

CLAROCITY CORPORATION



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 25, 2018

AND

**MANAGEMENT INFORMATION CIRCULAR
MAY 16, 2018**

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CLAROCITY CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 25, 2018

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "**Meeting**") of the shareholders of **CLAROCITY CORPORATION** (the "**Corporation**") will be held at 4:30 p.m. (Toronto time) on June 25, 2018 at Conference Centre, 20 Toronto Street, Second Floor, Toronto, Ontario, M5C 2B8, for the following purposes:

- (a) to receive the audited financial statements of the Corporation for the financial year ended December 31, 2017 together with the auditors' report thereon;
- (b) to elect directors of the Corporation for the ensuing year;
- (c) to appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix the remuneration thereof;
- (d) to consider, and if thought appropriate, to approve the stock option plan of the Corporation, pursuant to which the maximum number of common shares available for issuance shall be 10% of the issued and outstanding common shares from time to time; and
- (e) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The management information circular ("**Information Circular**") provides additional information with respect to the matters to be considered at the Meeting and forms part of this notice of the Meeting. Shareholders of the Corporation are invited to attend the Meeting. Shareholders of record at the close of business on May 16, 2018 will be entitled to vote at the Meeting except to the extent that a person has transferred any common shares of the Corporation ("**Common Shares**") after that date and the transferee of such Common Shares produces properly endorsed share certificates or otherwise establishes ownership thereof and requests, not later than 10 days before the Meeting, to be included in the list of shareholders of the Corporation entitled to vote at the Meeting.

Regardless of whether or not you are able to be present at the Meeting, please date, sign and return the form of proxy accompanying this notice of the Meeting. To be effective, forms of proxy must be received by Computershare Trust Company of Canada, Suite 600, 530 – 8th Avenue SW, Calgary, Alberta T2P 3S8, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof.

Non-Registered Shareholders

Shareholders may beneficially own Common Shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary ("**Non-Registered Shareholders**"). **Without specific instructions, intermediaries are prohibited from voting shares for their clients.** If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according to their instructions, sufficiently in advance of the deadline specified by the broker, intermediary or its agent, to ensure that they are able to provide voting instructions on your behalf.

DATED this 16th day of May, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

“Shane Copeland”

Shane Copeland
Chief Executive Officer

CLAROCITY CORPORATION
MANAGEMENT INFORMATION CIRCULAR
RELATING TO THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 25, 2018

VOTING INFORMATION

SOLICITATION OF PROXIES

THE INFORMATION CONTAINED IN THIS MANAGEMENT INFORMATION CIRCULAR ("Information Circular") IS FURNISHED TO THE HOLDERS OF COMMON SHARES ("Shareholders") OF CLAROCITY CORPORATION (the "Corporation") in connection with the solicitation by management of the Corporation of proxies to be used at the annual and special meeting (the "**Meeting**") of the Shareholders to be held at 4:30 p.m. (Toronto time) on June 25, 2018, and at all adjournments thereof, for the purposes set forth in the notice of the Meeting, which accompanies this Information Circular (the "**Notice of the Meeting**"). The solicitation of proxies will be made primarily by mail but proxies may also be solicited personally or by telephone by officers, directors or regular employees of the Corporation. Employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the Shareholders in favour of the matters set forth in the Notice of the Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation ("**Common Shares**") in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Information Circular to beneficial owners of Common Shares and obtaining proxies therefor. **The solicitation of proxies by this Information Circular is being made by and on behalf of management of the Corporation.** The cost of the solicitation will be borne by the Corporation.

No person is authorized to give any information or to make any representation other than those contained in this Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The information contained herein is given as of May 16, 2018 except as otherwise indicated. The delivery of this Information Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date of this Information Circular.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the form of proxy accompanying this Information Circular are officers and/or directors of the Corporation. A Shareholder has the right to appoint a person, who need not be a Shareholder, other than the persons specified in such form of proxy to attend and act for and on behalf of such Shareholder at the Meeting. Such right may be exercised by either striking out the names of the persons specified in the form of proxy accompanying this Information Circular and inserting the name of the person to be appointed in the blank space provided in such form of proxy or by completing and executing another form of proxy and, in either case, returning such completed and executed form of proxy in the manner described in the Notice of the Meeting.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited 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, at which the proxy is to be used or with the Chairman of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked.

VOTING OF COMMON SHARES REPRESENTED BY MANAGEMENT PROXIES

The persons named in the form of proxy accompanying this Information Circular will vote the Common Shares in respect of which they are appointed proxy on any ballot that may be called for at the Meeting or any adjournment thereof in accordance with the instructions in the form of proxy. **In the absence of instructions, such persons will vote such Common Shares in favour of or for each of the matters referred to in the Notice of the Meeting.**

The form of proxy accompanying this Information Circular confers discretionary authority upon the persons named therein with respect to amendments to or variations of the matters identified in the Notice of the Meeting and with respect to other matters, if any, which may properly be brought before the Meeting or any adjournment thereof. At the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Corporation should properly be brought before the Meeting or any adjournment thereof, the Common Shares represented by any proxy will be voted on such matters in accordance with the judgement of the person named in such proxy.

NON-REGISTERED SHAREHOLDERS

Some Shareholders beneficially own Common Shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary ("**Non-Registered Shareholders**"). The Corporation is sending proxy-related materials to beneficial holders using notice-and-access.

Without specific instructions, intermediaries are prohibited from voting shares for their clients. If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according to their instructions, sufficiently in advance of the deadline specified by the broker, intermediary or agent, to ensure that they are able to provide voting instructions on your behalf.

If you are a Non-Registered Shareholder, you have the right to attend and vote your Common Shares directly at the Meeting. If you are a Non-Registered Shareholder and you wish to attend the Meeting and vote your Common Shares you can request, in writing, a legal proxy from your broker or other intermediary in whose name your shares are registered, that enables you to vote the shares registered in the name of that intermediary. You should carefully and promptly follow the instructions of your intermediary in this regard.

A Non-Registered Shareholder may revoke a form of proxy or voting instruction form given to an intermediary at any time by written notice to the intermediary in accordance with the instructions given to the Non-Registered Shareholder by its intermediary.

NOTICE AND ACCESS REGIME

The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101-*Communication With Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") for the meeting for the delivery of proxy related materials ("**Proxy Materials**") to those of you who do not hold your Common Shares in your own name.

The Corporation has also elected to use procedures known as 'stratification' in relation to its use of the Notice-and Access Provisions. Stratification occurs when the Corporation, while using the

Notice-and-Access Provisions, provides a paper copy of the Notice of Meeting and Information Circular and a paper copy of its financial statements and related management's discussion and analysis to some of its shareholders. In relation to the meeting, registered Shareholders will receive a paper copy of each of the Notice of Meeting, the Information Circular, financial statements and related management's discussion and analysis and a form of proxy whereas Shareholders who do not hold their common shares in their own name will receive only a Notice-and Access Notification and a voting instruction form. Furthermore, a paper copy of the Corporation's financial statements and related management's discussion in respect of its most recent financial year will be mailed to those Shareholders who do not hold their Common Shares in their own name but who have previously requested to receive paper copies of our financial information.

The Corporation will be delivering a Notice-and-Access Notification and a voting instruction form to non-objecting beneficial owners of Common Shares with the assistance of Broadridge and we intend to pay for intermediaries to deliver proxy-related materials to objecting beneficial owners of our Common Shares.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation has 272,239,984 Common Shares outstanding as at the date hereof. Each holder of a Common Share of record at the close of business on May 16, 2018, the record date established for notice of the Meeting, will, unless otherwise specified herein, be entitled to one vote for each one Common Share held by such holder on all matters to be brought before the Meeting, except to the extent that such holder has transferred any such Common Shares after the record date and the transferee of such Common Shares produces properly endorsed share certificates or otherwise establishes ownership thereof and demands, not later than 10 days before the Meeting or any adjournment thereof, to be included in the list of Shareholders entitled to vote at the Meeting or any adjournment thereof, in which case the transferee thereof will be entitled to vote such Common Shares at the Meeting or any adjournment thereof.

