



**NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
WITH RESPECT TO THE ANNUAL AND SPECIAL MEETING OF  
SHAREHOLDERS TO BE HELD ON  
FRIDAY, MAY 29, 2020**

**April 20, 2020**



Dear Shareholder:

As I write this letter in early April 2020, the personal and business impacts from Covid-19 are mounting. There is no person, sector or business that is not suffering the consequences of the virus in one way or another, with lockdowns that have been implemented across the world forcing businesses to close and disrupting employment and personal lives. Gensource published a commentary news release on March 30, 2020, indicating that it, too, had asked all its employees to work remotely from home (a full two weeks before that date). Gensource is fortunate that its business activities can, and are, carrying on with only minor impacts from the crisis. Our best wishes go out to those on the front lines of this situation and to those who are or whose families are directly affected.

Looking back, it is clear that 2019 was the year Gensource has been working towards. It was our watershed year, where the first project, named the Tugaske Project, took shape and entered the project finance process in earnest. By “taking shape”, I mean:

- We signed an MOU for both off-take and investment with Helm AG of Germany and its subsidiary, Helm Fertilizers Company in the United States. Helm will purchase 100% of the product produced from the project into its existing network in the US market.
- We also signed an MOU with an independent financial investor for direct equity investment at the project level.
- Gensource mandated KfW-IPEX Bank of Germany to be the lead arranger for the debt component of the project finance package and, as of this date, we are progressing well to complete the detailed due diligence process in support of the financing.

Now, with 40-45% of the required equity identified through Helm and through a second independent financial investor, and with the debt financing process in full swing, Gensource is confident that the project will achieve its financing goals in summer of 2020 and will move into the detailed engineering and construction phase. It has been a long road achieving the progress so far and the “real work” of actually constructing the project is yet to come, but 2019 was a year to celebrate for all the milestones reached and progress realized.

Gensource’s new approach to potash development hasn’t progressed linearly along a fully defined timeline because it is not just a project that needs to be financed and constructed. It is a project, yes, but it is also the creation of a new structure in an industry dominated by legacy business and supply chain structures. We have kept shareholders up to date on progress and expected timing on key activities as we have progressed. Although some of these forecasts have not always been realized, we have none-the-less made remarkable progress, and we have our supportive shareholder base to thank for that. Charting new waters is an iterative process and Gensource works towards its goals with steadfast belief that what it is accomplishing

is good for our environment, good for local Saskatchewan communities, good for the potash industry, good for the agricultural grower, and ultimately, good for its shareholders.

We are building a new and independent potash producer in Saskatchewan and we are excited to see what new milestones will be achieved in 2020.

You can always contact us by email, through our website ([www.gensource.ca](http://www.gensource.ca)) or at the office by phone, with any questions you may have – we will be happy to respond.

Best Regards,

Mike Ferguson, P.Eng.  
President & CEO

**GENSOURCE POTASH CORPORATION**  
**NOTICE OF THE ANNUAL AND SPECIAL MEETING**  
**OF HOLDERS OF COMMON SHARES**  
**TO BE HELD ON May 29, 2020**

**To the Holders of Common Shares:**

Notice is hereby given that an annual and special meeting (the “**Meeting**”) of the holders of common shares (the “**Common Shares**”) of GENSOURCE POTASH CORPORATION (the “**Company**”) will be held electronically (due to the COVID-19 virus) at 9:00 a.m. (CST) on Friday, May 29, 2020, for the following purposes:

- (1) to receive the audited financial statements of the Company, together with the report of the auditor thereon, for the year ended December 31, 2019;
- (2) to elect the directors of the Company for the ensuing year;
- (3) to appoint the auditor of the Company for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
- (4) to consider, and if deemed advisable, pass a resolution re-approving the Company’s rolling stock option plan; and,
- (5) to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular and the schedules thereto.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is April 9, 2020 (the “**Record Date**”). Shareholders of the Company whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

**A shareholder may attend the Meeting electronically or may be represented by proxy.**

**Attending the ASGM electronically**

This year we will be conducting a virtual ASGM, giving you the opportunity to attend the ASGM online, using your smartphone, tablet or computer. You will be able to view a live webcast of the meeting, ask the board questions and submit your votes in real time. Simply go to <https://web.lumiagm.com/282871595> in your web browser (not a Google search) on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge and Firefox. Please ensure your browser is compatible by login in early. PLEASE DO NOT USE INTERNET EXPLORER. If you have voting rights, select “I have a control number / Login” and enter your username and password. Please refer to your “Form of Proxy” for details of the username and password. If you don’t, select “Guest” and fill in the form. **You will be able to log into the site at 08:45 am (CST), May 29<sup>th</sup>, 2020.**

**Registered shareholders are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof even if you do plan to attend the Meeting electronically. To be effective, the enclosed proxy must reach or be deposited with the Company c/o TSX Trust Company, Attn: Proxy Department, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 (the “Registrar”), or by facsimile at 1-(416)-595-9593 not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof. Alternatively, as described further in the accompanying form of proxy, proxies may be voted using the Internet at [www.voteproxyonline.com](http://www.voteproxyonline.com). The Chairman of the Meeting may waive the proxy cut-off without notice.**

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his or her attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and/or officers of the Company. Each shareholder has the right to appoint a proxyholder other than such persons, who need not be a shareholder, to attend and to act for such shareholder and on behalf of such shareholder at the Meeting. To exercise such right, the names

of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a shareholder should be delivered by facsimile to the Registrar at **1-(416)-595-9593** or using the internet at **www.voteproxyonline.com..**

Dated at Saskatoon, Saskatchewan this 20<sup>th</sup> day April 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(Signed) Michael J. Ferguson*

Michael J. Ferguson  
Chairman of the Board of Directors

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**GENSOURCE POTASH CORPORATION**  
**MANAGEMENT INFORMATION CIRCULAR FOR**  
**THE ANNUAL AND SPECIAL MEETING**  
**OF HOLDERS OF COMMON SHARES**  
**TO BE HELD ON May 29, 2020**

**SOLICITATION OF PROXIES**

This management information circular (“**Management Information Circular**”) is furnished in connection with the solicitation of proxies by the management of **GENSOURCE POTASH CORPORATION** (the “**Company**”) for use at the annual and special meeting (the “**Meeting**”) of holders of common shares (“**Common Shares**”) of the Company to be held electronically (due to the COVID-19 virus) at 9:00 a.m. (CST) on Friday, May 29, 2020 (and any adjournment thereof) for the purposes set forth in the Notice of Meeting (the “**Notice**”). Shareholders are requested to carefully review the information herein that describes the purposes of the Meeting.

