



**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS**

**To be held on April 25, 2019 at 10 AM**



## **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN THAT an annual general and special meeting (the "Meeting") of the shareholders of Canaf Investments Inc (the "Corporation") will be held at 1100-1111 Melville Street Vancouver BC V6E 3V6 on Thursday April 25, 2019 at 10:00 am. (Vancouver time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for the fiscal year ended October 31, 2018, together with the report of the auditors thereon;
2. to fix the number of directors of the Corporation at four (4) persons for the ensuing year;
3. to elect the directors for the ensuing year;
4. to appoint the auditors of the Corporation and to authorize the directors to fix the auditors' remuneration and the terms of their engagement;
5. to consider, and if thought fit, to pass an ordinary resolution to re-approve the Corporation's Incentive Stock Option Plan; and
6. to transact such further or other business as may properly come before the Meeting or any adjournment(s) thereof.

Accompanying this Notice are the Company's Management Information Circular, a Form of Proxy or Voting Instruction Form and a request card for use by Shareholders who wish to receive our financial statements. The accompanying Management Information Circular provides information relating to the matters to be addressed at the meeting and is incorporated into this Notice. Shareholders of record as at the close of business on March 21, 2019 (the "Record Date") will be entitled to receive notice of and vote at the Meeting.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those unable to attend are requested to read, complete, date, sign and return the enclosed Form of Proxy to Computershare Investor Services Inc., at 8th Floor, 100 University Avenue, Toronto, Canada M5J 2Y1 on or before 10:00 a.m. (Vancouver time) on April 23, 2019. If you do not complete and return the form in accordance with such instructions, you may lose your right to vote at the meeting.

If you are a non-registered Shareholder of Common Shares of the Corporation and an objecting beneficial owner and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. If you do not complete and return the materials in accordance with such instructions, you may lose your right to vote at the Meeting.

DATED at Vancouver, British Columbia, this 21<sup>st</sup> day of March 2019

### **BY ORDER OF THE BOARD**

Christopher Way  
President and Chief Executive Officer

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# Canaf Investments Inc.

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## MANAGEMENT INFORMATION CIRCULAR

### GENERAL PROXY INFORMATION INFORMATION CIRCULAR as at March 21, 2019

**This Information circular is furnished in connection with the solicitation of proxies by management of CANAF INVESTMENTS INC. for use at the Annual General and Special Meeting of shareholders to be held on April 25, 2019 (the “Meeting”) at and any adjournment thereof, for the purposes set forth in the attached Notice of Annual General and Special Meeting. Except where otherwise indicated, the information contained herein is stated as of March 21, 2019**

In this Information Circular, references to the “**Company**”, “**we**” and “**our**” refer to Canaf Investment Inc “**Common Shares**” or “**Shares**” means common shares without par value in the capital of the Company. “**Registered Shareholders**” means shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name. “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to Non-Registered Shareholders by those Intermediaries and we may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

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

By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions

#### Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers of the Company. If you are a Registered Shareholder, you have the right to vote by proxy and to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy.

Every Proxy may be revoked by an instrument in writing: executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a company, by a duly authorized officer or attorney, of the company; and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the meeting or any adjournment of it, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner provided by law.

**Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.**

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## Voting by Proxyholder

If you have the right to vote by proxy, the persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified,
- (ii) any amendment to or variation of any matter identified therein,
- (iii) any other matter that properly comes before the Meeting, and
- (iv) exercise of discretion of Proxyholder.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.** Management is not currently aware of any other matters that could come before the meeting.

## Voting by Registered Shareholders

If you are a Registered Shareholder you may wish to vote by proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, **COMPUTERSHARE INVESTOR SERVICES INC. (the "Transfer Agent"), Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1**, in accordance with the instructions on the Proxy.

You may also vote by telephone or via the Internet. To vote by telephone, in Canada and the United States only, call 1-866-732-8683 from a touch tone phone. When prompted, enter your Control Number listed on the proxy and follow the voting instructions. To vote via the Internet, go to [www.investorvote.com](http://www.investorvote.com) and enter your Control Number listed on the proxy and follow the voting instructions on the screen.