To the knowledge of the directors and officers of the Corporation, the only person or corporation beneficially owning, directly or indirectly, or exercising control or direction over securities carrying in excess of 10% of the voting rights attached to any class of outstanding voting securities of the Corporation is StableView Asset Management Inc., which exercises control or direction over approximately 49,658,870 Common Shares representing approximately 18.24% of the Common Shares outstanding as of the date hereof.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

FINANCIAL STATEMENTS AND AUDITORS REPORT

Shareholders will be presented with the annual financial statements of the Corporation for the fiscal year ended December 31, 2017 and the auditor's report thereon; however, no action is required to be taken by Shareholders thereon.

ELECTION OF DIRECTORS

Shareholders will be asked to elect 5 directors for the ensuing year. The persons named in the form of proxy accompanying this Information Circular intend to vote for the election of each of the nominees whose names are set forth below, each of whom are now directors of the Corporation and have been directors of the Corporation since the date indicated unless the Shareholder who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the election of any of the nominees for election as directors of the Corporation. Management of the Corporation does not contemplate that any of such nominees will be unable to serve as a director of the Corporation for the ensuing year but if that should occur for any reason prior to the Meeting or any adjournment thereof,

the persons named in the form of proxy accompanying this Information Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion. Each director of the Corporation elected at the Meeting will hold office until the first annual meeting of the Shareholders held following his election unless he resigns or is removed as a director of the Corporation in accordance with the by-laws of the Corporation prior to such date.

The names and municipality of residence of the nominees, their position with the Corporation, their principal occupation during the last 5 years, the date upon which they became a director of the Corporation and the number of Common Shares beneficially owned, directly or indirectly, by them, or over which control or direction is exercised by them, are as follows:

Name and Municipality of Residence	Position	Principal Occupation	Date Elected/Appointed Director	Common Shares Owned or Over Which Control or Direction is Exercised⁽¹⁾
Jim Boyle ⁽²⁾⁽³⁾⁽⁴⁾ Toronto, Ontario Canada	Director and Chairman of the Board	Lawyer, Partner, Boyle & Co. LLP	January 25, 2016	30,000
Shane Copeland Carlsbad, California United States	Chief Executive Officer and Director	CEO of the Corporation and of the Corporation's wholly owned subsidiary, Valuation Vision, Inc. and Valuation Vision LLC. Prior thereto was employed by Kirchmeyer Associates and Principal at Appraisal Loft	April 25, 2016	2,000,000
Willem Galle ⁽⁴⁾ Waterloo, Ontario Canada	Director	Self-employed Businessman	January 25, 2016	Nil
Robert Gloer ⁽³⁾⁽⁴⁾ Woodstock, Georgia USA	Director	President and Chief Operations Officer, IOU Central Inc.	January 25, 2016	Nil
Nick A. Tillema ⁽²⁾ Indianapolis, Indiana USA	Director	Real Estate Consultant/Attorney	September 20, 2016	582,800 ⁽⁵⁾

Notes:

- (1) The number of Common Shares beneficially owned, or over which control or direction is exercised, was provided by the respective nominee.
- (2) Member of the Audit Committee.
- (3) Member of the Corporate Governance, Nominating and Compensation Committee.
- (4) Member of the Strategic Alternatives Committee
- (5) As to 12,500 directly and 570,300 indirectly or control exercised.
- (6) Mr. Walter Andri and Mr. Thomas Signorello are not standing for re-election to the Board

Bankruptcies, sanctions and cease trade orders

No proposed director of the Corporation has, within 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Other than as disclosed below, no proposed director of the Corporation has, within the 10 years prior to the date hereof, been a director, chief executive officer or chief financial officer of a company (including the Corporation) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemptions under applicable securities legislation while

such proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemptions under applicable securities legislation 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
- (c) 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.

Jim Boyle is a director and chairman of the board of 3MV Energy Corp. ("3MV") which is subject to cease trade orders issued by British Columbia Securities Commission (2016/05/12), Alberta Securities Commission (2016/05/05) and Ontario Securities Commission (2016/05/10) for failure to file annual audited financial statements, management's discussion and analysis and certificates for the year ended December 31, 2015. As a result of the recent adverse petroleum price environment 3MV's secured creditor realized upon its security over 3MV's petroleum assets resulting in 3MV's inability to continue as a going concern and fund required filings.

APPOINTMENT OF AUDITOR

It is proposed that KPMG LLP be appointed as the auditor of the Corporation to hold office until the close of the next annual meeting of the shareholders of the Corporation and that the Board be authorized to set the auditor's remuneration. KPMG is currently the auditor of the Corporation, and has been the auditor since it was appointed on September 3, 2015.

Unless specifically instructed in the proxy to withhold such vote, the person(s) designated as proxy holder(s) in the accompanying form of proxy intend to vote for the appointment of KPMG LLP as Auditors of the Corporation to hold office until the next annual general meeting of shareholders and to authorize the directors to fix their remuneration.

APPROVAL OF STOCK OPTION PLAN

Pursuant to the policies of the TSX Venture Exchange ("TSXV"), rolling stock options plans which reserve a certain percentage of a company's issued and outstanding shares for grant, such as the Corporation's stock option plan (the "**Option Plan**"), require yearly approval of the majority of the shareholders present in person or by proxy at the company's annual general meeting.

A summary of the terms of the Option Plan are set out under the heading "*Executive Compensation – Compensation Discussion and Analysis – Option Plan*". A complete copy of the Option Plan is attached hereto as Schedule "B".

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve the resolution in the following form:

"BE IT RESOLVED THAT:

1. The stock option plan of the Corporation, wherein the number of Common Shares of the Corporation available for issuance upon the exercise of options granted pursuant to the stock option plan is established as 10% of the issued and outstanding Common Shares from time to time including at the date of the grant of options, be and is hereby authorized and approved.
2. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such further acts and things and to execute and deliver or sign (as the case may be) all such further agreements, instruments, notices, certificates and other documents for and on behalf of the Corporation, whether under its corporate seal or otherwise, as such director or officer may consider necessary or advisable having regard to the foregoing resolutions."

In order to be approved, this ordinary resolution must be passed by a simple majority of the votes cast in person or by proxy at the Meeting in respect of such resolution. **Unless otherwise directed, the persons named in the enclosed instrument of proxy intend to vote in favour of the above resolutions.**

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Governance

The Corporation has a Corporate Governance, Nominating and Compensation Committee that determines the compensation of the directors and executive officers of the Corporation. The Corporate Governance, Nominating and Compensation Committee is currently comprised of Messrs. Boyle, Gloer, and Bruemmer, who are independent.

Each of the members of the Corporate Governance, Nominating and Compensation Committee have direct experience in the area of executive compensation either through executive experience and/or membership in boards of directors of public or private entities (each member of the Corporate Governance, Nominating and Compensation Committee has experience serving on such boards) and, as such, possesses a thorough understanding of employee and executive compensation.

The Corporate Governance, Nominating and Compensation Committee make determinations and recommendations to the directors of the Corporation with respect to the cash and incentive compensation of the executive officers of the Corporation.

The primary goal of the Corporate Governance, Nominating and Compensation Committee in regards to compensation is to ensure that the overall compensation provided to the executive officers of the Corporation is determined with regard to, and is consistent with, the business strategies and objectives of the Corporation, such that the financial interests of the executive officers of the Corporation is congruent with the financial interests of the shareholders of the Corporation. The compensation program of the Corporation is designed to reward performance that is consistent with this goal.