The enclosed proxy is solicited by the management of the Company. The solicitation of proxies will be conducted primarily by mail. However, directors, officers and regular employees of the Company may also solicit proxies by telephone, facsimile, e-mail or in person without special compensation. The cost of solicitation by management will be borne directly by the Company.

**Appointment and Revocation of Proxies**

The individuals named as appointed proxyholders in the accompanying form of proxy are Michael Ferguson, the President, Chief Executive Officer and a director of the Company, and failing him, Paul Martin, a director of the Company.

A shareholder has the right to appoint a person to attend and act for the shareholder and on the shareholder’s behalf at the Meeting other than the persons designated in the form of proxy. A shareholder may exercise such right by inserting the name of the desired person in the blank space provided in the form of proxy or by completing another form of proxy.

To be valid, a proxy must be in writing and executed by the shareholder or its attorney authorized in writing, or if the shareholder is a corporation, an authorized officer or attorney. Completed proxies must be delivered to the Company c/o TSX Trust Company, Attn: Proxy Department, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 (the “**Registrar**”) (fax no. 1-416-595-9593), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof. Alternatively, as described further in the accompanying form of proxy, proxies may be voted using the Internet at [www.voteproxyonline.com](http://www.voteproxyonline.com). The Chairman of the Meeting may waive the proxy cut-off without notice.

A shareholder who has executed a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy and Section 110(4) of the *Business Corporations Act* (Ontario). A proxy may be revoked by either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the shareholder or by his attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized, and by depositing the same at the offices of TSX Trust Company, Attn: Proxy Department, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1 (the “**Registrar**”) (fax no. 1-416-595-9593) at any time up to an including the last business day preceding the day of the Meeting or with the Chairman of the Meeting on the day of the Meeting or in any other manner permitted by law. Such instrument will not be effective with respect to any matter of which a vote has already been cast pursuant to such proxy.

Shareholders are cautioned that the use of mail to transmit proxies is at the shareholder’s risk.



### Exercise of Discretion by Proxies

The Common Shares represented by a properly executed proxy will be voted for or against or be withheld from voting on each matter referred to in the Notice, in accordance with the instructions of the shareholder, on any ballot that may be called for. If the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. The enclosed proxy grants discretionary authority to the named proxyholders with respect to matters identified in the accompanying Notice. **If a shareholder does not specify a choice, the Common Shares represented by a proxy given to the persons designated by management in the proxy are intended to be voted FOR all matters specified in the Notice.**

The enclosed proxy also confers discretionary authority upon the proxyholder named therein with respect to any amendments or variations to the matters identified in the Notice and any other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting, it is the intention of the persons designated in the accompanying form of proxy to vote in accordance with their best judgment on such matter or business, exercising discretionary authority. At the time of printing of this Management Information Circular, management of the Company is not aware of any such amendment, variation or other matter which may be presented at the Meeting.

### Information for Non-Registered (Beneficial) Owners of Common Shares

The Common Shares owned by many shareholders are not registered on the records of the Company in the beneficial shareholders' own names. Rather, such Common Shares are registered in the name of a securities dealer, bank or other intermediary, or in the name of a clearing agency (referred to in this Management Information Circular as "Intermediaries"). Shareholders who do not hold their Common Shares in their own names (referred to in this Management Information Circular as "non-registered owners") should note that **only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. A non-registered owner cannot be recognized at the Meeting for the purposes of voting his or her Common Shares unless such holder is appointed by the applicable Intermediary as a proxyholder.**

The Meeting materials are being sent to both registered shareholders and non-registered owners. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the securities on your behalf.

Non-registered owners who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as non-objecting beneficial owners ("**NOBOs**"). Those non-registered owners who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as objecting beneficial owners ("**OBOs**").

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the Meeting materials directly to the NOBOs, and indirectly to the OBOs through their Intermediaries. By choosing to send the Meeting materials directly to NOBOs, the Company (and not the Intermediary holding Common Shares on behalf of the NOBOs), has assumed responsibility for (i) delivering the Meeting materials to the NOBOs, and (ii) executing their proper voting instructions.

If you are a NOBO, please complete and return the voting instruction form (as opposed to the form of proxy) accompanying this Management Information Circular as specified in the voting instruction form. If you are an OBO, the Intermediary holding the Common Shares on your behalf is required to forward the Meeting materials to you (unless you have waived your right to receive them) and to seek your instructions as how to vote your Common Shares in respect of each of the matters described in this Management Information Circular to be voted on at the Meeting. **Each Intermediary has its own procedures which should be carefully followed by non-registered owners who are OBOs to ensure that their Common Shares are voted by the Intermediary on their behalf at the Meeting.** The instructions for voting will be set out in the form of proxy or voting instruction form provided by the Intermediary. OBOs should contact their Intermediary and carefully follow the voting instructions provided by such Intermediary. Alternatively, OBOs who wish to vote their Common Shares in person at the Meeting may do so by appointing themselves as the proxy nominee by writing their own name in the space provided on the form of proxy or voting instruction form provided to them by the Intermediary and following the Intermediary's instructions for return of the executed form of proxy or voting instruction form.

### **Voting Securities and Principal Holders of Voting Securities**

The Company is authorized to issue an unlimited number of Common Shares of which 368,499,090 are issued and outstanding as of the date hereof. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is May 9, 2020 (the “**Record Date**”). Shareholders of the Company whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, as at the date hereof, no person or company beneficially owns or exercises control or direction over, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company.