In all cases you should ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

## Voting by Non-Registered Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's Intermediary. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Non-Registered Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

### ***If you are a Non-Registered Shareholder:***

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "OBOs" for Objecting Beneficial Owners) and those who do not object (called "NOBOs" for Non-Objecting Beneficial Owners). Issuers can request and obtain a list of their NOBOs from intermediaries via their transfer agents, pursuant to National Instrument 54-101 entitled, "Communication with Beneficial Owners of Securities of Reporting Issuers" ("NI 54-101") and issuers can use this NOBO list for distribution of proxy-related materials directly to NOBOs.

With respect to OBOs, the voting instruction form supplied to you by your Intermediary will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf. Most Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the

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voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.** In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to OBOs. However, the Corporation does not intend to pay for intermediaries to forward to OBOs the meeting materials. As a result, an OBO will not receive the meeting materials unless the OBO's Intermediary assumes the cost of delivery.

Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or person designated by you, may attend at the Meeting as proxyholder for your Intermediary and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for you Intermediary, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your Intermediary in accordance with the instructions provided by such Intermediary, well in advance of the Meeting.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and the appointment of auditors and as set out herein. For the purpose of this paragraph, "Person" shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company's last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b).

### **RECORD DATE AND QUORUM**

The board of directors (the "**Board**") of the Company has fixed the record date for the Meeting as the close of business on March 21, 2019 (the "**Record Date**"). Company shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their shares at the Meeting, except to the extent that any such shareholder transfers shares any shares after the Record Date and the transferee of those shares establishes that the transferee owns the shares and demands, not less than ten days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case only such transferee shall be entitled to vote such shares at the Meeting.

Under the Company's articles, the quorum for the transaction of business at the Meeting consists shall be at least two (2) persons, present in person, each being a shareholder entitled to vote thereat **or** a duly appointed proxy or representative for an absent shareholder so entitled and representing in the aggregate not less than five percent (5%) of the outstanding shares of the Corporation carrying voting rights at the meeting.

### **IMPORTANT INFORMATION FOR NON-REGISTERED SHAREHOLDERS**

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are Non-Registered Shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "OBOs" for Objecting Beneficial Owners) and those who do not object (called "NOBOs" for Non-Objecting Beneficial Owners). Issuers can request and obtain a list of their NOBOs from intermediaries via their transfer agents, pursuant to National Instrument 54-101 entitled, "Communication with Beneficial Owners of Securities of Reporting Issuers" ("NI 54-101") and issuers can use this NOBO list for distribution of proxy-related materials directly to NOBOs. The Company has decided to take advantage of those provisions of NI 54-101 that allow it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a voting instruction from the Computershare Investor Services. These voting instruction forms are to be completed and returned in the envelope provided or by any other voting methods described on the voting instruction form itself, which contains complete instructions regarding voting procedures. The Transfer Agent will tabulate the results of the voting instruction forms received and will provide appropriate instructions at the Meeting with respect to the shares represented by voting instruction forms they receive.

The voting instruction form supplied to you by your Intermediary will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf. Most Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or person designated by you, may attend at the Meeting as proxyholder for your Intermediary and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for you Intermediary, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your Intermediary in accordance with the instructions provided by such Intermediary, well in advance of the Meeting.

### VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The authorized capital of the Company consists of an unlimited number of Shares without par value, and an unlimited number of preferred shares without par value. As of the date of this Circular 47,426,195 Shares were issued and outstanding. Each Share held as of the Record Date is entitled to one vote.

The outstanding Shares are listed for trading on the TSX Venture Exchange (the "TSX-V") under the symbol CAF.

To the knowledge of the Directors and executive officers of the Corporation, the beneficial owners or persons exercising control or direction over Corporation shares carrying more than 10% of the outstanding voting rights are:

Name	Number of Shares	Percentage
Christopher Robert Way	6,096,707	12.86%
David R. Way	4,612,106	9.72%

**Notes:** Represents shares owned by shareholder as at March 21, 2019

As of the date hereof, the directors and executive officers of the Corporation, as a group, owned beneficially, directly or indirectly, or exercised control or direction over, approximately 12,587,085 Shares, representing approximately 26.54% of the outstanding Shares.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### A. FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended October 31, 2018 together with the report of the auditors thereon, will be presented to the shareholders at the Meeting for their review and consideration.