Recommendations for executive compensation are made by the Corporate Governance, Nominating and Compensation Committee to the full Board of Directors for approval. In arriving at its compensation decisions, the Corporate Governance, Nominating and Compensation Committee considers a number of factors, including the responsibilities and experience of the individuals, the performance of the individuals with the Corporation, the overall performance of the Corporation and the long-term interest of the Corporation.

The executive compensation program of the Corporation is comprised of base salary, stock options and non-equity compensation (which may include cash bonuses or one time payments).

In determining the compensation of management, the Corporate Governance, Nominating and Compensation Committee, followed a relatively simple process, primarily involving discussion among the Committee members and with the chief executive officer of the Corporation as to appropriate compensation.

The Corporate Governance, Nominating and Compensation Committee did not engage any outside consultants to assist in setting the compensation, nor did it develop and adopt a formal and specific group of the Corporations' peers against which it could establish performance benchmarks or specifically consider the implications of the risks associated with its compensation policies and practices.

The Corporate Governance, Nominating and Compensation Committee and the Board of Directors endeavour to mitigate risk in the Corporation's compensation policies and practices including the following:

- (a) the Corporation's compensation practice is intended to ensure that the Corporation both compensates its key employees satisfactorily to ensure the Corporation does not lose important employees and provides sufficient at risk compensation to key employees to help motivate important employees to continually better the Corporation, its business and revenues;
- (b) the vesting periods for executive stock options has been implemented to mitigate any risk of employees generating short-term benefits from stock options;
- (c) the grant of stock options are designed to align the long term interests of management with the shareholders; and
- (d) that Options cannot be granted when the Corporation has undisclosed material information.

The Corporate Governance, Nominating and Compensation Committee has concluded that there does not appear to be any risks arising from the compensation programs that are reasonably likely to have a material adverse effect on the Corporation at this time.

Neither management nor directors are prohibited to purchase financial instruments that are designed to hedge against or offset a decrease in market value of equity securities received as compensation.

Base Salaries

The Chief Executive Officer recommends to the Corporate Governance, Nominating and Compensation Committee which recommends to the Board of Directors base salaries for each of the executive officers of the Corporation. Base salaries are determined based on an evaluation of an officer's scope of responsibility and performance. The Corporate Governance, Nominating and Compensation Committee anticipates that base salary levels will be reviewed and considered annually taking into consideration the current potential contribution of the executive officer to the success of the Corporation and what the Corporation believes based on its collective experiences and informal discussions regarding industry compensation practices. From time to time, the Corporate Governance, Nominating and Compensation Committee may consider adjustments to base salary levels based upon promotions or other changes in job responsibility or merit-based increases based on assessments of individual performance.

The base salary component of the executive officer compensation program is not designed to incentivize near-term company or individual performance (as bonuses are designed to do), but rather to provide a baseline level of compensation to executive officers. In most cases, the base salary component will represent the

largest annual form of compensation to executive officers, although there is no formal policy regarding the allocation between base salary and other forms of compensation. In making decisions regarding base salary levels, the Corporate Governance, Nominating and Compensation Committee may consider and evaluate the total compensation package, including cash bonuses (if any) and periodic option grants, received or to be received by a particular executive officer, and seek to ensure that such total compensation package is fair, reasonable and competitive. The base salaries paid to the Named Executive Officers in the year ended December 31, 2017 are set forth below in the Summary Compensation Table.

Option Plan

The purpose of the Option Plan is to afford individuals who provide services to the Corporation or any of its subsidiaries or affiliates, including directors, officers, employees and consultants, an opportunity to obtain a proprietary interest in the Corporation by permitting them to purchase Common Shares and to aid in attracting, as well as retaining and encouraging the continued involvement of, such individuals with the Corporation. The Corporation believes that equity-based compensation in the form of stock options ("**Options**") links the interests of the executive officers of the Corporation with the long-term interests of the Corporation's stockholders.

The Board has the authority to determine, among other things, subject to the terms and conditions of the Option Plan, the limitations, restrictions and conditions respecting the grant of Options to purchase Common Shares under the Option Plan. When recommending the grant of Options, consideration is given to the exercise price and the aggregate number of Common Shares which would be subject to Options held by the individual after the grant under consideration, the evaluation of the former, current and potential contribution of the individual to the success of the Corporation, the relative position of the individual, and past grants of Options to the individual as well as room available under the Option Plan for additional grants.

The Board of Directors has the authority under the Option Plan to establish the exercise price at the time each Option is granted, which in no event shall be lower than the exercise price permitted by the stock exchange on which the Common Shares may then be listed. Options to purchase Common Shares granted under the Option Plan are not transferable. If a participant ceases to be an eligible person under the Option Plan for any reason whatsoever other than death, each Option held by such participant will cease to be exercisable 90 days from the date of termination (being the date on which such participant ceases to be an eligible person). If a participant dies, the legal representative of the participant may exercise the Options held by such participant within one (1) year after the date of death of the participant but only up to and including the original expiry date of the Option.

Subject to regulatory approval, the Board may from time to time amend or revise the terms of the Option Plan or may discontinue the Option Plan at any time, provided that no such action may in any manner adversely affect the rights under any Options earlier granted to a participant under the Option Plan without the consent of that participant.

In the event of the death of a participant, Options held by such participant may be exercised until the earlier of the expiry date of such options or one year from the date of death, after which the Options will terminate.

Subject to other provisions in the Option Plan, each Option granted to a participant shall terminate on the 90th day of the termination of the business connection between the beneficiary of an Option and the Corporation, as director, officer, employee, or consultant, except in the case of investor relations consultants in which case, such Options shall terminate on the 30th day of the termination of the applicable business connection with the Corporation.

RSU Plan

The Corporation amended its restricted share unit plan (the “**RSU Plan**”), which was initially approved by Shareholders at the Corporation’s annual general meeting held on August 20, 2013, and which amendment was approved by Shareholders at the Corporation’s annual and special meeting held on April 25, 2016, to allow the Corporation to satisfy the payout amount, at the sole option of the Corporation, through: (i) open market purchases or purchases pursuant to private transactions with third parties, on behalf of the participant, of such number of Common Shares which have a fair market value equal to the payout amount, (ii) the payment to the participant of an amount in cash equal to the payout amount, or (iii) the issuance of Common Shares from the treasury of the Corporation, which have a fair market value equal to the payout amount.

The RSU Plan also provides that each RSU will vest and become available for redemption as to one-third immediately upon grant and upon on each of the first and second anniversaries of the date of grant of the RSUs. RSUs will terminate and cease to be redeemable on the third year anniversary in which the grant of the RSUs was made.

The purpose of the RSU Plan is to provide incentive bonus compensation to directors, officers, employees and consultants of the Corporation and to provide additional incentive for the continued efforts of such persons in promoting the growth and success of the business of the Corporation.

Under the RSU Plan, the Board of Directors may grant RSUs to a participant in respect of services rendered or to be rendered by the participant in the year of grant. The Board of Directors shall also determine the number of RSUs subject to each grant, the expiration date of each RSUs, the vesting terms and any other terms and conditions relating to the RSUs. Each RSU will entitle a participant to receive, with respect to such portion of the RSUs which has vested, the payout amount plus an amount, if any, accrued from the date of grant of the RSUs, equal to the aggregate amount paid by the Corporation in dividends on the Common Shares.

Unless determined otherwise by the Board of Directors each RSUs will vest and become available for redemption as to 33 1/3% immediately upon grant and upon on each of the first and second anniversaries of the date of grant of the RSUs. RSUs will terminate and cease to be redeemable on December 31 of the third year following the year in which the grant of the RSUs was made. The Board may, in its discretion, permit the immediate vesting of all or any portion of unvested RSUs, such that the RSUs shall be available for redemption during such period of time as may be specified by the Board.