### **Interest of Certain Persons In Matters to be Acted Upon**

Other than certain officers and consultants of the Company who are entitled to receive stock options of the Company pursuant to the Option Plan (as defined below), no person who has been a director or executive officer of the Company at any time since the beginning of its last completed financial year, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Management Information Circular.

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

### **1. FINANCIAL STATEMENTS AND AUDITOR’S REPORT**

At the Meeting, shareholders will be presented with the audited financial statements of the Company for the fiscal year ended December 31, 2019 and the auditor’s report thereon, but no vote by the shareholders with respect thereto is required or proposed to be taken.

### **2. ELECTION OF DIRECTORS**

The Articles of the Company provide that the board of directors of the Company (the “**Board**”) shall consist of a minimum of three (3) directors and a maximum of nine (9) directors. At the Company’s annual and special meeting held on July 7, 2011, shareholders passed a special resolution empowering the Board to determine, from time to time, the number of directors of the Company and the number of the directors of the Company to be elected at the annual meeting of the shareholders of the Company. Prior to last year’s shareholders’ meeting, the Board set the number of directors to be elected at four (4) and four directors were elected at the meeting. One director was appointed on April 1, 2020; therefore, the Board currently consists of five (5) directors. The Board has set the number of directors to be elected at the Meeting at five (5) and it is intended that five (5) directors are to be elected at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form of proxy in favour of the election as directors of the five (5) Owner nominees set forth in the following table to serve as directors of the Company until the next annual meeting of the shareholders or until his successor is elected or appointed.

Management does not contemplate that any of the nominees will be unable to serve as directors but, if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of proxy reserve the right to vote for another nominee at their discretion. Each director elected will hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed unless prior thereto, he or she resigns or his or her office becomes vacant by reason of death or other cause.

**The Board recommends that shareholders vote “FOR” the election of the nominees to the Company’s Board.**

The following table, among other things, sets forth the names of all persons proposed to be nominated for election as directors, their place of residence, their position with the Company, their principal occupations during the past five years and the number of Common Shares they beneficially own, control or direct, directly or indirectly. The statement as to the number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by the persons named in the below table is in each instance based upon information furnished by such individual concerned.

Name and Place of Residence	Principal Occupation During Past 5 Years	Director Since	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly by Nominee
Michael J. Ferguson <sup>(2)</sup> British Columbia, Canada	President and CEO of the Company (July 2013 – Present); President of FCON Consulting Ltd. (from January 2007 – Present); Vice President, Projects of Potash One Inc. (from January 2008 – January 2011)	July 2013	15,682,208 <sup>(2)</sup>
Paul Martin <sup>(1)</sup> Saskatchewan, Canada	Chair of Martin Charlton Communications (February 1, 2010 – Present), serves as a Saskatchewan Chair of The Executive Committee (TEC Canada). (March 2002 – Present), Corporate Director of First Nations Power Authority (not National) (October 2011 – Nov. 2014); business broadcaster/writer/commentator (1982 – Present), Chair of Des Nedhe Management Board of Directors (August 2018 – Present)	July 2013	2,484,615
Calvin Redlick <sup>(1)</sup> London, United Kingdom	Managing Director – CS Redlick (2013 – present), Former global investment banker -Wyvern Partners, Mitsubishi UFJ Securities, DTZ Corporate Finance, BNP Paribas, CIBC Wood Gundy, Sumitomo-Mitsui	November 2017	470,421
Michael P. Mueller <sup>(1)</sup> Ontario, Canada	Former senior executive at TD Bank and CEO of MDS Capital, corporate director including chairman of the Board at PSP Investments (2006 -2018), current Chairman at Laurentian Bank Canada Financial Group, Chairman of Revera Senior Living, board member of Medexus Pharmaceuticals and Smarter Alloys.	July 2018	833,333
Amy O’Shea	President and CEO of Certis USA, former Vice President and Business sector, North American Agricultural Solutions – FMC Corporation, current board member for Intag systems	April 1, 2020	NIL

Notes:

- (1) Member of the Audit Committee,
- (2) Mr. Ferguson is the beneficial owner of 50% of the shares owned by MGCI Holdings the remaining 50% of the shares are owned by Mr. Ferguson's spouse.

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 19,470,577 Common Shares, representing approximately 5.08% of the issued and outstanding Common Shares as of the date hereof.

#### Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no proposed director of the Company:

- (a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that:
  - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days (any such order, an "Order") while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any issuer (including the Company), that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the proposed director's assets; or
- (c) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

#### Penalties or Sanctions

Other than as disclosed below, no proposed director of the Company has been subject to:

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

Mr. Martin was a director of Big Sky Farms Inc. when it filed for protection under the *Companies' Creditors Arrangement Act* in 2010, and chair when it subsequently went into receivership in 2012.

### **3. APPOINTMENT OF AUDITOR**

Meyers Norris Penny LLP ("MNP") are the independent registered certified accountants of the Company. effective June 9, 2015. MNP has audited the financial statements of the corporation for the fiscal years ending December 31, 2015, December 31, 2016, December 31, 2017, December 31, 2018 and December 31, 2019.

Management now proposes that MNP be appointed as the Company's auditors to hold office until the next annual meeting of Shareholders, at a remuneration to be fixed by the Board.

**Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the appointment and ratification of MNP as auditors of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board to fix the remuneration of the auditors.**

#### **4. 2007 STOCK OPTION PLAN – ANNUAL APPROVAL**

The TSXV requires all listed companies with a 10% rolling stock option plan to obtain annual shareholder approval of such a plan. Shareholders will be asked at the Meeting to vote on a resolution to approve, for the ensuing year, the Company's 2007 stock option plan (the "Option Plan"), previously adopted by the Company on August 16, 2007, and as amended on June 6, 2011 and April 13, 2018.

The Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, or any subsidiary of the Company, the option to purchase Common Shares. The Option Plan provides for a floating maximum limit of 10% of the outstanding Common Shares as permitted by the policies of the TSXV. As at the date hereof, this represents 38,283,293 Common Shares available under the Option Plan.