#### B. NUMBER OF DIRECTORS

The Articles of the Corporation provide that the Corporation shall have a minimum of three and a maximum of that number of directors as may be fixed or changed from time to time by majority approval from the shareholders. Accordingly, shareholders will be asked to set the number of directors at four (4).

## C. ELECTION OF DIRECTORS

Management of the Corporation proposes to nominate the persons listed below for election as directors to hold office until the next annual meeting or until his successor is appointed, unless his office is earlier vacated in accordance with the *Business Corporations Act* (Alberta) (the "ABCA") and the Articles.

All of the nominees are currently members of the Board and have been since the dates indicated below. Management does not contemplate that any of the nominees will be unable to serve as a director. **However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. The persons named in the enclosed form of proxy intend to vote FOR the election of all of the nominees whose names are set forth below unless otherwise instructed to withhold from voting thereon on a properly executed and validly deposited proxy.**

### NOMINEES FOR ELECTION AS DIRECTORS

The following table sets forth certain information concerning management's nominees for election as directors, including the approximate number of Shares beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction.

Name of Proposed Nominee, Municipality of Residence	Principal Occupation	Director Since	Current Position(s) with the Corporation	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed <sup>(1)</sup>
David R. Way <sup>(2)</sup> Sussex, UK Director & Chairman	Director of private companies specializing in property acquisition and development in the U.K. and South Africa.	Nov 10, 2006	Director and Chairman	4,612,106 Shares <sup>(3)</sup> 9.72% undiluted 9.72% fully diluted
Christopher Way <sup>(2)</sup> Sussex, UK Director & CEO	Currently Chief Executive Officer and Director of Canaf Investments Inc. Managing Director of Quantum Screening and Crushing (Pty) Ltd. and Southern Coal (Pty) Ltd. Christopher works full-time for the Corporation.	Jul 14, 2008	Director, President & CEO	6,096,707 shares <sup>(4)</sup> 12.86% undiluted, 12.86 % fully diluted
Kevin Corrigan <sup>(2)</sup> Sussex, UK Director	Former Chief Investment Officer at Sandaire and previously Senior Vice-President and Investment manager at Lombard Odier Investment Managers, responsible for the firm's European Corporate Bond funds. Prior to that was executive Director at Goldman Sachs Asset Management where he was responsible for European and Sterling Investment Grade corporate credit portfolios.	Oct 1, 2009	Director	1,878,272 shares 3.96% undiluted, 3.96% fully diluted
Rebecca Williams Kent, UK Director & CFO	Currently Chief Financial Officer and Director of Canaf Investments Inc. Qualified with the Chartered Institute of Management Accounting in 2009 following a first class honours degree in Accounting and Finance from the University of Warwick, United Kingdom. Having spent 8 years progressing her accounting career with the rail industry Rebecca diversified into corporate transformation having led divestment programmes and functional restructuring.	Jul 19, 2018	Director & CFO	0 Shares

Notes:

- (1) The information as to Common Shares beneficially owned, not being within the knowledge of Canaf, has been obtained from SEDI or furnished by the proposed directors individually.
- (2) Member of the audit committee of the Board (the "Audit Committee"). Mr. C Way is the Chairman of the Audit Committee
- (3) Includes 830,183 shares held in Company controlled by Mr. D. Way.
- (4) Includes 5,040,800 shares held in a Corporation controlled by Mr. C. Way.

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(5) **Orders, Penalties and Bankruptcies**

To the knowledge of the Corporation and other than as set forth below, none of the foregoing nominees for director of the Corporation:

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

To the knowledge of the Corporation, no nominee for director of the Corporation has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

**D. APPOINTMENT OF AUDITORS**

Shareholders will be requested to appoint WDM Chartered Accountants, of Vancouver, British Columbia as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors of the Corporation to fix their remuneration and the terms of their engagement. WDM Chartered Accountants, of Vancouver, British Columbia, was first appointed June 9, 2009.