Upon the termination for cause of a participant from the Corporation or its subsidiaries, any RSUs granted to such participant whether vested or not shall terminate from and after the date of termination of the participant without compensation to the participant. In the event of the resignation or retirement of a participant all vested RSUs will be redeemed and all unvested RSUs shall terminate as of the date of resignation or retirement. In the event of the termination of a participant for any reason other than for cause all vested RSUs shall be redeemable as of the date of termination and any RSUs which have not vested shall continue to vest and mature through the applicable severance period. Any RSUs which have not vested at the end of the severance period shall terminate as of the end of the severance period. In the event of the death or disability of a participant, all RSUs shall be deemed to have vested as of the date of death or disability and shall be redeemed within 30 days from the date of death or disability.

RSUs are not assignable or transferable by a participant except through devolution by death or incompetency.

Non-Equity Compensation

In addition to base salaries and the grant of Options and RSUs, the Corporation may award discretionary cash bonuses based on the performance of the Corporation and individual performance during the

year. The award of a bonus is determined, in the case of employees, by senior management of the Corporation. Bonus levels for the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Chief Valuation Officer are established by the Chief Executive Officer and approved by the Corporate Governance, Nominating and Compensation Committee. Bonus awards are discretionary and there are no specified targets or criteria set out, although matters such as the completion of annual goals, impact of efficiency of operations, and economic outcome of decisions within their respective areas of responsibility are considered in the determination of bonus awards. No maximum bonus has been established for any executive officer.

Annual bonuses are not tied to the achievement of any specific predetermined performance goals, but are based on overall performance, as well as the performance of the Corporation, during a given period of time, as determined by the Corporate Governance, Nominating and Compensation Committee. The Corporation believes that the discretionary cash bonuses motivate executive officers and employees to improve both company and individual performance, and promote teamwork and near-term growth of the business. By retaining discretion in awarding cash bonuses rather than tying such bonuses to predetermined goals in advance, the Corporation believes that it can more effectively adapt its compensation program to changes in its business and industry and to other events beyond its control. If events occur during the course of a given year that require the executive officers of the Corporation to shift their attention to different or other strategic objectives, the discretionary nature of the bonus program allows the Corporate Governance, Nominating and Compensation Committee and Board of Directors to ensure that its overall compensation program remains fair, reasonable and competitive under those particular circumstances. This is particularly important to the Corporation, given its stage of development and the varying challenges that it faces, including the retention of key personnel and its Named Executive Officers.

The Corporation has no formal policy regarding the allocation between cash bonuses, Options or other forms of compensation, but the Corporate Governance, Nominating and Compensation Committee and the Board of Directors will consider and evaluate the total compensation package, including base salary and Options received or to be received by a particular executive officer, and seek to ensure that such total compensation package is fair, reasonable and competitive.

The Corporate Governance, Nominating and Compensation Committee does not follow a specific process for determining perquisites and personal benefits as they do not form a significant portion of any Named Executive Officers compensation package. Any such compensation is determined on an *ad hoc* basis.

Summary

The Corporation's compensation policies have allowed the Corporation to attract motivated professionals and staff working towards the common goal of enhancing shareholder value. The Corporate Governance, Nominating and Compensation Committee and the Board of Directors will continue to review compensation policies to ensure that they are competitive within the real estate appraisal and software industry and consistent with the performance of the Corporation.

SUMMARY COMPENSATION TABLE

The following table sets forth certain information concerning the compensation paid to the Corporation's Chief Executive Officer and Chief Financial Officer, and the Executive Vice President and Chief Valuation Officer of Valuation Vision, Inc., and the Chief Operating Officer of Clarocity Valuation Services, LLC. (Both Valuation Vision Inc. and Clarocity Valuation Services, LLC are wholly-owned subsidiaries of the Corporation) (collectively, the "**Named Executive Officers**") for the year ended December 31, 2017. Other than the Named Executive Officers, no other executive officer of the Corporation had total annual salary and bonus in the last completed financial year exceeding \$150,000.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) ⁽¹⁰⁾	Option-based awards (\$) ⁽¹¹⁾	Annual incentive plans ⁽¹²⁾	Long-term incentive plans ⁽¹³⁾	Pension value (\$) ⁽¹⁴⁾	All other Compensation (\$)	Total Compensation (\$)
Shane Copeland, ⁽¹⁾ Chief Executive Officer, Clarocity Corporation	2017	229,025	Nil	191,816	13,777	Nil	Nil	4,711	439,329
	2016	221,946	Nil	Nil	76,122	Nil	Nil	4,769	312,837
	2015	226,970	Nil	Nil	Nil	Nil	Nil	17,363	244,333
Dave Guebert, ⁽²⁾ Chief Financial Officer Clarocity Corporation	2017	168,294	Nil	141,841	Nil	Nil	Nil	3,735	313,870
	2016	65,985	Nil	Nil	Nil	Nil	Nil	3,881	69,866
Aleksandra James, ⁽³⁾ Chief Operating Officer, Clarocity Valuation Services, LLC	2017	196,308	Nil	191,816	Nil	Nil	Nil	4,711	392,835
	2016	198,811	Nil	Nil	Nil	Nil	Nil	4,769	203,580
	2015	191,850	Nil	Nil	Nil	Nil	Nil	13,692	205,542
William Mohler, ⁽⁴⁾ Executive Vice President Product and Marketing, Valuation Vision, Inc.	2017	196,308	Nil	191,816	Nil	Nil	Nil	4,711	392,835
	2016	198,811	Nil	Nil	Nil	Nil	Nil	4,769	203,580
	2015	242,728	Nil	Nil	Nil	Nil	Nil	13,378	256,106
Ernest Durbin, ⁽⁵⁾ Chief Valuation Officer, Valuation Vision, Inc.	2017	196,308	Nil	191,816	13,089	Nil	Nil	4,711	405,924
	2016	198,811	Nil	Nil	6,333	Nil	Nil	4,769	209,913
	2015	161,302	Nil	Nil	Nil	Nil	Nil	10,217	171,519
Phillip Wazonek, ⁽⁶⁾ President and Chief Operating Officer	2016	180,000	Nil	97,347	Nil	Nil	Nil	Nil	277,347
	2015	45,000	Nil	Nil	Nil	Nil	Nil	Nil	45,000
Dave King, ⁽⁷⁾ President and Chief Executive Officer	2015	325,000	Nil	Nil	Nil	Nil	Nil	3,783	328,783
Craig Hauer, ⁽⁸⁾ Chief Financial Officer	2015	133,933	85,242	Nil	Nil	Nil	Nil	Nil	219,175
Ron Love, ⁽⁹⁾ Chief Financial Officer	2016	130,000	140,000	Nil	Nil	Nil	Nil	3,881	273,881
	2015	163,389	Nil	118,678	Nil	Nil	Nil	3,783	285,850

Notes:

- (1) Mr. Shane Copeland was appointed Chief Executive Officer effective November 4, 2015. Mr. Copeland is based in Carlsbad, California and is paid in US dollars. His remuneration is translated into Canadian dollars using the annual average rate.
- (2) Mr. Dave Guebert was appointed CFO on September 6, 2016.
- (3) Ms. Aleksandra James is a founder of Valuation Vision, Inc. and is now Chief Operating Officer of Clarocity Valuation Services, LLC. Ms. James is based in Carlsbad, California and is paid in US dollars. Her remuneration is translated into Canadian dollars using the annual average rate.
- (4) Mr. William Mohler is a founder and Executive Vice President Product and Marketing of Valuation Vision. Mr. Mohler is based in Carlsbad, California and is paid in US dollars. His remuneration is translated into Canadian dollars using the annual average rate.
- (5) Mr. Ernest Durbin is a founder and Chief Valuation Officer of Valuation Vision. Mr. Durbin is based in Hamilton, Ohio and is paid in US dollars. His remuneration is translated into Canadian dollars using the annual average rate.
- (6) Mr. Phillip Wazonek was appointed President and Chief Operating Officer effective October 1, 2015 until September 7, 2016. Between September 7, 2016 and December 31, 2017, Mr. Wazonek continued to work for the Corporation under the terms of his consulting