Outstanding options to purchase a total of 32,648,859 Common Shares have been issued to directors, officers, employees and consultants of the Corporation and remain outstanding. As at the date hereof, the number of Common Shares remaining available for issuance under the Plan is 6,634,434. For a brief description of the Option Plan, please see: "*Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan*". The full text of the Plan is also attached as schedule "B" to the management information circular dated April 13, 2018 for the previous annual and special meeting of shareholders of the Company held on June 21, 2019 which is available on company's provide on [www.SEDAR.com](http://www.SEDAR.com)

The Option Plan requires disinterested shareholder approval. At the Meeting, shareholders will be asked to consider and if deemed appropriate, to approve an ordinary resolution approving the Option Plan. The votes attaching to shares beneficially owned by insiders to whom options may be granted under the Option Plan; and by their associates will be excluded from voting on the approval of the Option Plan. In order to pass, such ordinary resolution requires the affirmative vote of a simple majority of the Common Shares present and voting at the Meeting, whether in person or by proxy, excluding 33,274,148 common shares which represent votes attaching to shares beneficially owned by insiders and their associates to whom options may be granted under the Option Plan. Unless otherwise directed, it is the intention of management to vote proxies in favour of an ordinary resolution in the form set out below to approve the Option Plan.

**The Board recommends that shareholders vote "FOR" the re-approval of the Company's Option Plan.**

#### **5. OTHER BUSINESS**

As of the date of this Management Information Circular, the Board and the management of the Company are not aware of any matters to come before the Meeting other than those matters specifically identified in the accompanying Notice of Meeting. However, if such other matters properly come before the Meeting or any adjournment(s) thereof, the persons designated in the accompanying form of proxy will vote thereon in accordance with their judgment pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

### **EXECUTIVE COMPENSATION**

#### **(a) Named Executive Officers**

For the purposes of this Management Information Circular, a named executive officer of the Company means each of the following individuals:

- (a) a chief executive officer ("**CEO**") of the Company;
- (b) a chief financial officer ("**CFO**") of the Company;

- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 – *Statement of Executive Compensation (in respect of years ending on or after December 31, 2008)* ("Form 51-102F6"), for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

For the year ended December 31, 2019, the Company had the following named executive officer: Michael Ferguson, President and CEO., Robert Theoret, CFO and Deborah Morsky, VP Corporate Services (, a "**Named Executive Officer**" or "**NEO**"). No other individuals are considered "Named Executive Officers" as such term is defined in Form 51-102F6.

## **(b) Compensation Discussion and Analysis**

This compensation discussion and analysis describes the Company's policies and practices with respect to the 2018 compensation of its Named Executive Officers. Neither the Company nor the Compensation Committee has adopted any formal policies to determine executive compensation. Compensation for the Company's most recently completed fiscal year and prior fiscal years was based upon a negotiated salary, with the potential granting of options and bonus being paid as additional incentive. The Corporate Governance and Nomination Committee has the responsibility of administering the compensation policies related to the executive management of the Company, being the CEO and the CFO, and recommending compensation to the Board for approval by the independent directors. The Corporate Governance and Nomination Committee meet as frequently as is necessary to carry out its responsibilities. The Corporate Governance and Nomination Committee considers annual compensation in light of a number of factors, including (but not limited to) the financial performance and position of the Company, the historical level of compensation received by the management team and the contributions of the management team to the advancement of the Company's business objectives.

Executive officers of the Company are eligible to receive stock options pursuant to the Company's Option Plan, which are intended to, among other things, attract and retain executives, and closely align the interests of executives with those of the Company's shareholders. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options previously granted to each executive officer and the exercise price of any outstanding options to ensure that such grants are consistent with the purpose of the Option Plan and executive compensation policies of the Company, and with the policies of the TSXV.

### Compensation Risk

Regarding compensation risk, the directors have adopted a strategy of providing the Company's executives with a combination of fixed salary and long-term incentives such as stock options to ensure that these individuals do not engage in high risk behavior which could add undue risk to the Company, minimizing the risk of an over-emphasis on short-term gain by executives at the expense of long-term performance of the Company.

### Hedging

The Company does not prohibit Named Executive Officers or directors from purchasing financial instruments such as prepaid variable forward contracts or equity swaps, collars, or units of exchange funds, or other financial instruments designed to hedge or offset a decrease in market value of securities granted as compensation held, directly or indirectly, by a NEO or director. However, neither the Board nor management is aware that any such individual has in the past bought or currently holds such instruments.

**(c) Summary Compensation Table**

The following table sets forth, for the Company's three most recently completed financial years, information concerning the compensation paid to the Company's Named Executive Officers. The Company does not have a pension or retirement plan and has not granted any awards under a long-term incentive plan.

Name and principal position	Year	Salary (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans		
<b>Michael Ferguson</b> <sup>(2)</sup> <i>President and Chief Executive Officer and Director</i>	2019	300,000	281,772	Nil	Nil	Nil	581,772
	2018	575,000	59,734	Nil	Nil	Nil	634,734
	2017	360,000	160,108	Nil	Nil	Nil	520,108
<b>Robert Theoret</b> <sup>(3)</sup> <i>Chief Financial Officer</i>	2019	180,000	197,240	Nil	Nil	Nil	377,240
	2018	342,000	59,734	Nil	Nil	Nil	401,734
	2017	180,000	160,108	Nil	Nil	Nil	340,108
<b>Deborah Morsky</b> <sup>(4)</sup> <i>VP Corporate Services</i>	2019	180,000	140,886	Nil	Nil	Nil	320,886
	2018	305,000	59,734	Nil	Nil	Nil	364,734
	2017	180,000	160,108	Nil	Nil	Nil	340,108

Notes:

(1) The Company follows guidance in the CICA Handbook *Section 3870 Stock-Based Compensation and Other Stock-Based Payments*, which requires that a fair value-based method of accounting be applied to all stock-based payments. The fair value of stock-based compensation is recorded as a charge to net earnings with a corresponding credit to contributed surplus. The fair value of incentive stock options granted to directors, officers and consultants are calculated using the Black-Scholes valuation model. The fair value for each stock option was estimated using the following weighted average assumptions between:

Risk free rate	1.54 – 1.86%
Expected life	Determined by the terms and conditions of each stock option (5 years).
Expected volatility	Determined by the closing sale price for the Company's Common Shares for a historical time interval equal to the expected life of the stock options, adjusted to reflect various factors including non-recurring price volatility and TSXV hold periods (112% - 114%).
Expected dividend yield	0%.
Weighted Average Share Price	\$0.10 - \$0.14

(2) Mr. Ferguson was appointed CEO of the Company on July 1, 2013 and President of the Company on November 1, 2013. Mr. Ferguson is the President of FCON Consulting Ltd.