**To be approved, the resolution requires the affirmative vote of a majority of the votes cast on the resolution. Proxies received in favour of management will be voted in favour of the appointment of WDM Chartered Accountants, of Vancouver, British Columbia as auditors of the Corporation to hold office until the next annual meeting of shareholders and the authorization of the directors to fix the auditors' remuneration and the terms of their engagement, unless the shareholder has specified in a proxy that his, her or its Common Shares are to be withheld from voting in respect thereof.**

**E. RE-APPROVAL OF STOCK OPTION PLAN**

**Approval of Stock Option Plan**

The Policies of the TSX-V require all incentive stock option grants to be made pursuant to a stock option plan approved by the Corporation's Shareholders annually. The Corporation's Option Plan is a "rolling" stock option plan pursuant to which directors, officers, employees and consultants of the Corporation are awarded options to purchase Shares (the "Options"). The Option Plan was last approved by the Shareholders at the Corporation's previous annual and special meeting of the Shareholders Pursuant to the policies of the TSX-V, a "rolling" plan must receive yearly Shareholder approval. The Option Plan is identical to the one previously approved by Shareholders. Accordingly, Shareholders are being asked to approve the current Option Plan in accordance with Policy 4.4 of the TSX-V.

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The Option Plan has been established to advance the interests of the Corporation or any of its subsidiaries and affiliates by encouraging the directors, officers, employees and consultants of the Corporation, or any of its subsidiaries or affiliates, to acquire Shares thereby increasing their proprietary interest in the Corporation, encouraging them to remain with the Corporation, or its subsidiaries or affiliates, and providing them with additional incentive in the conduct of their affairs for and on behalf of the Corporation, its subsidiaries and affiliates.

A full copy of the Option Plan will be available at the Meeting for review by shareholders. Shareholders may also obtain copies of the Option Plan from the Corporation prior to the Meeting on written request. The following is a summary of the material terms of the Plan:

*Details of the Plan*

Some key provisions of the Option Plan are as follows:

- (a) The aggregate number of Shares reserved for issuance under the Option Plan must not exceed 10% of outstanding Shares (on a non-diluted basis). The Shares in respect of which Options are not exercised shall be available for subsequent Option grants. No fractional shares may be purchased or issued thereunder;
- (b) the aggregate number of Shares reserved for issuance under the Option Plan and granted to any one person within a 12-month period may not exceed 5% of the outstanding Shares;
- (c) the issuance of Shares to insiders pursuant to the Option Plan within a 12-month period may not exceed 10% of the outstanding Shares;
- (d) the issuance of Shares to any one insider and such insider's associates pursuant to the Option Plan within a 12-month period may not exceed 10% of the outstanding Shares;
- (e) the issuance of Shares to any one Consultant (as such term is defined in the TSX Venture Exchange Corporate Finance Manual) pursuant to the Option Plan within a one year period may not exceed 2% of the outstanding Canaf Shares; and the issuance of Shares to persons employed to provide Investor Relations Activities (as such term is defined in the TSX-V Corporate Finance Manual) for the Corporation within a one year period may not exceed an aggregate of 2% of the outstanding Shares.

In the event of a participant ceasing to be a director, officer or employee of the Corporation or a subsidiary of the Corporation for any reason other than death, including the resignation or retirement of the participant as a director, officer or employee of the Corporation or the termination by the Corporation of the employment of the participant, prior to the expiry time of an Option, such Option, if vested, shall cease and terminate on the Ninetieth (90<sup>th</sup>) day following the effective date of such resignation or termination. In the event of the death of a participant on or prior to the expiry time of an Option, such Option, if vested, may be exercised as to such of the Shares in respect of which such Option has not previously been exercised (including in respect of the right to purchase Shares not otherwise vested at such time), by the legal personal representatives of the participant at any time up to and including (but not after) a date one year following the date of death of the participant provided that the Board may extend the date of termination for a period ending up to twelve (12) months from the date of death of the participant or the expiry time of such Option, whichever occurs first.

Pursuant to the Option Plan, the Corporation can, at any time, have a number of Options outstanding equal to up to 10% of the then outstanding number of Shares. In the event of the exercise or cancellation of any Options, the Corporation could make a further grant of Options, provided that the 10% maximum is not exceeded.

