada and the planned steps for an orderly transition period; and
    - e. review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.
  3. The Audit Committee shall:
    - a. review with management at least annually, the financing strategy and plans of the Corporation; and
    - b. review all financial information contained in any securities offering documents (including documents incorporated therein by reference) of the Corporation.
  4. The Audit Committee shall review the amount and terms of any insurance to be obtained or maintained by the Corporation with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.
  5. The Audit Committee shall review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.
  6. The Audit Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Audit Committee by any member of the Board, a shareholder of the Corporation, the external auditors, or senior management.

7. The Audit Committee shall periodically review with management the need for an internal audit function.
8. The Audit Committee shall review with the Corporation's legal counsel as required but at least annually, any legal matter that could have a significant impact on the Corporation's financial statements, and any enquiries received from regulators, or government agencies.
9. The Audit Committee shall periodically assess the adequacy of this Mandate and the performance of the Audit Committee.