(3) Mr. Theoret was appointed CFO of the Company on October 1, 2013.

(4) Ms. Morsky was appointed VP Corporate Services on July 1, 2013. Ms. Morsky is the President of 101188810 Saskatchewan Ltd.

**(d) Incentive Plan Awards**

**(i) Outstanding Option-Based Awards and Share-Based Awards**

The following table sets forth for each Named Executive Officer all option-based awards outstanding as at April 9, 2020. The Company had no share-based awards outstanding as at April 9, 2020.

Name	Option-Based Awards			
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)
Michael Ferguson	1,000,000	0.06	06/06/21	25,000
	1,000,000	0.13	16/02/22	0
	500,000	0.09	01/02/23	0
	2,500,000	0.14	12/10/24	0
Robert Theoret	620,000	0.07	16/04/20	9,300
	1,000,000	0.06	06/06/21	25,000
	1,000,000	0.13	16/02/22	0
	500,000	0.09	01/02/23	0
	1,750,000	0.14	12/10/24	0
Deborah Morsky	628,859	0.07	16/04/20	9,433
	1,000,000	0.06	06/06/21	25,000
	1,000,000	0.13	16/02/22	0
	500,000	0.09	01/02/23	0
	1,250,000	0.14	23/10/24	0

Note:

(1) Value of unexercised in-the-money options is equal to the difference between the \$0.085 closing price of the Company's Common Shares on the TSXV on April 9, 2020 ( and the exercise price of options outstanding, multiplied by the number of Common Shares available for purchase under such options.

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

The following table sets forth the value vested or earned during the year ended December 31, 2019 of incentive plan awards granted to Named Executive Officers.



Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Ferguson	Nil	N/A	N/A
Robert Theoret	Nil	N/A	N/A
Deborah Morsky	Nil	N/A	N/A

Note:

- (1) Amount represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the market price of the Common Shares underlying the options on the TSXV on the vesting date and the exercise price of the options.

**(e) Termination and Change of Control Benefits**

**Termination and Change of Control Benefits**

Payments upon Termination

Pursuant to management services agreements entered into with each of Ferguson, Theoret and Morsky the Company is entitled to terminate their employment without cause by providing payment to each of them equal to their respective consulting fees and reimbursements owing up to and including the date of their termination.

Payments upon Change of Control

In addition, Ferguson's, Theoret's and Morsky's management services agreements contain provisions pursuant to which they are entitled to receive additional payments in certain circumstances following a "Change of Control". A "Change of Control" means the occurrence of any one or more of the following events:

- (a) any person or combination of persons obtains a sufficient number of securities of the Company to affect materially the control of the Company; for the purposes of Ferguson's, Theoret's and Morsky's management services agreements, a person or combination of persons holding shares or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast 50% or more of the votes attaching to all Common Shares which may be case to elect directors of the Company, shall be deemed to be in a position to affect materially the control of the Company;
- (b) the Company shall consolidate or merge with or into, amalgamate with, any other person (other than a subsidiary of the Company) and, in connection therewith, all or part of the outstanding Common Shares shall be changed in any way, reclassified or converted into, exchanged or otherwise acquired for Common Shares or other securities of the Company or any other person or for cash or any other property; or
- (c) there occurs a change in the composition of the Board, which occurs at a single meeting, or a succession of meetings occurring within six (6) months of each other, of the Shareholders, whereby such individuals who were members of the Board immediately prior to such meeting or succession of meetings cease to constitute a majority of the Board without the Board, as constituted immediately prior to such meeting, approving of such change.

In the event of an occurrence of a Change of Control, Ferguson, Theoret and Morsky shall each have the right to elect to terminate their respective management services agreements with the Company and receive a lump sum payment equivalent to 12 months of their consulting fees. In Addition, if either Ferguson, Theoret or Morsky exercises his/her right to terminate his/her management services agreement upon the occurrence of a Change of Control, all unvested stock options granted to them shall immediately vest and be exercisable for a period of 90 days from the end of the 12-month period. All payments and entitlements are conditional upon either Ferguson, Morsky or Theoret electing to

exercise such rights described herein by written notice given to the Company within 365 days of the Change of Control. Ferguson, Theoret or Morsky shall also be entitled to receive any consulting fees and reimbursements owing up to and including the date of their termination should they elect to terminate their respective management services agreements within 365 days following a Change of Control.

**Estimated Incremental Payment on Change of Control or Termination**

The following table summarizes the estimated incremental payments that would be provided by the Company to each NEO, following, or in connection with one of the termination scenarios below. The actual amount an NEO would receive on a termination of employment can only be determined at that time as it will depend on a number of variables, including the Common Share price. The amounts noted below assume that the termination event took place on December 31, 2017.

Name	Triggering Event	Base Salary/Total Cost Remuneration Package (\$)	Bonus (\$)	Options (\$) <sup>(1)</sup>	Other Benefits (\$)	Total (\$)
Michael Ferguson	Change of Control Termination without Cause	300,000 Nil	Nil Nil	25,000 25,000	Nil Nil	325,000 25,000
Robert Theoret	Change of Control Termination without Cause	180,000 Nil	Nil Nil	34,300 34,300	Nil Nil	214,300 34,300
Deborah Morsky	Change of Control Termination without Cause	180,000 Nil	Nil Nil	34,432 34,300	Nil Nil	214,432 34,300

Note:

- (1) This amount represents the value of the outstanding options on December 31, 2019, valued by multiplying (a) the difference between \$0.115 (the closing price of the Common Shares on the TSXV on December 31, 2019) and the options' exercise prices, by (b) the number of options held by each NEO, and using the December 31, 2019 closing price of the Common Shares.