The text of the resolution ratifying and approving the Option Plan is as follows, subject to any amendments, variations or additions as may be approved at the Meeting:

**RESOLVED:**

- (1) The Corporation's Option Plan, is hereby approved, confirmed and ratified.
- (2) Any officer or director of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to do all things and execute and deliver all such agreements, documents and instruments necessary or desirable in connection with the foregoing resolution.

**To be approved, the affirmative vote of a majority of the votes cast on the resolution is required. The Board recommends that Shareholders vote FOR the ratification and approval of the Option Plan. The persons named in the accompanying form of proxy intend to vote FOR the resolution, unless otherwise instructed on a properly executed and validly deposited proxy.**

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## F. OTHER BUSINESS

While management of the Corporation is not aware of any business other than that mentioned in the Notice of Meeting to be brought before the Meeting for action by the shareholders, **it is intended that the proxies hereby solicited will be exercised upon any other matter or proposal that may properly come before the Meeting, or any adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

### EXECUTIVE COMPENSATION

#### COMPENSATION DISCUSSION AND ANALYSIS

The primary objectives of the Corporation's executive compensation program are to attract, motivate and retain highly trained, experienced and committed executive officers who have the necessary skills, education, experience and personal qualities required to manage the Corporation's business for the benefit of its shareholders, and to align their success with that of the shareholders.

##### *Stock Based Compensation*

Under the terms of the Option Plan, the Board or a committee of the Board may grant incentive stock options to the Corporation's directors, officers, employees and consultants to purchase Shares. The purpose of options is to provide a direct long-term incentive to improve shareholder value over time. The level of grant is determined by reference to standards of practice within the junior mining industry and the individual's level of responsibility within the Corporation. The Corporation does not have a program or regular annual grant of options. When determining options to be allocated, a number of factors are considered, including the number of outstanding options held by an individual, the value of such options, and the total number of options available for granting.

##### *Salaries or Consulting Fees*

Future base executive compensation, in the form of salaries or consulting fees, will provide a fixed level of compensation for discharging the specific duties and responsibilities of the executive. The Board recognizes that the size of the Corporation may prohibit executive compensation from matching those of larger companies in the mining industry. The Board also believes that long-term equity interests, in the form of options (described above), will compensate for lower base fees. This compensation strategy is similar to the strategies of many other companies within the Corporation's peer group.

When determining executive compensation, the Board will review the compensation policies of companies engaged in businesses similar to the Corporation's. The Board will review publicly available information with respect to compensation paid to the executives of companies that are also engaged in the acquisition, exploration and development of oil and gas properties. In setting the base compensation levels for individuals, consideration will be given to objective factors such as the level of responsibility, experience and expertise, as well as subjective factors such as leadership and contribution to corporate performance. Fees will be reviewed annually and adjustments may be made based upon corporate and personal performance, market conditions and the level of responsibility attributed to specific executives.

## Summary Compensation Table

The following table sets forth, information concerning the compensation paid to the Directors and Named Executive Officers for the year ended October 31, 2018, with comparative information for the financial years ended October 31, 2017 and 2016.

Name and Principal Position	Fiscal Year Ended	Salary (US\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (US\$)
					Annual incentive plans (\$)	Long-term incentive plans			
Christopher Robert Way Director, CEO & President <sup>(4)</sup>	Oct 31, 2018	129,354	Nil	Nil	Nil	n/a	Nil	Nil	129,354
	Oct 31, 2017	108,175	Nil	Nil	Nil	n/a	Nil	Nil	108,175
	Oct 31, 2016	102,129	Nil	Nil	Nil	n/a	Nil	Nil	102,129
David R. Way Director & Chairman	Oct 31, 2018	57,569	Nil	Nil	Nil	n/a	Nil	Nil	57,569
	Oct 31, 2017	53,944	Nil	Nil	Nil	n/a	Nil	Nil	53,944
	Oct 31, 2016	46,660	Nil	Nil	Nil	n/a	Nil	Nil	46,660
Kevin Corrigan Director	Oct 31, 2018	Nil	Nil	Nil	Nil	n/a	Nil	Nil	Nil
	Oct 31, 2017	Nil	Nil	Nil	Nil	n/a	Nil	Nil	Nil
	Oct 31, 2016	Nil	Nil	Nil	Nil	n/a	Nil	Nil	Nil
Rebecca Williams <sup>(1)</sup> Director and CFO	Oct 31, 2018	12,039	Nil	Nil	Nil	n/a	Nil	Nil	12,039
	Oct 31, 2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Derick Sinclair <sup>(2)</sup> Former Director & CFO	Oct 31, 2018	17,850	n/a	n/a	n/a	n/a	n/a	n/a	17,850
	Oct 31, 2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Zenaida Manalo <sup>(3)</sup> Former Director & CFO	Oct 31, 2018	15,649	Nil	Nil	Nil	n/a	Nil	Nil	15,649
	Oct 31, 2017	40,909	Nil	Nil	Nil	n/a	Nil	Nil	40,909