- agreement as a special advisor and specific projects lead for \$15,000 a month. This is reflected in the compensation presented in the chart above.
- (7) Mr. David King was formerly the President and Chief Executive Officer of the Corporation. He was President of the Corporation commencing June 15, 2010, was appointed President and Chief Executive Officer on February 16, 2011 until October 28, 2015.
- (8) Mr. Craig Hauer was formerly Chief Financial Officer effective July 1, 2011 until April 20, 2015.
- (9) Mr. Ronald Love was formerly Chief Financial Officer appointed on April 20, 2015 until September 6, 2016.
- (10) Share-based awards represent RSU's issued to the named Executive Officers. Share-based awards do not represent cash received. They represent the number of RSU's granted. They represent the theoretical value ascribed to RSU's granted to the officers on the date of the grant.
- (11) Option based awards amounts do not represent cash received. They represent the theoretical value ascribed to Options granted to the officers on the date of the grant. The value of each option granted in 2017 by the Corporation was estimated on the date of grant using the Black-Scholes option pricing model assuming no dividends are paid on common shares, a risk-free interest rate of 1.10%, time to expiry 5.0 years and an expected volatility of 127-129% for all options. All grants were made with exercise prices equal to the market price at the time of grant.
- (12) The amounts set forth in this column are comprised of cash bonuses earned by the Named Executive Officers.
- (13) The Corporation does not have a Long Term Incentive Plan ("LTIP").
- (14) The Corporation does not have a pension plan.

INCENTIVE PLAN AWARDS

Outstanding share-based awards and option-based awards

The following table sets forth for the Named Executive Officers all option-based awards and share-based awards outstanding at the end of the year ended December 31, 2017:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price(\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Shane Copeland, Chief Executive Officer	945,000 950,000	0.06 0.17	12/14/2022 3/9/2022	9,450 Nil	945,000 712,500	9,450 Nil
Dave Guebert, Chief Financial Officer	1,417,500 500,000	0.06 0.17	12/14/2022 3/9/2022	14,175 Nil	1,417,500 375,000	14,175 Nil
Aleksandra James, Chief Operating Officer, Clarocity Valuation Services, LLC.	945,000 950,000	0.06 0.17	12/14/2022 3/9/2022	9,450 Nil	945,000 712,500	9,450 Nil
William Mohler, Executive Vice President Product and Marketing, Valuation Vision, Inc.	945,000 950,000	0.06 0.17	12/14/2022 3/9/2022	9,450 Nil	945,000 712,500	9,450 Nil
Ernest Durbin, Chief Valuation Officer, Valuation Vision, Inc.	945,000 950,000	0.06 0.17	12/14/2022 3/9/2022	9,450 Nil	945,000 712,500	9,450 Nil

Notes:

- (1) Represents the difference between the market value of the Common Shares underlying the Options and the exercise price of the Options. The closing price of the Common Shares on the TSX Venture Exchange on December 29, 2017 (which was the last trading day in 2017) was \$0.07.

Incentive Plan Awards — Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer, the value of options-based awards and share-based awards which vested during the year ended December 31, 2017 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2017.

Name and principal position	Option-based awards – Value vested during the year (\$)⁽¹⁾	Share based awards – Value vested during the year⁽²⁾ (\$)	Non-equity incentive plan compensation – Value Earned during the year⁽³⁾ (\$)
Shane Copeland, Chief Executive Officer	Nil	Nil	Nil
Dave Guebert, Chief Financial Officer	Nil	Nil	Nil
Aleksandra James, Chief Operating Officer, Clarocity Valuation Services, LLC.	Nil	Nil	Nil
William Mohler, Executive Vice President Product and Marketing, Valuation Vision, Inc.	Nil	Nil	Nil
Ernest Durbin, Chief Valuation Officer, Valuation Vision, Inc.	Nil	Nil	Nil

Notes:

- (1) Outlines the net benefit the Named Executive Officer would have realized had the Named Executive Officer exercised on the date of vesting and represents the difference between the market price of the Common Shares at the date of vesting and the exercise price of the Options.
- (2) Share-based awards represent RSUs issued to the Named Executive Officer and outlines the aggregate dollar value realized upon vesting of the RSUs and represents the dollar value realized by multiplying the number of RSUs by market value of the Common Shares on the vesting date less the strike price.
- (3) The Corporation does not have a non-equity incentive plan in place for Named Executive Officers other than Named Executive Officers may be eligible for a discretionary annual bonus structure.

TERMINATION AND CHANGE OF CONTROL BENEFITS

At the end of the year ended December 31, 2017, the Corporation (through its subsidiaries Valuation Vision, Inc. and Clarocity Valuation Services, LLC) had formal employment agreements with each of Shane Copeland, Ernest Durbin, Aleksandra James and William Mohler, which provided for termination or change of control benefits.

The employment contracts with each of Shane Copeland, Ernest Durbin, Aleksandra James, and William Mohler and Valuation Vision, Inc. or Clarocity Valuation Services, LLC, the Corporation's wholly owned subsidiaries, provide that the Company is able to terminate at any time and for any reason upon providing the respective officer with 12 months' payment in lieu of notice. Under the terms of these agreements, if the Corporation terminated the agreements as at December 31, 2017, it would have paid Shane Copeland USD \$175,000 and each of Ernest Durbin, Aleksandra James, and William Mohler USD \$150,000.

DIRECTOR COMPENSATION

The following table sets forth for the year ended December 31, 2017, information concerning the compensation paid to directors other than directors who are also Named Executive Officers. Directors who are also officers of the Corporation do not receive any additional compensation for acting as directors.

Name	Fees Earned (\$)	Share-based awards ⁽¹⁾ (\$)	Option-based award ⁽¹⁾ (\$)	Non-equity incentive plan compensation ⁽²⁾ (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Jim Boyle	63,000	Nil	4,666	Nil	Nil	Nil	67,666
Walter Andri ⁽⁵⁾	48,000	Nil	4,666	Nil	Nil	Nil	52,666
Russell Bruemmer ⁽³⁾	48,000	Nil	4,666	Nil	Nil	Nil	52,666
Willem Galle	39,000	Nil	4,666	Nil	Nil	Nil	43,666
Robert Gloer	51,000	Nil	4,666	Nil	Nil	Nil	55,666
Nick Tillema	48,000	Nil	4,666	Nil	Nil	Nil	52,666
Thomas Signorello ⁽⁴⁾⁽⁵⁾	12,000	Nil	22,217	Nil	Nil	Nil	34,217

Notes:

- (1) Option based awards amounts do not represent cash received. They represent the theoretical value ascribed to Options on the date of the grant. The value of each option granted in 2017 by the Corporation was estimated on the date of grant using the Black-Scholes option pricing model assuming no dividends are paid on common shares, a risk-free interest rate of 1.10%, time to expiry 5.0 years and an expected volatility of 127-129%. All grants were made with exercise prices equal to the market price at the time of grant.
- (2) The Corporation does not have a pension plan.
- (3) Resigned as a director of the Corporation on December 31, 2017.
- (4) Appointed as a director of the Corporation on October 6, 2017.
- (5) Not standing for re-election as director.