**(f) Compensation of Directors**

Directors are entitled to participate in the Option Plan.

**(i) Director Compensation Table**

The following table sets forth, for the year ended December 31, 2019, information concerning the compensation paid to the Company's directors who were not NEOs.

Name	Fees earned (\$)	Option-based awards <sup>(1)</sup> (\$)	All other compensation (\$)	Total (\$)
Paul Martin	Nil	124,261	Nil	124,261
Calvin Redlick	Nil	20,812	Nil	20,812
Michael Mueller	Nil	152,438	Nil	152,438

Notes:

- (1) See note 1 to the Summary Compensation Table for NEOs above for information regarding the determination of the fair value of options granted to directors.

**(ii) Outstanding Option-Based Awards and Share-Based Awards**

The following table sets forth for each director who is not a NEO all option-based awards outstanding as at April 9, 2020. The Company had no share-based awards outstanding as at April 9, 2020.

Name	Option-Based Awards			
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)
Paul Martin	500,000	0.07	19/04/20	7,500
	500,000	0.13	16/02/22	0
	500,000	0.09	01/02/23	0
	500,000	0.11	31/01/24	0
	750,000	0.14	23/10/24	0
Calvin Redlick	1,000,000	0.08	13/11/22	5,000
	500,000	0.09	01/02/23	0
	1,000,000	0.145	13/06/23	0
	500,000	0.11	31/01/24	0
	750,000	0.14	23/10/24	0
Michael Mueller	1,000,000	0.12	17/07/23	0
	500,000	0.11	31/01/24	0
	1,000,000	0.14	23/10/24	0
Amy O'Shea <sup>(2)</sup>	1,000,000	0.085	31/03/25	0

**Notes:**

- (1) Value of unexercised in-the-money options is equal to the difference between the \$0.085 closing price of the Company's Common Shares on the TSXV on April 9, 2020 record and the exercise price of options outstanding, multiplied by the number of Common Shares available for purchase under such options.
- (2) Ms. O'Shea was appointed interim director on April 1, 2020.

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

The following table sets forth the value vested or earned during the year ended December 31, 2019 plan awards granted to directors who are not NEOs.

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Paul Martin	\$NIL	N / A	N / A
Calvin Redlick	\$NIL	N / A	N / A
Michael Mueller	\$Nil	N / A	N / A

Note:

- (1) Amount represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the market price of the Common Shares underlying the options on the TSXV on the vesting date and the exercise price of the options.

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

***Stock Option Plan***

The Option Plan is a 10% “rolling” stock option plan. Pursuant to the policies of the TSXV, rolling stock option plans, such as the Option Plan, must receive shareholder approval on an annual basis. The Option Plan was last approved by shareholders on June 21, 2019 at the last annual and special meeting of the Company.

Pursuant to the Option Plan, the Board may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries.

The purpose of the Option Plan is to encourage directors, officers, employees and consultants to acquire Common Shares and to advance the interests of the Company by: (i) increasing their proprietary interest in the Company; (ii) aligning their interests with the interests of the Company’s shareholders generally; (iii) encouraging them to remain associated with the Company; (iv) furnishing them with an additional incentive in their efforts on behalf of the Company; and (v) enabling the Company to attract and retain valued directors, officers, employees and consultants.

The aggregate number of Common Shares issuable under the Option Plan shall not, at the time of the option grant, exceed 10% of the total number of issued and outstanding Common Shares (calculated on a non-diluted basis) unless the Company receives the permission of the TSXV (or any other stock exchange or exchanges on which the Common Shares are then listed) to exceed such threshold.

The term of the options shall be five (5) years from the date of the grant. The number of shares which may be reserved for issuance to any one individual within a 12-month period may not exceed 5% of the issued Common Shares or 2% if the optionee is a consultant. The Board has the discretion to issue options with immediate vesting or subject to a vesting schedule which will occur generally as to 1/3 on the one-year anniversary of the grant date, 1/3 on the two-year anniversary of the grant date and 1/3 on the three-year anniversary of the grant date. Options granted to employees or consultants engaged in investor relations activities shall not vest at a rate higher than 25% a quarter. The exercise price shall not be less than the Discounted Market Price as defined in Policy 4.4 of the TSXV or such greater price as may be determined by the Board. The full text of the Plan is available upon request and is also attached as schedule “B” to the management information circular dated April 13, 2018 for the previous annual and special meeting of shareholders of the Company held on June 1, 2018 which is available on the Company’s profile on [www.SEDAR.com](http://www.SEDAR.com)

***Equity Compensation Plan Information***

The following table provides details of the equity securities of the Company authorized for issuance as of the financial year ended December 31, 2019 pursuant to the Option Plan currently in place:

Plan category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding Common Shares reflected in column (a)) (c)
Equity compensation plans approved by security holders	31,648,859	\$0.076	6,634,434
Equity compensation plans not approved by security holders	Nil	Nil	Nil

<b>Total</b>	31,648,859 <sup>(1)(2)</sup>		6,634,434
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Notes:

- (1) Based on a total of 38,283,293 stock options issuable pursuant to the Option Plan as at December 31, 2019  
(2) Representing approximately 10% of the issued and outstanding Common Shares as at December 31, 2019.

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

None of the Company's or any of its subsidiaries' directors, executive officers or employees or former directors, executive officers or employees, nor any associate of such individuals, nor any proposed nominee for election as a director of the Company is as at the date hereof, or has been, during and since the year ended December 31, 2019, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

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

For the purposes of this Management Information Circular, an "informed person" means (i) a director or officer of the Company, (ii) a director or officer of a person or company that is itself an informed person or a subsidiary of the Company, (iii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Company, or (iv) the Company, if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

No informed person has had a material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company.

## **STATEMENT OF CORPORATE GOVERNANCE**

Set out below is a description of the corporate governance practices of the Company as required by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

### **1. Board of Directors.**

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes effective decision making at the Board level.