Notes:

- <sup>1)</sup> Ms. Rebecca Williams was appointed the Board and as CFO July 19, 2018
- <sup>2)</sup> Mr. Sinclair was appointed to the Board on January 9, 2018 and resigned on July 19, 2018
- <sup>3)</sup> Ms. Manalo ceased as a director and CFO after passing away on on December 31, 2017
- <sup>4)</sup> Mr. Christopher Way's total salary is a combination of his remuneration in South Africa and Canada.

### Narrative Discussion

The Company does not have any contracts, agreements, plans or arrangements that provides for payments to a NEO at, following or in connection with, any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an

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

The following table sets forth information concerning all option-based and share-based awards for each Director and Executive Officer that were granted before and remain outstanding as of the as of the record date March 22, 2019.

Name and Principal Position	Option-based Awards <sup>(1)</sup>				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Shares or units of Shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(2)</sup>
Christopher Robert Way <i>President, CEO &amp; Director</i>	Nil	Nil	Nil	Nil	Nil	Nil
David R. Way <i>Chairman and Director</i>	Nil	Nil	Nil	Nil	Nil	Nil
Kevin Corrigan <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil
Rebecca Williams <i>Director and CFO</i>	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- <sup>(1)</sup> The option-based awards relate to those stock options awarded pursuant to the Option Plan.
- <sup>(2)</sup> The Corporation does not have any share-based incentive compensation plans outstanding.

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### Incentive Plan Awards Value Vested or Earned During the Fiscal Year Ended October 31, 2018 and 2017.

The Corporation does not have any current plans for the payment of fees to Corporation directors.  
The Corporation does not have any share-based incentive compensation plans outstanding.

#### Pension Plan Benefits

The Corporation does not have any pension plans that provide for payments of benefits at, following or in connection with retirement or provide for retirement or deferred compensation plans for the Named Executive Officers or directors.

#### Termination and Change of Control Benefits

The Corporation has no plan or arrangement whereby any Named Executive Officer may be compensated in the event of that Named Executive Officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Corporation or a change in Name Executive Officer's responsibilities following such a change of control.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER THE EQUITY COMPENSATION PLAN

### EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth aggregated information as at October 31, 2017 with respect to the Stock Option Plan, which is the only compensation plan under which equity securities of the Corporation are authorized for issuance to employees or non-employees such as directors and consultants. For further information regarding the Incentive Stock Option Plan, please see "Part II – Information Concerning the Issuer – Option Plan".

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security-holders	0	N/A	4,742,620
Equity compensation plans not approved by security holders	N/A	Nil	N/A
Total	0	Nil	4,742,620

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## CORPORATE GOVERNANCE AND OTHER MATTERS

### BOARD OF DIRECTORS

There are currently four (4) directors of the Corporation:

**Mr. Christopher Robert Way**  
**Mr. David R Way**

**Mr. Kevin Corrigan**  
**Ms. Rebecca Williams**

TSX-V policies require an issuer to have at least two independent directors. Two of the four directors of the Corporation are independent. Mr. Christopher Robert Way is the CEO and President and Ms. Rebecca Williams is the Chief Financial Officer and as such they are not considered to be "independent" as a result of their current or former positions as officers or other material relationships with the Corporation.

To facilitate the directors of the Corporation functioning independent of management, where appropriate, during regularly scheduled meetings, non-independent directors and members of management are excluded from certain discussions.