Directors' incentive plan awards — outstanding share-based awards and option-based awards

The following table sets forth for each director other than directors who are also Named Executive Officers all option-based awards and share based awards outstanding at the end of the year ended December 31, 2017:

Name	Option-based Awards				Share-based Awards ⁽²⁾	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#) ⁽²⁾	Market or payout value of share-based awards that have not vested (\$)
Jim Boyle	105,000 1,515,080	0.06 0.105	12/14/2022 5/3/2021	1,050 Nil	Nil	Nil
Walter Andri	105,000 1,515,080	0.06 0.105	12/14/2022 5/3/2021	1,050 Nil	Nil	Nil
Russell Bruemmer	105,000 500,000	0.06 0.17	12/14/2022 3/9/2022	1,050 Nil	Nil	Nil
Willem Galle	105,000 1,515,080	0.06 0.105	12/14/2022 5/3/2021	1,050 Nil	Nil	Nil
Robert Gloer	105,000 1,515,080	0.06 0.105	12/14/2022 5/3/2021	1,050 Nil	Nil	Nil
Nick Tillema	105,000 500,000	0.06 0.17	12/14/2022 3/9/2022	1,050 Nil	Nil	Nil
Thomas Signorello	500,000	0.06	12/14/2022	5,000	Nil	Nil

Notes:

- (1) Represents the difference between the market value of the Corporation's Common Shares underlying the options and the exercise price of the options. The closing price of the Common Shares on the TSX Venture Exchange on December 29, 2017 which was the last trading day of 2017 was \$0.07
- (2) No share based awards have been issued to the Directors.

Director's incentive plan awards — value vested or earned during the year

The following table sets forth for each director other than directors who are also Named Executive Officers, the value of options-based awards and share-based awards which vested during the year ended December 31, 2017 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2017.

Name and principal position	Option-based awards – Value vested during the year (\$)⁽¹⁾	Shares based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value Earned during the year (\$)⁽²⁾
Jim Boyle	Nil	Nil	Nil
Walter Andri	Nil	Nil	Nil
Russell Bruemmer	Nil	Nil	Nil
Willem Galle	Nil	Nil	Nil
Robert Gloer	Nil	Nil	Nil
Nick Tillema	Nil	Nil	Nil
Thomas Signorello	Nil	Nil	Nil

Notes:

- (1) Outlines the net benefit the Director would have realized had the Director exercised the Options on the date of vesting. Represents the difference between the market price of the Common Shares at the date of vesting and the exercise price of the Options.
- (2) No share based awards have been issued to the Directors.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details, as at December 31, 2017, of the number of securities to be issued upon exercise of outstanding Options and the remaining securities available for issuance, under equity compensation plans of the Corporation previously approved or not approved by the Shareholders:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding option, warrants and rights (a)	Weighted-average exercise price of outstanding option, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	21,010,320 options 256,250 RSU's	0.11 0.21	4,388,048 options 25,142,118 RSU's
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	21,010,320 options 256,250 RSU's	0.11 0.21	4,388,048 options 25,142,118 RSU's

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or senior officer of the Corporation, or associate or affiliate of any such director or senior officer, is or has been indebted to the Corporation since the beginning of the last completed financial year of the Corporation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as described elsewhere herein, none of the directors or senior officers of the Corporation, nor any of their associates or affiliates, has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as described in this Information Circular, and to the knowledge of the Corporation, none of the directors, officers or Insiders of the Corporation, any proposed nominee for election as a director or any associate or affiliate of the foregoing has, or has had, any material interest in any transaction since the commencement of the last financial year or in any proposed transaction that has materially affected, or will materially affect, the Corporation or any of its affiliates except as set out below.

CORPORATE GOVERNANCE

In accordance with *National Instrument 58-101 — Disclosure of Corporate Governance Practices*, the following describes the corporate governance practices of the Corporation.

BOARD OF DIRECTORS

The Corporation's Board of Directors is currently comprised of 7 directors, 6 of whom are independent directors. Messrs. Andri, Boyle, Signorello, Galle, Gloer, and Tillema maintain their independence by having no participation in the management or day-to-day business decisions of the Corporation. None of the independent directors have any non-arm's length connections with members of management. The following directors are not considered independent: Mr. Copeland by virtue of his status as Chief Executive Officer of the Corporation.

DIRECTORSHIPS

Except as indicated below, none of the directors are presently directors of other issuers that are reporting issuers (or the equivalent).

Name of Director	Name of Other Issuer
Jim Boyle	3MV Energy Corp. Rex Opportunity Corp.

ORIENTATION AND CONTINUING EDUCATION

The Board of Directors is responsible for providing an appropriate orientation program for new directors and encouraging ongoing self-education on the business and strategies of the Corporation. In particular, new board members are referred to the Corporation's website and presentations to provide them with an understanding of the business of the Corporation. All directors are updated when changes are made to the business plan and are invited to attend presentations to investors.

ETHICAL BUSINESS CONDUCT

The Corporation is committed to conducting its business in compliance with all applicable laws and regulations and in accordance with the highest ethical principles. At the Board of Directors level, this commitment is maintained by holding regularly scheduled meetings in a formal meeting environment, supplemented by event driven meetings as necessary, in each case, following generally accepted rules of

conduct. In addition, directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have an interest. Management endeavours to ensure directors are aware of prospective material counterparties.

NOMINATION OF DIRECTORS

The Corporation's Corporate Governance, Nominating and Compensation Committee is comprised of 2 directors, being Messrs. Boyle and Gloer, who are independent. The Corporation's Corporate Governance, Nominating and Compensation Committee is responsible for identifying, assessing and making recommendations as to candidates for election to the Board of Directors and board committees with a view to the independence and expertise required for effective governance and compliance with applicable regulatory requirements, including consideration of nominees recommended by shareholders, if any. The Corporation's Corporate Governance, Nominating and Compensation Committee also broadly oversees the Corporation's corporate governance system, annually reviews the performance of the Corporation's corporate governance policies and, if appropriate, recommends changes to the Board of Directors, and endeavours to ensure that systems are in place to verify compliance with all regulatory, corporate governance and disclosure requirements.

COMPENSATION

Compensation of the Chief Executive Officer is determined by the Corporate Governance, Nominating and Compensation Committee through the process of evaluating the Chief Executive Officer's performance in light of the corporate goals and objectives established by the Board. The Corporate Governance, Nominating and Compensation Committee is also charged with making recommendations to the Board of Directors with respect to the compensation of other executive officers and the Corporation's incentive-compensation and equity-based plans, as well as for reviewing the Corporation's executive compensation disclosure before such information is publicly disclosed.

Compensation has historically been paid to directors for board or committee membership. The Board of Directors has approved compensation to directors of \$9,000 per quarter and to committee members of \$3,000 per quarter, per committee. Mr. Copeland, as a management director of the Corporation, is not being compensated for Board or committee membership.

Directors are also eligible for grants of stock options under the Stock Option Plan.

BOARD COMMITTEES

The Corporation has established a Strategic Alternatives Committee to consider the possible sale, divestiture, assignment, disposition or transfer of value of the Company's assets or business. The Strategic Alternatives Committee is the only standing committee other than the Audit Committee and the Corporate Governance, Nominating and Compensation Committee.

ASSESSMENTS

Individual director and board effectiveness assessments are done on an informal basis and are determined by examining a number of factors including, but not limited to, attendance at and participation in meetings, meeting preparedness, ability to communicate ideas clearly and overall contribution to effective Board performance.

AUDIT COMMITTEE

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the directors of the Corporation has been comprised of three directors, being Messrs. Boyle, Andri and Tillema. Messrs. Boyle, Andri and Tillema are independent and all members of the committee are financially literate. The Audit Committee is responsible for reviewing the Corporation's financial reporting procedures, internal controls and the performance of the Corporation's auditors. The Audit Committee is also responsible for reviewing quarterly and annual financial statements prior to their approval by the full Board of Directors. As Mr. Andri is not standing for re-election, the Board intends to identify a replacement within the next six months and is relying on paragraph 6.1.1(6) of National Instrument 52-110F2.

Jim Boyle is the founding partner of Boyle & Co. LLP, where he practices exclusively in the area of securities law. Mr. Boyle is and has been a director, audit committee member and officer (including chief financial officer) of numerous reporting issuers, in addition to advising reporting issuers, boards and audit committees on financial disclosure, disclosure controls and procedures and internal control over financial reporting processes. As a result of Mr. Boyle's experience, he has an ability to understand and apply accounting principles.

Mr. Tillema has been involved in the real estate/finance industry since 1972. His education includes a Bachelor's of Finance from Indiana University, a Masters of Business Administration from Arizona State University and a Doctorate of Jurisprudence from Indiana University - Indianapolis. His background includes leasing and management with a Chicago-based, regional, shopping center owner; mortgage banking (origination, underwriting, secondary marketing & management), title-company (co-owner); property management, real estate development (residential condominiums); investment, consulting and appraising (residential, commercial, easements and diminutive damages). His experience in teaching includes real estate broker and appraiser pre-licensing classes, continuing education seminars and real estate college classes for private schools, professional organizations, Indiana University and Butler University. He has written numerous seminars for both law and real estate professionals. He is currently the chair of both the board of directors of the Appraisal Institute Relief Foundation and the Appraiser Liability Insurance Program. He has also served on the national board of directors for the Appraisal Institute and has served on the board of directors of the Hoosier State Chapter of the Appraisal Institute, the Indiana CCIM chapter, the Indiana Association of Realtors, the Realtor Foundation, and the Metropolitan Indianapolis Board of Realtors. As an attorney, he has both prosecuted and defended real estate appraisers. As an appraiser, he has reviewed both residential and commercial appraisals as part of a litigation team. His background and education allow him to speak intelligently on today's appraisal issues. As an appraiser, his experience includes appraising farms, local and regional shopping centers, conventional and HUD apartment facilities, steel mills, oil refineries, and mega-warehouses. His experience with special purpose properties includes mega-church facilities, school buildings, cemeteries, airports, the Detroit RiverWalk and an abandoned U.S. Air Force Base. Specialty appraisal assignments have included forensic appraising for litigation purposes, conservation easements, pipeline easements and properties affected by environmental contamination, construction defects and partial interests. As a result of Mr. Tillema's experience, he has an ability to understand and apply accounting principles.

AUDIT COMMITTEE CHARTER

The full text of the Corporation's Audit Committee Charter is attached as Schedule "A" to this Information Circular.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee pre-approves the retention of the independent auditor for any significant non-audit services permitted under applicable securities law and the fee for such services.

EXTERNAL AUDITOR SERVICE FEES

The following table provides information about the Audit Fees, Audit - Related Fees, Tax Fees and All Other Fees billed to the Corporation by the Corporation's auditors, KMSS LLP and KPMG LLP in the last 2 fiscal years:

	Fiscal 2017	Fiscal 2016
Audit Fees ⁽¹⁾	\$215,000	\$242,430
Audit-Related Fees ⁽²⁾	\$35,970	Nil
Tax Fees ⁽³⁾	\$33,120	\$10,800
All Other Fees ⁽⁴⁾	Nil	\$8,600
Total	\$284,090	\$261,830

Notes:

- (1) Audit fees consist of fees for the audit of the Corporation's annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported as audit fees.
- (3) Tax fees consist of fees for tax compliance advice and tax planning.
- (4) Represents fees for products and services other than services otherwise disclosed in the table.

EXEMPTION

The Corporation is a venture issuer relying on the exemption in section 6.1 of National Instrument 52-110 — *Audit Committees*.

OTHER BUSINESS

As of the date of this Information Circular, the Board of Directors does not know of any other matters to be brought to the Meeting, other than those set forth in the Notice of Meeting. If other matters are properly brought before the Meeting, the persons named in the enclosed proxy will vote the proxy on such matters in accordance with their best judgment.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Shareholders can request copies of the Corporation's financial statements and Management's Discussion & Analysis by contacting the Corporation at info@Clarocity.com. The Corporation's financial information is provided in the Corporation's comparative financial statements and Management's Discussion & Analysis for the financial year ended December 31, 2017, which documents were filed on SEDAR on April 30, 2018.

DIRECTORS' APPROVAL

The contents and sending of this Information Circular have been approved by the directors of the Corporation.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

*The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Clarocity Corporation (the "**Corporation**") shall have the oversight responsibility, authority and specific duties as described below.*

Composition, Independence and Compensation

The Committee shall be comprised of three or more directors as determined by the Board, of which at least two shall be "independent" as determined by applicable regulatory requirements.

All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall have accounting or related financial management expertise.

Members of the Committee shall be appointed by the Board and shall serve until their successors are duly appointed. The Chair of the Committee may be designated by the members of the Committee.

Responsibilities

The Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to (i) the integrity of the annual and quarterly financial statements to be provided to shareholders and regulatory bodies; (ii) the Corporation's compliance with accounting and finance based legal and regulatory requirements; (iii) the independent auditor's qualifications and independence; (iv) the system of internal accounting and financial reporting controls that management has established; and, (v) performance of the internal and external audit process and the independent auditor.

The Committee shall also prepare such reports as are required to be prepared by it by applicable securities law. In addition, the Committee provides an avenue for communication between each of the internal audits, the independent auditors, financial and senior management and the Board. The Committee shall have a clear understanding with the independent auditors that they must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the independent auditors is to the Committee, as representatives of the shareholders. The Committee shall make regular reports to the Board concerning its activities. The Committee, in its capacity as a committee of the Board, subject to shareholder approval requirements, is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors.

The Committee shall make regular reports to the Board concerning its activities.

Meetings

The Committee shall meet at least four times annually and as many additional times as the Committee deems necessary to carry out its duties effectively. The Committee shall meet in separate sessions with management, the senior internal audit executive of the Corporation and the independent auditors at each regularly scheduled meeting.

Specific Duties

To carry out its oversight responsibilities, the Committee shall:

Audit Specific Duties

Auditor Qualifications and Selection

- (1) subject to applicable law requiring shareholder approval of auditors, be solely responsible for selecting, retaining, compensating, overseeing and, where necessary, terminating the independent auditors, who shall be registered with the Canadian Public Accountability Board. The independent auditor shall be required to report directly to the Committee. The Committee shall be entitled to adequate funding from the Corporation for the purpose of compensating the independent auditor for completing an audit and audit report.
- (2) evaluate the independent auditor's qualifications, performance and independence. As part of that evaluation, at least annually obtain and review a report by the independent auditor describing: the firm's (auditor's) internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Corporation; and ensure that the independent auditors do not provide non-audit services that would disqualify them as independent under applicable regulations.
- (3) review the experience and qualifications of the senior members of the independent auditor team and the quality control procedures of the independent auditor; if required by regulatory requirements applicable to the Corporation, ensure that the lead audit partner of the independent auditor is replaced periodically; recommend to the Board guidelines for the Corporation's hiring of senior employees and former employees of the independent auditor who were engaged on the Corporation's account.

Audit Process

- (1) pre-approve all auditing services; subject to applicable securities laws, pre-approve the retention of the independent auditor for any significant non-audit services permitted under applicable securities law and the fee for such services. All pre-approvals of such non-audit services shall be disclosed as required by applicable securities law. The Committee may delegate to one or more of its members the authority to grant pre-approvals required hereunder provided that any pre-approvals so granted are presented in writing to the Committee at the next regularly scheduled meeting.
- (2) meet with the independent auditor prior to the audit to review the scope and general extent of the independent auditor's annual audit including the planning and staffing of the audit. This review should include an explanation from the independent auditors of the factors considered by the auditors in determining their audit scope, including the major risk factors.
- (3) require the independent auditor to provide a timely report setting forth (i) all critical accounting policies, significant accounting judgments and practices to be used; (ii) all alternative treatments of financial information within Generally Accepted Accounting Principles ("GAAP") that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor; and, (iii) other material written communications between the independent auditor and management.