NI 58-101 defines an "independent director" as a director who has no direct or indirect "material relationship" with the issuer. A "material relationship" is as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board facilitates its exercise of independent supervision over management by having a majority of directors serve as "independent" directors. Three of the four current directors, namely Paul Martin, Calvin Redlick and Michael Mueller are independent directors. Michael Ferguson is President and Chief Executive Officer of the Company and has a "material relationship" with the Company and is thereby not considered to be an independent director. In order to ensure independence from management the independent directors meet separately from management at least quarterly.

The Board believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. The Board meets without management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in National Policy 58-201 – Corporate Governance Guidelines, the Board convenes meetings, as deemed necessary, of the independent directors, at which non-independent directors and members of management are not in attendance.

## **2. Directorships.**

None of the directors of the Company are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction.

## **3. Orientation and Continuing Education.**

The Company does not have a formal process for orientation of new directors. The Board encourages directors to participate in continuing education programs.

## **4. Ethical Business Conduct.**

The Board has approved a Governance Manual containing a Code of Conduct and related policies and procedures to encourage and promote a culture of ethical business conduct.

## **5. Nomination of Directors.**

Directors are nominated by a majority of the Board. Prior to Board approval, new candidates are screened and interviewed, and their qualifications considered.

## **6. Compensation.**

Compensation of management and the directors of the Company is recommended to the board by the Governance and Nominating Committee and approved by the independent members of the Board. Compensation is determined by reference to the market, the size and complexity of the Company and the personal contribution of each individual to the Company. See "*Information Concerning the Company – II. Executive Compensation – (b) Compensation Discussion and Analysis*" above for further details.

## **7. Committees.**

Audit Committee. See "*Audit Committee*" below for further details about the Audit Committee.

Governance and Nominations Committee

## **8. Assessments.**

The Board does not consider formal assessments useful, given the stage of the Company's business and operations. The Board conducts informal annual assessments of the performance of the Board as a whole, the committees of the Board, and each of the individual directors in order to satisfy itself that each is functioning effectively.

## **AUDIT COMMITTEE INFORMATION**

In accordance with applicable Canadian securities legislation and, in particular, National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), information with respect to the Company's Audit Committee is set out below.

### **1. Audit Committee Charter**

The text of the Charter of the Audit Committee is attached hereto as Schedule "A".

### **2. Composition of the Audit Committee**

The Audit Committee is currently comprised of Calvin Redlick (who serves as chair), Paul Martin and Michael Mueller, of whom Calvin Redlick, Paul Martin and Michael Mueller are financially literate and independent as defined in NI 52-110.

### **Relevant Education and Experience**

Each of the members of the Audit Committee has the education and/or experience that is relevant or necessary for them to carry out their duties as a member of the Audit Committee.

Mr. Martin serves as the Chair of Martin Charlton Communications and Chair of the Executive committee of the corporation.

Mr. Mueller served as senior executive at TD Bank, former Chairman of the Board of PSP investments, current Chairman of the Board of Laurentian Bank Canada Financial group.

Mr. Redlick, LLB, served as a global investment banker -Wyvern Partners, Mitsubishi UFJ Securities, DTZ Corporate Finance, BNP Paribas, CIBC Wood Gundy, Sumitomo-Mitsui

### **3. Audit Committee Oversight**

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

### **4. Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on an exemption in Section 2.4 of NI 52-110 dealing with the pre-approval of non-audit services, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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

Formal policies and procedures for the engagement of non-audit services have yet to be formed and adopted.

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

**Audit Fees.** The aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees were \$23,500 in 2018 and \$27,000 in 2019.

**Audit-Related Fees.** The aggregate fees billed for audit-related services by the Company's external auditor in each of the last two fiscal years were \$0.00 in 2018 and \$0.00 in 2019.

**Tax Fees.** The aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning were \$2,500 in 2018 and \$2,500 in 2019. The fees related primarily to the compilation of corporate tax returns and related consultation.

**All Other Fees.** There were no other fees billed in respect of other professional services in 2018 and 2019.

### **7. Exemption**

The Company has relied on the reporting exemption set out in Section 6.1 of NI 52-110 available to venture issuers exempting the Company from the requirements of Part 5 (*Reporting Obligations*) of NI 52-110.

## **OFFICERS' AND DIRECTORS' INSURANCE**

The Company has purchased, at its expense, a directors' and officers' liability insurance policy to provide insurance against possible liabilities incurred by them in their capacity as directors and officers of the Company.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company can be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's audited financial statements and management's discussion and analysis for the year ended December 31, 2019 that can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may also contact the Company to request copies by phone by calling 306-974-6414. The Company's financial statements and management's discussion and analysis are also available on the Company's website at [www.gensource.ca](http://www.gensource.ca).

**DIRECTORS' APPROVAL**

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

Dated at Saskatoon, Saskatchewan this 20<sup>th</sup> day of April 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) *Michael J. Ferguson*

Michael J. Ferguson  
Chairman of the Board of Directors



## SCHEDULE "A"

### Charter of the Audit Committee

#### I. Audit Committee Mandate

The Audit Committee (the "**Committee**") of Gensource Capital Corporation (the "**Company**") is appointed by the board of directors of the Company (the "**Board**") to assist the Board in fulfilling its oversight responsibilities of the Company. In so doing, the Committee provides an avenue of communication among the external auditors, management and the Board. The Committee will primarily fulfill this role by carrying out the activities enumerated in this Charter. The Committee is, however, independent of the Board, and in carrying out its role of assisting the Board in fulfilling its oversight responsibilities the Committee shall have the ability to determine its own agenda and any additional activities that the Committee shall carry out. The Audit Committee's primary duties and responsibilities are to:

- (a) Monitor the integrity of Company's financial reporting process and the audit process;
- (b) Monitor risk management and systems of internal controls;
- (c) Monitor the independence, qualifications and performance of the Company's independent auditors; and
- (d) Monitor the Company's compliance with legal and regulatory requirements.

While the Audit Committee has the duties and responsibilities set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. That is the responsibility of management and the independent auditors.