### DIRECTORSHIPS

There are Currently no directors of the Corporation who are also directors of other reporting issuers (or the equivalent).

### ORIENTATION AND CONTINUING EDUCATION

The Board has not adopted a formal policy on the orientation and continuing education of new and current directors. When a new director is appointed, the Board delegates individual directors the responsibility for providing an orientation and education program for any new director. This may be delivered through informal meetings between the new directors and the Board and senior management, complemented by presentations on the main areas of the Corporation's business. When required the Board may arrange for topical seminars to be provided to members of the Board or committees of the Board. Such seminars may be provided by one or more members of the Board and management or by external professionals.

### ETHICAL BUSINESS CONDUCT

The directors encourage and promote a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. In addition, some of the directors of the Corporation also serve as directors and officers of other companies, the Board must comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Each director is required to declare the nature and extent of his interest and is not entitled to vote at meetings which involve such conflict.

### NOMINATION OF DIRECTORS

The Board performs the functions of a nominating committee with respect to appointment of directors. The Board believes that this is a practical approach at this stage of the Corporation's development. While there are not specific criteria for board membership, the Corporation attempts to attract and maintain directors with business knowledge, which assists in guiding management of the Corporation.

### COMPENSATION

The Corporation does not have a compensation committee. The Board reviews, as needed, compensation to directors and to officers with respect to industry comparables and with regards to the particular circumstances of the Corporation.

### BOARD COMMITTEES

#### Audit Committee

The Audit Committee is responsible for the Corporation's financial reporting process and the quality of its financial reporting. The Audit Committee is charged with the mandate of providing independent review and oversight of the Corporation's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Corporation's external auditors. The Audit Committee also assists the Board in fulfilling its

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responsibilities in reviewing the Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management, and the external auditors and monitors the independence of those auditors. The Audit Committee is also responsible for reviewing the Corporation's financial strategies, its financing plans and its use of the equity and debt markets.

#### **Audit Committee Charter**

The text of the Audit Committee's charter is attached as Schedule "A" to this Circular.

#### **Composition of the Audit Committee**

The Audit Committee is comprised of the following members of the Board – Christopher Robert Way, not independent due to his position as the CEO; David R Way, independent and Keven Corrigan, independent.

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

In addition to each member's general business experience, the following describes the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities:

Christopher Robert Way - Christopher has been the President and Chief Executive Officer of Canaf Investments Inc. since June 14, 2011. In 2007, he joined Canaf to assist with the due diligence of a project in Zimbabwe. Over the past 12 years, Mr. Way has represented Canaf in Zimbabwe, South Africa, DRC and Sierra Leone. He was awarded a sponsorship by an agency of the Ministry of Defence to study at Durham University after working for them in a defense unit. Mr. Way graduated from Durham University (United Kingdom) with a Masters in Civil Engineering. Christopher is currently based between the UK and South Africa where he sits on the board of the Corporation's South African subsidiaries.

David R Way – David started his career growing a substantial building supplies company in the UK before moving into property development in the UK and South Africa. Being born in South Africa, David has maintained many valuable relationships and experiences in the country where the Corporation has its subsidiaries.

Kevin Corrigan - Kevin has been Investment manager for a number of financial institutions and is a qualified accountant. Kevin graduated from Reading University with a degree in English Literature and is a Fellow of the Chartered Association of Certified Accountants.

#### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial period was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

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

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Corporation's Board, and where applicable the audit committee, on a case-by-case basis.

#### **External Auditor Service Fees**

In the following table, "audit fees" are fees billed by the Corporation's external auditor for services provided in auditing the Corporation's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Corporation to its auditor for the last two (2) fiscal years ended October 31, 2017, 2018 by category, are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
31-Oct-18	\$ 29,000	\$ -	\$ 3,200	\$ -
31-Oct-17	\$ 29,000	\$ -	\$ 2,800	\$ -

### **Committees**

The only standing committee of the Board is the Audit Committee. The Board does not have any other committees. Given the size of the Corporation and the nature of its activities, the Board does not see fit at this time to create the other committees.

### **ASSESSMENTS**

The Board does not have any formal policies to evaluate the effectiveness of the Board, the Audit Committee and the individual directors. The Board may appoint a special committee of the directors to evaluate the Board, its committees and assess the contribution of its individual directors and to recommend any modifications to the functioning and governance of the Board and its committees. To date, the Board has not appointed any such special committees of directors to perform such analysis.