- (a) upon completion of the annual audit, review the following with management and the independent auditors:
- (b) the annual financial statements including related footnotes and the Corporation's MD&A;
 - i. the significant accounting judgements and reporting principles, practices and procedures applied by the Corporation in preparing its financial statements including any newly adopted accounting policies and the reasons for their adoption;
 - ii. the results of the audit of the financial statements and the related audit report thereon. The independent auditors should confirm to the Committee that no limitations were placed on the scope or nature of their audit procedures;
 - iii. significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit, including any problems or disagreements with management which, if not satisfactorily resolved, would have caused the independent auditors to issue a nonstandard report on the Corporation's financial statements;
 - iv. the co-operation received by the independent auditors during their audit, including access to all requested records, data and information; and
 - v. any other matters not described above that are required to be communicated by the independent auditors to the Committee pursuant to Auditing Standards.
- (c) generally, as part of the review of the annual financial statements, receive an oral report(s), at least annually, concerning legal and regulatory matters that may have a material impact on the financial statements. Discuss major financial risk exposures and steps management has taken to monitor and control such exposures.

Ongoing Duties

- (1) review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Boards for approval.
- (2) report regularly to the Board and review with the Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance and independence of the Corporation's independent auditor, or the performance of the internal audit function.
- (3) discuss the types of information that it is appropriate for the Corporation to disclose in earnings press releases or other earnings guidance. Review with management and the Corporation's independent auditors all quarterly financial statements and MD&A prior to the filing of such reports with the applicable securities regulators and prior to any public announcement of financial results for the periods covered, including the results of the independent auditor's reviews of the quarterly financial statements, significant adjustments, new accounting policies, and any disagreements between the independent auditors and management. The Chair of the Committee may represent the entire Committee for purposes of this review.

- (4) the Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.
- (5) perform any other activities consistent with this Charter, the Corporation's By-Laws and applicable law, as the Committee or the Board deems necessary or appropriate.

Internal Control Supervision Duties

- (1) Review with the Corporation's management, internal audit and the independent auditors the Corporation's internal accounting and financial reporting controls, any significant deficiencies in them and any proposed major changes to them.
- (2) Review the performance of internal audit, the scope of internal audit's work plan for the year and receive a summary report of major findings by internal audit and management's action plan.
- (3) Review with management, the Chief Financial Officer, internal audit and the independent auditors the methods used to establish and monitor the Corporation's policies with respect to unethical or illegal activities by Corporation employees that may have a material impact on the financial statements.
- (4) Meet with management, internal audit and the independent auditors to discuss any relevant significant recommendations that the independent auditors may have, particularly those characterized as "material" or "serious".
- (5) Review the appointment of the senior internal audit executive.
- (6) Review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.
- (7) Review with management and the independent auditor any off-balance sheet financing mechanisms, transactions or obligations of the Corporation.
- (8) Review with management and the independent auditor any related party transactions.
- (9) Establish, implement and, as necessary, revise the procedures for (i) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting and financial reporting controls, or auditing matters; and, (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (10) Review with the independent auditors the quality of the Corporation's accounting personnel; review with management the responsiveness of the independent auditors to the Corporation's needs.

Regulatory Compliance Duties

- (1) Prepare such letters or reports as are required to be prepared by the Committee pursuant to applicable securities law.

SCHEDULE "B"

STOCK OPTION PLAN CLAROCITY CORPORATION

Purpose

The purpose of the Stock Option Plan (the "**Plan**") of **CLAROCITY CORPORATION** (the "**Corporation**"), a corporation amalgamated under the *Business Corporations Act* (Alberta) is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants, and other eligible service providers of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the "**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.

Administration

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

Stock Exchange Rules

All options granted pursuant to this 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 as, the "**Exchange**").

Shares Subject to Plan

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding Shares on the date of the grant. If any option granted hereunder shall expire or terminate

for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

Eligibility and Participation

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 ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options 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, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

A Participant that is also a director or senior officer of the Corporation or that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to the issued and outstanding Shares of the Corporation (or any other person so considered by the Exchange) shall be considered an "Insider" for the purposes of the Plan.

Exercise Price

- (a) The exercise price of the 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.
- (b) 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 be reduced upon receipt of Board approval, provided that in the case of options held by Insiders of the Corporation, (as defined in the policies of the Exchange) the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

Number of Optioned Shares

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued and outstanding common shares of the Corporation in any twelve month period (calculated on the date an option is granted), unless the Corporation has obtained the requisite disinterested shareholder approval in respect of this Plan and meets applicable Exchange requirements.
- (c) Options shall not be granted if the grant would result in the aggregate number of options granted to any one consultant of the Corporation (or any of its subsidiaries) in a 12 month period (calculated on the date an option is granted) would exceed 2% of the issued and outstanding common shares.
- (d) Options shall not be granted if the grant would result in the aggregate number of options granted to all persons conducting investor relation activities in a 12 month period (calculated on the date an option is granted) would exceed 2% of the issued and outstanding common shares. Options granted to persons performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the options vesting in any 3 month period.
- (e) The number of Shares reserved for issuance under options granted to Insiders shall not at any time exceed 10% of the issued and outstanding Shares unless the Corporation has obtained disinterested shareholder approval in respect of this Plan and meets applicable Exchange requirements.
- (f) The number of options granted to Insiders within any twelve month period shall not exceed 10% of the issued and outstanding Shares unless the Corporation has obtained the requisite disinterested shareholder approval in respect of this Plan and meets applicable Exchange requirements.
- (g) No single Participant may be issued a number of Shares exceeding 5% of the issued and outstanding Shares of the Corporation in any twelve month period unless the Corporation has obtained the requisite disinterested shareholder approval in respect of this Plan and meets applicable Exchange requirements.

Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 12 and 13, 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 ("**TSX-V**"), the maximum term may not exceed 10 years.

Blackout Periods

Notwithstanding Section 9 and the provisions of any option agreements entered into under the Plan, in the event that an option would otherwise expire within any blackout period formally imposed by the Corporation from time to time preventing Participants from exercising option(s) or within seven (7)

business days of the expiry of such blackout period, the expiration date of the term of such option shall be the later of the expiration date fixed under the applicable option agreement or the date which is seven (7) business days after the lifting or expiry of the applicable blackout period.

Option Period, Consideration and Payment

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 12 and 13 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 12 and 13, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

Ceasing To Be a Director, Officer, Consultant or Employee

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 after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.

Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

Death of Participant

In the event of the death of a Participant, the option previously granted to him 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 he was entitled to exercise the Option at the date of his death.

Rights of Optionee

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

Proceeds from Sale of Shares

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

Adjustments

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board in its discretion in the number or kind of Shares optioned and the exercise price per Share, as regards previously granted and unexercised options or portions thereof; and as regards options which may be granted subsequent to any such change in the Corporation's capital.

Upon the liquidation or dissolution of the Corporation or upon a re-organization, merger or consolidation of the Corporation with one or more corporations as a result of which the Corporation is not the surviving corporation, or upon the sale of substantially all of the property or more than eighty (80%) percent of the then outstanding common shares of the Corporation to another corporation, the Plan shall terminate, and any options theretofore granted hereunder shall terminate unless provision is made in writing in connection with such transaction for the continuance of the Plan and for the assumption of options theretofore granted, or the substitution for such options of new options covering the shares of a successor employer corporation, or a parent or subsidiary thereof, with appropriate adjustments as to number and kind of shares and exercise prices, in which event the Plan and options theretofore granted shall continue in the manner and upon the terms so provided.

In any event, if the Plan and unexercised options shall terminate pursuant to the foregoing, the Shares subject to all options granted shall immediately vest and all Participants then entitled to exercise an unexercised portion of options then outstanding shall have the right immediately prior to the consummation

of the event which results in the termination of the Plan as the Corporation shall designate to exercise their options to the full extent not theretofore exercised.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

Amendment and Termination of Plan

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall alter the terms of any options theretofore granted under the Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

Necessary Approvals

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

Effective Date of Plan

The Plan has been adopted by the Board of the Corporation and approved by the shareholders of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Alberta.