#### II. Reliance on Information and Standard of Care

Members of the Committee, absent actual or suspected knowledge to the contrary (which shall be reported to the Committee), shall be entitled to rely on the integrity and accuracy of all information provided and all representations and reports made to the Committee. In addition, members of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**III. Responsibilities** The Committee's primary duties and responsibilities are as follows:

##### A. Financial Disclosure

1. Review and recommend to the Board for approval the Company's annual and interim financial statements, including any certification, report, opinion or review rendered by the external auditor, and the related management's discussion and analysis ("**MD&A**"), as well as such other financial information of the Company provided to the public or any governmental body as the Committee or the Board requires.
2. Review and recommend to the Board for approval any press releases of the Company that contain financial information.
3. Satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and the related MD&A and periodically assess the adequacy of those procedures.

##### B. Relationship with the External Auditor

1. Recommend to the Board the selection of the external auditor and the fees and other compensation to be paid to the external auditor.
2. Have the authority to communicate directly with the external auditor.
3. Advise the external auditor that it is required to report to the Committee and not to management of the Company.

4. Monitor the relationship between management and the external auditor, including reviewing any management letters or other reports of the external auditor, discussing any material differences of opinion between management and the external auditor and resolving disagreements between the external auditor and management.
5. Review and discuss on an annual basis with the external auditor all significant relationships they have with the Company, its management or employees that might interfere with the independence of the external auditor.
6. Pre-approve all non-audit services (or delegate such pre-approval, as the Committee may determine and as permitted by applicable Canadian securities laws) to be provided by the external auditor.
7. Review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant.
8. Periodically consult with the external auditor out of the presence of management about:
  - (i) any significant risks or exposures facing the Company;
  - (ii) internal controls and other steps that management has taken to control such risks; and
  - (iii) the fullness and accuracy of the financial statements of the Company, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
9. Review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the Company.

#### **C. Audit Process**

1. Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.
2. Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
3. Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.
4. Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.
5. Review with the external auditor and management significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
6. Review the system in place to seek to ensure that the financial statements, MD&A and other financial information disseminated to governmental organizations and the public satisfy applicable requirements.

#### **D. Financial Reporting Processes**

1. Review the integrity of the Company's financial reporting processes, both internal and external, in consultation with the external auditor.
2. Review all material balance sheet issues, material contingent obligations and material related party transactions.

3. Review with management and the external auditor the Company's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto. Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financing reporting.

#### **E. General**

1. The Committee may at its discretion retain independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the Company) the compensation for any such advisors.
2. Respond to requests by the Board with respect to the functions and activities that the Board request the Committee to perform.
3. Periodically review this Charter and, if the Committee deems appropriate, recommend to the Board changes to this Charter.
4. Review the public disclosure regarding the Committee required from time to time by applicable Canadian securities laws, including:
  - (i) the Charter of the Committee;
  - (ii) the composition of the Committee;
  - (iii) the relevant education and experience of each member of the Committee;
  - (iv) the external auditor services and fees; and
  - (v) such other matters as the Company is required to disclose concerning the Committee.
5. Review in advance and approve, the hiring and appointment of the Company's senior financial executives.
6. Perform any other activities as the Committee or the Board deems necessary or appropriate.
7. Overseeing the work of the external auditors engaged to prepare or issue an audit's report or perform other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditors regarding financial reporting.
8. Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by its external auditors.
9. Review the Company's financial statements, the MD&A thereon and annual and interim earnings press releases before such documents are publicly disclosed by the Company.
10. The Committee must satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in A.3 above, and must periodically assess the adequacy of those procedures.
11. Establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
12. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

#### **IV. Authority of the Committee**

The Committee shall have the authority to conduct or authorize investigations into any matter that the Committee believes is within the scope of its responsibilities. The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors engaged by it. The Committee shall also have the authority to communicate directly with the external auditors.

#### **V. Composition**

The Committee shall be comprised of a minimum of three directors as determined and appointed by the Board, a majority of whom shall be independent and financially literate within the meaning of applicable Canadian securities laws. The Board shall designate the Chair of the Committee (the “**Chair**”) annually.

#### **VI. Meetings & Operating Procedures:**

1. The Committee will meet at least four times annually and at least once each financial quarter.
2. A quorum shall be a majority of the members.
3. In the absence of the Chair, the members shall appoint an acting Chair.
4. Minutes of the Committee shall be recorded. A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each Director of the Company in a timely fashion.
5. The Chair shall prepare and/or approve an agenda in advance of each meeting.
6. The Committee, in consultation with management and the external auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Company’s financial policies and disclosures.
7. The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors in advance of meeting dates.
8. The Committee should meet privately in executive session at least quarterly with management, the external auditors and as a committee to discuss any matters that the Committee or each of these groups believes should be discussed.
9. In addition, the Committee or at least its Chair should communicate with management and the external auditors quarterly to review the Company’s financial statements and significant findings based upon the auditor’s limited review procedures.
10. The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.
11. The Committee expects that, in discharging their responsibilities to the shareholders, the external auditors shall be accountable to the Board through the Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

#### **VII. Review Procedures**

The Committee shall review and reassess the adequacy of this Charter at least annually, submit it to the Board for approval and ensure that it is in compliance with the TSX Venture Exchange and regulations of the Ontario Securities Commission.

#### **VIII. Complaint Procedure**

1. Anyone may submit a complaint regarding conduct by the Company or its employees or agents (including its external auditor) reasonably believed to involve questionable accounting, internal accounting controls, auditing or other matters. The Chair will oversee treatment of such complaints.
2. Complaints are to be directed to the attention of the Chair.

3. Complaints may be made in the French or English language and the Chair will deal with a complainant in whatever language they are most comfortable.
4. Complaints may be submitted to the Chair on a confidential basis. The Committee will endeavour to keep the identity of the complainant confidential.
5. The Chair shall lead the review and investigation of a complaint. The Committee shall retain a record of all complaints received. Corrective action will be taken when and as warranted.
6. The above complaint procedures shall be made conspicuously available in both English and French in each place of business of the Company.