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

No individual who is or, at any time during the most recently completed financial year, was a director or executive officer of the Corporation, and no person who is a proposed nominee for election as a director of the Corporation, and no associate of any such director, executive officer or proposed nominee is, or at any time since the beginning of the last completed financial year, was indebted to the Corporation or any of its subsidiaries.

### **INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON AND INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Management is not aware of any material interest, direct or indirect, of any "informed person" of the Corporation, insider of the Corporation, proposed director, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries. An "**informed person**" means: (i) a director or executive officer of the Corporation or of a subsidiary of the Corporation; (ii) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation; (iii) a director or officer of a company that is itself an informed person of the Corporation or of a subsidiary of the Corporation or (iv) any person who has been a director or officer of the Corporation at any time since the beginning the Corporation's last fiscal year.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be obtained from the Corporation's website at <http://www.canafinvestments.com> or by accessing the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Securityholders may contact the Corporation at 1100-1111 Melville Street, Vancouver BC V6E 3V6 to request copies of the Corporation's financial statements and management's discussion and analysis, free of charge.

Financial information is provided in the Corporation's financial statements and management's discussion and analysis for its most recently completed financial year.

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**APPROVAL**

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

**DATED** at Vancouver, British Columbia this 22nd day of March 2019

By Order of the Board of Directors  
of **Canaf Investments Inc.**

*/s/ Christopher Robert Way*

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President and CEO

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## Schedule "A"

### Audit Committee Charter Mandate

The primary function of the audit committee (the **Committee**) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

- a) serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements;
- b) review and appraise the performance of the Corporation's external auditor;
- c) provide an open avenue of communication among the Corporation's auditor, financial and senior management and the Board of Directors; and
- d) report regularly to the Board of Directors the results of its activities.

### Composition

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Corporation ceases to be a "venture issuer" (as that term is defined in National Instrument 52-110 – *Audit Committees*), then all of the members of the Committee shall be free from any material relationship with the Corporation that, in the opinion of the Board of Directors, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Corporation ceases to be a venture issuer then all members of the Committee shall also have accounting or related financial management expertise. All members of the Audit Committee should have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting or until their successors are duly elected. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

### Meetings

The Committee shall meet at least once quarterly, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditor in separate sessions.

### Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

#### 1. Documents/Reports Review

- (a) review and update this Audit Committee Charter annually;
- (b) review the Corporation's financial statements, MD&A and any annual and interim earnings press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor; and
- (c) review regular summary reports of directors and officers expense account claims at least annually. Establish and review approval policies for expense reports and, as required, request audits of expense claims and policies for expense approval and reimbursements. The Chairman of the Audit Committee or of the Compensation Committee to approve expense reports of the President and the CEO and the CEO to approve those of the directors and officers.

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## 2. External Auditor

- (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation;
- (b) obtain annually, a formal written statement of external auditor setting forth all relationships between the external auditor and the Corporation;
- (c) review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;
- (d) take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval;
- (f) recommend to the Board of Directors the compensation to be paid to the external auditor;
- (g) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- (h) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;
- (i) review with management and the external auditor the audit plan for the year-end financial statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than five percent of the total amount of fees paid by the Corporation to its external auditor during the fiscal year in which the non-audit services are provided,
  - (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services, and
  - (iii) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

## 3. Financial Reporting Processes

- (a) in consultation with the external auditor, review with management the integrity of the Corporation's financial reporting process, both internal and external;
- (b) consider the external auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditor and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

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- (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
  - (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
  - (h) review any complaints or concerns of the Corporation about any questionable accounting, internal accounting controls or auditing matters;
  - (i) review certification process;
  - (j) establish a procedure for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;
  - (k) establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
  - (l) on at least an annual basis, review with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements, the Corporation's compliance with applicable laws and regulations, and inquiries received from regulators or government agencies.

#### **4. Authority**

The Audit Committee will have the authority to:

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee;
- (d) communicate directly with the internal and external auditors; and
- (e) conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation.