



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

AND

INFORMATION CIRCULAR

OF

ESREY RESOURCES LTD.

TO BE HELD ON JUNE 21, 2018

Dated: April 27, 2018



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “Meeting”) of shareholders of Esrey Resources Ltd. (the “Company”) will be held at the offices of McMillan LLP, Suite 1500, 1055 West Georgia Street, Vancouver, BC, at 10:00 a.m. (Pacific time) on Thursday, June 21, 2018 for the following purposes:

1. To receive the audited financial statements of the Company for the financial year ended September 30, 2017 and accompanying report of the auditor;
2. To appoint KPMG, LLP as the auditor of the Company for the ensuing year at a remuneration to be fixed by the directors;
3. To set the number of directors of the Company at four (4);
4. To elect the directors of the Company for the ensuing year;
5. To consider and if thought fit, ratify and re-approve the 2017 Stock Option Plan of the Company, as more particularly detailed in the accompanying Information Circular;
6. To consider, and if thought fit, to approve the Company’s Share Appreciation Rights Plan as more particularly described in the accompanying Information Circular and the issuance of up to 1,000,000 share appreciation rights under the Plan; and
7. To transact such other business as may properly come before the Meeting.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to and expressly made a part of this Notice of Meeting.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with Computershare Investor Services Inc. Attention: Proxy Tabulation Unit, 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1 or hand deliver to 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9 by 10:00 a.m. (Pacific time) on June 19, 2018 or at least 48 hours (excluding Saturdays, Sundays and holidays) before the time that the Meeting is to be reconvened after any adjournment of the Meeting. Shareholders can also send their proxies by fax to 1-866-249-7775 (toll-free); 1-416-263-9524 (outside Canada and the US).

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the “Intermediary”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia April 27, 2018.

ESREY RESOURCES LTD.

“David Cohen”

David Cohen
President and CEO



Suite 250 – 1075 West Georgia Street
Vancouver, British Columbia
Canada V6E 3C9

INFORMATION CIRCULAR
as at April 27, 2018

(unless otherwise noted)

INTRODUCTION

This Information Circular accompanies the Notice of Annual General Meeting (the “Notice”) and is furnished to the shareholders (the “Shareholders”) holding common shares (the “Common Shares”) in the capital of Esrey Resources Ltd. (the “Company” or “Esrey”) in connection with the solicitation of proxies by the management of the Company to be voted at the Annual General Meeting (the “Meeting”) of the Shareholders to be held at 10:00 am (Pacific) on Thursday, June 21, 2018 at the offices of McMillan LLP, Suite 1500, 1055 West Georgia Street, Vancouver, BC, or at any adjournment thereof.

Date and Currency

Unless otherwise stated, the information contained in this Information Circular is as of April 27, 2018. Unless otherwise stated, all amounts herein are in Canadian dollars.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, regular officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out-of-pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxy

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each Common Share that such Shareholder holds on April 27, 2018 (the "Record Date") on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the "Designated Persons") in the enclosed form of proxy are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER), OTHER THAN THE DESIGNATED PERSONS, TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.

SUCH RIGHT MAY BE EXERCISED BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc. at their offices located at 8th Floor, 100 University Avenue, Toronto, ON, Canada, M5J 2Y1, by mail or by fax within North America at 1-866-249-7775, outside North America at +1-416-263-9524, or hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9 or via the internet at Computershare's website, www.investorvote.com. Registered shareholders must follow the instructions provided and refer to the enclosed proxy form for the holder's control number for voting online or by telephone.

In either case all Registered Shareholders must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney duly authorized in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney for the corporation. If a form of proxy is executed by an attorney for an individual Shareholder or joint Shareholders, or by an officer or attorney for a corporate Shareholder, the instrument so empowering the officer or attorney, as the case may be, or a notarized certified copy thereof, must accompany the form of proxy. If not dated, the proxy will be deemed to have been dated the date it is mailed to Shareholders.

Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Common Shares represented will be voted or withheld from the vote on that matter accordingly. **The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.**

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES PUT FORWARD BY THE COMPANY'S BOARD OF DIRECTORS.

The enclosed form of proxy confers discretionary authority upon the Designated Persons with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

Revocation of Proxies

A Shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders that wish to change their voting instructions must, in sufficient time in advance of the Meeting, contact Computershare Investor Services Inc. ("Computershare") or their intermediary to arrange to change their voting instructions.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those of our Shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, 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 broker or an agent of that broker. 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). **Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.**

There are two kinds of Non-Registered Shareholders – those who object to their name being made known to the Company (called OBOs for "Objecting Beneficial Owners") and those who do not object to the Company knowing who they are (called NOBOs for "Non-Objecting Beneficial Owners").

Non-Registered Shareholders

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the common shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as "Beneficial Shareholders") should note that only Registered Shareholders (or duly appointed proxyholders) may complete a Proxy or vote at the Meeting in person.

This Circular and accompanying materials are being sent to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“Objecting Beneficial Owners”, or “OBOs”) and those who do not object to their identity being made known to the issuers of the securities they own (“Non-Objecting Beneficial Owners”, or “NOBOs”). Subject to the provision of National Instrument 54-101 – Communication with Beneficial Owners of Securities of Reporting Issuers (“NI 54-101”), issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents and use this NOBO list for distribution of proxy-related materials directly to NOBOs.

Non-Objecting Beneficial Owners

This year, the Company has decided to take advantage of those provisions of National Instrument 54-101 that permit the Company to deliver proxy-related materials directly to its NOBOs who have not waived the right to receive them (and is not sending proxy-related materials using notice-and-access). These security holder materials are being sent to both registered owners and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (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. As a result NOBOs can expect to receive a scannable Voting Instruction Form (“VIF”) together with the Notice of Meeting, this Circular and related documents from our Transfer Agent, Computershare. These VIFs are to be completed and returned to Computershare in accordance with the instructions provided. **NOBOs should carefully follow the instructions provided, including those regarding when and where to return the completed VIFs.**

NOBOs that wish to change their vote must in sufficient time in advance of the Meeting contact Computershare to arrange to change their vote.

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert the NOBO’s name (or such other person as the NOBO wishes to attend and vote on the NOBO’s behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in line with the instructions provided or the NOBO must submit, to the Company any other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. In such circumstances with respect to proxies held by management in respect of securities owned by the NOBO so requesting, the Company must arrange, without expense to the NOBO, to appoint the NOBO or a nominee of the NOBO as a proxyholder in respect of those securities. Under NI 54-101, if the Company appoints a NOBO or a nominee of the NOBO as a proxyholder as aforesaid, the NOBO or nominee of the NOBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101, if the Company appoints a NOBO or its nominee as proxyholder as aforesaid the Company must deposit the proxy within the timeframe specified above for the deposit of proxies if the Company obtains the instructions at least one (1) business day before the termination of that time.

Objecting Beneficial Owners

In accordance with the requirements of NI 54-101, we have distributed copies of the Notice of Meeting, this Circular and related documents (collectively, the “Meeting Materials”) to the clearing agencies and intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless in the case of certain proxy-related materials the OBO has waived the right to receive them. Very often, intermediaries will use service companies such as Broadridge to forward the Meeting Materials to OBOs. Together with the Meeting Materials, intermediaries or their service companies should provide OBOs with a “request for voting instruction form” which, when properly completed and signed by such OBO and returned to the intermediary or its service company, will constitute voting instructions which the intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the common shares that they beneficially own. The Company does not intend to pay for an intermediary to deliver to the Meeting Materials to OBOs and OBOs will not receive the Meeting Materials and voting instruction form unless their intermediary assumes the costs of delivery. Every intermediary has its own mailing procedures and provides its own return instructions to clients. **OBOs should carefully follow the instructions of their intermediary, including those regarding when and where the completed request for voting instructions is to be delivered.**

OBOs who wish to change their vote must in sufficient time in advance of the Meeting arrange for their respective intermediaries to change their vote.

Should an OBO wish to vote at the Meeting in person, the OBO must insert the OBO's name (or such other person as the OBO wishes to attend and vote on the OBO's behalf) in the blank space provided for that purpose on the request for voting instruction form and return the completed request for voting instruction form to the intermediary or its service provider or the OBO must submit, to their intermediary, any other document in writing that requests that the OBO or a nominee of the OBO be appointed as proxyholder. In such circumstances an intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by an OBO is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or a nominee of the OBO as a proxyholder in respect of those securities. Under NI 54-101, if an intermediary appoints an OBO or the nominee of the OBO as a proxyholder as aforesaid, the OBO or nominee of the OBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of the intermediary, in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101 an intermediary who appoints an OBO or its nominee as proxyholder as aforesaid is required under NI 54-101 to deposit the proxy within the timeframe specified above for the deposit of proxies if the intermediary obtains the instructions at least one (1) business day before the termination of that time.

All references to Shareholders in this Information Circular are to Registered Shareholders, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of the Record Date, determined by the Company's board of directors (the "Board") to be the close of business on April 27, 2018, a total of 100,175,306 Common Shares were issued and outstanding, each such share carrying the right to one (1) vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company.

BUSINESS OF THE MEETING

RECEIPT OF FINANCIAL STATEMENTS

The financial statements of the Company for the financial year ended September 30, 2017 and accompanying auditor's report will be presented at the Meeting.

APPOINTMENT OF AUDITOR

The Shareholders will be asked to vote for the appointment of KPMG LLP, Chartered Accountants, as the auditor of the Company to hold office until the next annual meeting of Shareholders of the Company, and to authorize the Board to fix their remuneration.

KPMG LLP, Chartered Accountants, was first appointed as auditors of the Company on April 23, 2008.

Unless such authority is withheld by a Shareholder, the management proxyholder in the accompanying form of proxy or VIF intend to vote "FOR" the appointment of KPMG LLP, Chartered Accountants and authorize the Board to fix their remuneration.

NUMBER OF DIRECTORS

The directors of the Company are elected annually to hold office until the next annual meeting of the Shareholders of the Company or until their successors are elected or appointed.

At the Meeting, Shareholders will be asked to pass an ordinary resolution to fix the number of directors at four. Unless otherwise instructed, proxies given pursuant to this solicitation by the Company's Board will be voted in favour of fixing the number of Directors at four.

ELECTION OF DIRECTORS

The Company's Board proposes to nominate the persons named in the table below for election as directors of the Company. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Company or the *Business Corporations Act* (British Columbia) (the "BCBCA") or he or she becomes disqualified to act as a director.

Unless such authority is withheld by a Shareholder, the management proxyholder in the accompanying form of proxy or VIF intend to vote "FOR" the election of the individuals whose names are set out below.

Advance Notice Policy

On August 9, 2013, the Board of the Company adopted an advance notice policy (the "Advance Notice Policy") with immediate effect. The Shareholders of the Company ratified, confirmed and approved the Advance Notice Policy at the Company's Extraordinary General Meeting held on November 6, 2013.

The purpose of the Advance Notice Policy is to provide shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Policy fixes a deadline by which holders of record of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders. For the terms of the Advance Notice Policy please refer to the Company's Information Circular filed on www.sedar.com on October 1, 2013.

The following table sets out the names of management's nominees for election as directors, the place in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupations, the period of time during which each has been a director of the Company, and the number of Common Shares of the Company beneficially owned by each of them, directly or indirectly, or over which control or direction is exercised, as of the date of this Information Circular.

Name, Place of Residence and Offices Held with the Company ⁽¹⁾	Principal Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Company	Number of Shares Owned ⁽¹⁾
Paul Larkin ⁽²⁾⁽⁴⁾ British Columbia, Canada <i>Director</i>	Former Chief Executive Officer & President of the Company from August 10, 2006 to November 27, 2007; President of New Dawn Holdings Ltd., a private administrative and financial services company since 1983; President and Chief Executive Officer of Tyner Resources Ltd. since 2000; and director and/or officer of a number of other public companies.	June 10, 2003 to present	739,391 ⁽³⁾
David Cohen ⁽²⁾⁽⁴⁾⁽⁵⁾ British Columbia, Canada <i>Director, President and CEO since February 28, 2018</i>	President and Chief Executive Officer of Eastern Platinum Limited from February to July 2016; and Chairman of Eastern Platinum Ltd from 2006 to 2016; Chairman and Chief Executive Officer of Gold Wheaton Gold Corp. from 2008 to 2011; and director and/or officer of a number of other public companies in the oil and gas and mining sectors.	November 26, 2007 to present	377,642
Raymond Power Skopje, Macedonia <i>Director</i>	Founder and Chief Executive Officer of PRG plc since 2015. Founder and director of various other private companies since 2010.	July 21, 2017 to present	9,508,684 ⁽⁶⁾

Name, Place of Residence and Offices Held with the Company ⁽¹⁾	Principal Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Company	Number of Shares Owned ⁽¹⁾
Pablo Marcet ⁽²⁾ Buenos Aires, Argentina <i>Director</i>	President of Geo Logic S.A. since 2003, Director of U3O8 Inc. since May 2011 and Director of Barrick Gold Corporation since December 2016.	October 5, 2017 to present	565,832 ⁽⁷⁾

Notes:

- (1) Information as to the place of residence, principal occupation and shares beneficially owned, directly or indirectly, or controlled or directed, has been furnished by the respective directors.
- (2) Member of the Company's Audit Committee.
- (3) Of these shares, 576,100 are held directly, 41,666 are held through the Larkin Family Trust, 100,000 are held by New Dawn Holdings Ltd., a company controlled by Mr. Larkin, 20,650 are held by Montpellier Holdings, a company controlled by Mr. Larkin and 975 are held by Margaret Larkin, Mr. Larkin's wife.
- (4) Member of the Company's Compensation, Nominating and Corporate Governance Committee.
- (5) Member of the Company's Reserves Committee.
- (6) Of these shares, 8,125,201 are held directly and 1,383,483 are held by Angelina Power, Mr. Power's wife.
- (7) Of these shares, 314,082 are held directly, 1,750 are held by GEH Management S.A. and 250,000 are held by Sallent Development S.A., both companies controlled by Mr. Marcet.

Biographies

The following is a brief description of the nominees for election as directors:

Paul Larkin – Mr. Larkin brings in excess of 40 years of experience in corporate finance and capital markets to the Company. Mr. Larkin is currently President of New Dawn Holdings Ltd., an independent consulting firm providing administration and financial advisory services to a number of private and public companies. Mr. Larkin is also the CEO and President of Tyner Resources Ltd., President and Director of Gstaad Capital Corp., and a Director of Westbridge Energy Corporation, Condor Resources Inc. and Earl Resources Ltd., all public resource companies. From 1972 to 1984, Mr. Larkin held various corporate finance positions in the Canadian banking system. Mr. Larkin has also served as an audit, compensation and executive committee member for a number of other public companies.

David Cohen – Mr. Cohen was formerly the Chairman, President and CEO of Eastern Platinum Ltd.; the Chairman and CEO of Gold Wheaton Corp. and the President and CEO of Northern Orion Resources Inc. He has over thirty years of international resource experience, including operating and management positions with DeBeers, Anglo American and Fluor engineers. He is a Professional Chemical Engineer and holds an MBA.

Raymond Power – Mr. Power is the Founder and CEO of PRG plc, a private innovative mining consultancy group which has invested in and developed new mining and processing technologies. His prior experience includes commodities trading and mineral processing design. Mr. Power has been in the Balkans over twenty years and is the Honorary Chairman of the British Chamber of Commerce in Kosovo and Macedonia. Previously, his background was in defence communications.

Pablo Marcet – Mr. Marcet is a seasoned mining professional with nearly 30 years of experience in the exploration, development, and operation of mines across Latin America and in East Africa. During his career, Mr. Marcet has held senior management positions in geology, mining operations, and business development, including 15 years at BHP Billiton. He also served as President of Northern Orion Resources' South American operations before the company's acquisition by Yamana Gold, and later as Chief Executive Officer of Waymar Resources, until its acquisition by Orosur Mining. Mr. Marcet holds a Bachelor of Science degree in Geology from the University of the Pacific in Stockton, California, a Master's degree in Economic Geology from Harvard University, and a Master of Business Administration degree from the University of Phoenix.

Management does not contemplate that any of its nominees will be unable to serve as a director. If any vacancies occur in the above list of nominees before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Common Shares represented by proxy for the election of any other persons as directors.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed in this Information Circular, during the ten years preceding the date of this Information Circular, no proposed director of the Company has, to the knowledge of the Company, been:

- (a) a director, chief executive officer or chief financial officer of any issuer that:
 - (i) was the subject of a cease trade or similar order or an order that denied such issuer access to any exemption under securities legislation that was in effect for a period of more than thirty consecutive days (an “Order”) while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to such an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer in the company that is the subject of the Order and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) a director or executive officer of any issuer that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that company.

Penalties and Sanctions

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable security holder in deciding to vote for a proposed director.

Individual Bankruptcies

During the ten years preceding the date of this Information Circular, no proposed director of the Company has, to the knowledge of the Company, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Audit Committee

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. The full text of the charter of the Company’s Audit Committee is attached hereto as Schedule “A”.

Composition of the Audit Committee

The Audit Committee consists of three directors – Paul Larkin, David Cohen and Pablo Marcet. Mr. Larkin appointed as Chairman since February 28, 2018. Mr. Cohen was Chairman of the Audit Committee until February 28, 2018 when he was appointed as President and Chief Executive Officer of the Company. NI 52-110 requires each of the members of the Audit Committee to be independent and financially literate. Since the Company is a “venture issuer”, it is exempt from these requirements. In addition, the Company’s governing corporate policy requires the Company to have an Audit Committee composed of a minimum of three directors, a majority of whom are not officers or employees of the Company.

The following table sets out the names of the members of the Audit Committee and whether they are officers or employees, “independent” and “financially literate”.

Name of Member	Officer or Employee	Independent⁽¹⁾	Financially Literate⁽²⁾
Paul Larkin	No	Yes	Yes
David Cohen	Yes	No	Yes
Pablo Marcet	No	Yes	Yes

Notes:

- (1) To be considered “independent”, a member of the Audit Committee must not have any direct or indirect “material relationship” with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment. Further, NI 52-110 considers an individual who is, or has been within the last three years, an employee or executive officer of the issuer, to have a material relationship with the issuer.
- (2) To be considered “financially literate”, a member of the Audit Committee must 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 Company’s financial statements.

The Audit Committee is responsible for review of the Company’s interim and annual financial statements. For the purposes of performing their duties, the members of the Audit Committee have the right at all times to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The audit committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Company’s Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 (*Exemptions*) permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110 in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company which is attached hereto as Schedule “A”.

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

External Auditor Service Fees (By Category)

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’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 review of the Company’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 aggregate fees billed by the Company’s external auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees	Total
2017	\$75,000	\$6,750	\$11,059	\$3,000	\$95,809
2016	\$50,000	\$8,000	\$24,336	\$25,715	\$108,051

APPROVAL OF STOCK OPTION PLAN

The Company’s 2017 Stock Option Plan (the “Stock Option Plan”) was most recently approved by the Shareholders at the meeting of Shareholders held on October 5, 2017. Please see “The Company’s Stock Option Plan” below for a full description of the Stock Option Plan.

As the Stock Option Plan limits the number of options which may be granted to 10% of the number of Common Shares of the Company which are issued and outstanding at the relevant time, the TSX Venture Exchange (the “Exchange”) requires that the Shareholders of the Company re-approve the Stock Option Plan each year and accordingly, the Shareholders of the Company will be asked to pass the following resolutions:

“BE IT RESOLVED THAT:

1. subject to regulatory approval, the Stock Option Plan, in the form presented to this Meeting, is approved and is hereby directed to be attached to the Minutes of this Meeting as a Schedule thereto;
2. the Company is authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan entitling all of the option holders in aggregate to purchase up to such number of common shares of the Company as is equal to 10% of the number of common shares of the Company issued and outstanding on the applicable grant date;
3. any committee created pursuant to the Stock Option Plan is authorized to make such amendments to the Stock Option Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Stock Option Plan, the shareholders; and
4. the approval of the Stock Option Plan by the Board of directors is hereby ratified and any one director of the Company is hereby authorized to execute any other documents as the director deems necessary to give effect to the transactions contemplated in the Stock Option Plan.”

Unless such authority is withheld by a Shareholder, the management proxyholder in the accompanying form of proxy or VIF intend to vote “FOR” the foregoing resolutions.

APPROVAL OF SHARE APPRECIATION RIGHTS PLAN

The Company has adopted a Share Appreciation Rights Plan (the “SARs Plan”) which SARs Plan authorizes the directors of the Company to grant share appreciation rights (“SARs”) to directors, officers, employees and consultants of the Company, excluding consultants performing investor relations activities.

Pursuant to a SAR agreement (the “SAR Agreement”) a SAR gives the holder the right to receive from the Company a cash payout equal to the difference between the fair market value of the Company’s common shares at the time of exercise (determined as the closing price of such shares on the trading day prior to exercise) and the dollar amount set

out in the SAR Agreement, which amount shall be not less than the Discounted Market Price of the Company's shares at the time the SAR Agreement is entered into (as defined in the policies of the Exchange).

The SARs Plan is subject to the acceptance of the Exchange and, as a condition therefor, the Company must seek shareholder approval to the SARs Plan.

Material Terms of the SAR Plan

The following is a summary of the material terms of the SARs Plan:

- (a) the maximum term of a SAR is ten years from the date of the applicable SAR Agreement;
- (b) the maximum number of SARs that may be issued under the Plan at any time is 1,000,000 subject to increase with disinterested shareholder approval;
- (c) the maximum number of SARs that can be granted to any one person in a 12 month period is a number equal to 1% of the then outstanding shares of the Company;
- (d) a SAR issued to a director will expire 90 days after the person ceases to be a director and a SAR issued to an employee or consultant will expire 30 days after they cease to be engaged by the Company, in each case subject to determination by the board of another period, not to exceed one year;
- (e) SARs terminate immediately without right of exercise in circumstances where the holder is terminated for cause;
- (f) the board may amend, suspend or terminate the SARs Plan subject to not adversely impacting an existing SAR, compliance with application regulations and receipt of shareholder approval;
- (g) the board may amend the SARs Plan without shareholder approval to amend terms relating to the granting or exercise of SARs, make changes necessary to comply with regulatory requirements, correct minor errors in the Plan, amend administrative provisions of the Plan or make any other amendments that do not require shareholder approval under the applicable regulations.

The full text of the SARs Plan will be presented to the shareholders at the Meeting. Shareholders may also view the plan in advance of the Meeting at the Company's head office, 250 – 1075 West Georgia Street, Vancouver, BC, V, or by requesting a copy of the plan from the Company by telephone at (778) 373-0103. This SARs Plan will also be filed on SEDAR.

Shareholder approval by way of ordinary resolution will be sought at the Meeting to the following resolution (the "SARs Resolution"):

"BE IT RESOLVED THAT:

The Company's Share Appreciation Rights Plan and the issuance of up to 1,000,000 share appreciation rights under the Plan, be and it is hereby ratified, confirmed and approved."

The policy of the Exchange requires that, to be effective, the SARs Resolution must be passed by a majority of votes cast at the meeting by the Company's disinterested shareholders. Accordingly, insiders of the Company who may receive SARs under the plan, and their associates, will abstain from voting.

Management recommends you vote in favour of the above resolution. Unless such authority is withheld by a Shareholder, the management proxyholder in the accompanying form of proxy or VIF intend to vote "FOR" the foregoing resolution.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following information is provided as required under form 51-102F6 for Venture Issuers (the "Form"), as such term is defined in National instrument 51-102. Unless the context otherwise requires, when used in this Form, the following terms shall have the meanings set forth below.

“Named Executive Officer” or “NEO” means the following individuals:

- a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“CEO”);
- b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief financial officer (“CFO”);
- c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of the Form, for that financial year; and
- d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

Based on the foregoing definition, during the financial year ended September 30, 2017, the Company had one NEO, Mr. David Nelson, President & CEO and interim CFO.

Unless otherwise stated, all amounts herein are in Canadian dollars.

DIRECTOR AND NEO COMPENSATION

Name and Principal Position	Year	Salary or directors fee (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) ⁽⁵⁾	Value of all other compensation (\$)	Total compensation (\$)
David Nelson ⁽¹⁾ Former President & CEO and Former Interim CFO	2017/09/30	\$157,603	Nil	Nil	Nil	Nil	\$157,603
	2016/09/30	\$226,997	Nil	Nil	Nil	Nil	\$226,997
David Cohen ⁽²⁾⁽⁶⁾ President & CEO and Director	2017/09/30	\$8,000	Nil	Nil	Nil	Nil	\$12,000
	2016/09/30	\$8,000	Nil	Nil	Nil	Nil	\$4,000
Paul Larkin ⁽²⁾⁽⁶⁾ Director	2017/09/30	\$8,000	Nil	Nil	Nil	Nil	\$12,000
	2016/09/30	\$8,000	Nil	Nil	Nil	Nil	\$4,000
Raymond Power ⁽⁷⁾ Director	2017/09/3	\$1,174	Nil	Nil	Nil	Nil	\$1,174
Richard Green ⁽⁴⁾⁽⁶⁾ Former Director	2017/09/30	\$6,435	Nil	Nil	Nil	Nil	\$10,435
	2016/09/30	\$8,000	Nil	Nil	Nil	Nil	\$4,000
Nitesh Shah ⁽⁷⁾ Former Director	2017/09/30	\$1,565	Nil	Nil	Nil	Nil	\$1,565

Notes:

- (1) Mr. Nelson was appointed President and CEO of the Company from July 2, 2012 to October 5, 2017. He was interim Chief Financial Officer from July 24, 2015 to October 5, 2017. All amounts reported under this heading for Mr. Nelson were paid in US dollars and have been converted into Canadian dollar amounts using the monthly average US dollar to Canadian dollar closing exchange rate of the Bank of Canada applicable during the period to which each expense relates. All amounts for Mr. Nelson, excluding option grants, were paid to TRG Resources, Ltd., a company controlled by Mr. Nelson. Fees paid or payable to TRG Resources, Ltd. by Esrey are 100% attributable to services provided by Mr. Nelson.
- (2) Mr. Cohen became a director of the Company on November 26, 2007 and was appointed President and CEO on February 28, 2018.
- (3) Mr. Larkin became a director of the Company on June 10, 2003.
- (4) Mr. Green served as a director of the Company from August 10, 2006 to July 21, 2017.
- (5) The value of perquisites provided to the NEOs and directors did not exceed 10% of any NEO’s salary or directors’ retainers, respectively.
- (6) The table shows directors’ fees earned during the year. Directors’ fees of \$4,000 per director earned during the year ended September 30, 2016 were paid during the year ended September 30, 2017.
- (7) During the year ended September 30, 2017, directors’ fees of \$1,174 and \$1,565 were earned by Mr. Power and Mr. Shah respectively. These amounts were paid subsequent to September 30, 2017. Messrs. Power and Shah were appointed directors of the Company on July 21, 2017. Mr. Shah ceased to be a director on October 5, 2017.

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

The following table discloses all compensation securities granted or issued to each director and Named Executive Officer by the Company or one of its subsidiaries during the fiscal year ended September 30, 2017 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Table of Compensation Securities

Compensation Securities							
Name and Principal Position	Type of compensation security	Number of compensation securities, number of underlying securities ⁽¹⁾ and percentage of class ⁽²⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
David Nelson ⁽³⁾ Former President & CEO and former Interim CFO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
David Cohen ⁽⁴⁾ President & CEO and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Paul Larkin ⁽⁵⁾ Director	Stock options	285,000	August 9, 2017	\$0.125	\$0.125	\$0.14	August 9, 2022
Raymond Power ⁽⁷⁾ Director	Stock options	1,025,000	August 9, 2017	\$0.125	\$0.125	\$0.14	August 9, 2022
Nitish Shah ⁽⁶⁾ Former Director	Stock options	555,000	August 9, 2017	\$0.125	\$0.125	\$0.14	August 9, 2022 ⁽⁶⁾

Notes:

- (1) Each outstanding stock option of the Company entitles the holder thereof to acquire, upon exercise, one common share in the capital of the Company.
- (2) This percentage is based on the number of all stock options outstanding as of the last day of the most recently completed financial year ended September 30, 2017.
- (3) As at September 30, 2017, Mr. Nelson held 690,000 stock options of the Company (fully vested) entitling him to acquire, upon exercise, 690,000 common shares in the capital of the Company.
- (4) As at September 30, 2017, Mr. Cohen held 555,000 stock options of the Company (fully vested) entitling him to acquire, upon exercise, 555,000 common shares in the capital of the Company. Mr. Cohen was appointed President and CEO of the Company effective February 28, 2018.
- (5) As at September 30, 2017, Mr. Larkin held 270,000 stock options of the Company (fully vested) entitling him to acquire, upon exercise, 270,000 common shares in the capital of the Company. Mr. Larkin also held 285,000 stock options of the Company, vesting in thirds, entitling him to acquire, upon exercise, 285,000 common shares in the capital of the Company.
- (6) As at September 30, 2017, Mr. Shah held 555,000 stock options of the Company, vesting in thirds, entitling him to acquire, upon exercise, 555,000 common shares in the capital of the Company. Mr. Shah ceased to be a director on October 5, 2017 but remains a consultant to the Company. Mr. Shah's options will expire when he ceases to be a consultant to the Company.
- (7) As at September 30, 2017, Mr. Power held 1,025,000 stock options of the Company, vesting in thirds, entitling him to acquire, upon exercise, 1,025,000 common shares in the capital of the Company.

EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NEOS

The following table discloses all compensation securities exercised by each director and Named Executive Officer during the fiscal year ended September 30, 2017:

Name and Principal Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
David Nelson Former President & CEO and Former Interim CFO	Nil	Nil	N/A	N/A	N/A	N/A	N/A
David Cohen President & CEO and Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Paul Larkin Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Raymond Power Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Nitesh Shah Director until October 5, 2017	Nil	Nil	N/A	N/A	N/A	N/A	N/A

THE COMPANY'S STOCK OPTION PLAN

The Company obtained the approval of its Shareholders to the 2016 Stock Option Plan at its most recent annual meeting of Shareholders held on October 5, 2017. The Stock Option Plan is administered by the Board. The Stock Option Plan provides that options may be granted to any employee, officer, director or consultant of the Company or a subsidiary of the Company. The options issued pursuant to the Stock Option Plan will be exercisable at a price not less than the closing price of the Company's Shares traded through the facilities of the TSX Venture Exchange (the "Exchange") on the day preceding the award date. The Board has discretion on the vesting period of each Stock Option grant. As at September 30, 2017, there were 4,310,833 vested and 2,788,667 unvested Stock Options.

As the Stock Option Plan limits the number of options which may be granted to 10% of the number of common shares of the Company which are issued and outstanding at the relevant time, the Exchange requires that the Shareholders of the Company re-approve the Stock Option Plan each year and management of the Company will be seeking such approval at each Meeting.

The Stock Option Plan is expected to benefit Shareholders by enabling the Company to attract and retain high calibre personnel by offering them an opportunity to share in any increase in value of the common shares of the Company resulting from their efforts. The purpose of the Stock Option Plan is to provide incentive to the Company's employees, officers, directors, and consultants responsible for the continued success of the Company. The following is a summary of the Stock Option Plan.

The total number of options awarded to any one individual in any twelve month period shall not exceed 5% of the issued and outstanding shares of the Company at the Award Date of the Grant (as defined in the Company's Plan) (unless the Company is at the time a Tier 1 issuer and has obtained disinterested shareholder approval).

The total number of options awarded to any one consultant for the Company shall not exceed 2% of the issued and outstanding shares of the Company at the Award Date without consent being obtained from the Exchange.

The total number of options awarded to all persons employed by the Company who perform Investor Relations Activities (as defined in the Company's Option Plan) for the Company shall not exceed 2% of the issued and outstanding Shares of the Company, in any twelve month period, calculated at the Award Date without consent being obtained from the Exchange.

Options under the Stock Option Plan will be granted for a term not to exceed five years from the date of their grant, provided that if the Company is then a "Tier 1" company listed on the Exchange, the term of the option will be not more than 10 years. Options granted under the Stock Option Plan will be subject to such vesting schedule as determined by the Board.

Options will also be non-assignable and non-transferable, provided that they will be exercisable by an optionee's legal heirs, personal representatives or guardians for up to 12 months following the death or termination of an optionee due to disability, or up to 12 months following the death of an employee if the employee dies within 6 months of termination due to disability. All such options will continue to vest in accordance with their original vesting schedule.

If the option holder ceases to be a director of the Company (other than by reason of death), then the option granted shall expire no later than the 90th day following the date that the option holder ceases to be a director of the Company, subject to the terms and conditions set out in the Plan.

If the option holder ceases to be an employee or consultant of the Company (other than by reason of death), then the option granted shall expire no later than the 30th day following the date that the option holder ceases to be employed or contracted by the Company, subject to the terms and conditions set out in the Plan.

If the option holder is engaged in investor relation activities for the Company, and such option holder ceases to be engaged in investor relation activities for the Company (other than by reason of death), the option granted shall expire on the date the option holder ceases to be engaged in investor relation activities for the Company.

The maximum number of common shares to be reserved for issuance under the Stock Option Plan, including options currently outstanding, will not exceed 10% of the number of common shares of the Company issued and outstanding on the applicable date of grant. If a material alteration in the capital structure of the Company occurs as a result of a recapitalization, stock split, reverse stock split, stock dividend, or otherwise, the Board shall make adjustments to the Stock Option Plan and to the options then outstanding under it as the Board determines to be appropriate and equitable under the circumstances, unless the Board determines that it is not practical or feasible to do so, in which event the options granted under the Stock Option Plan will terminate as set forth above.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

Mr. David Nelson, former President and CEO and former interim CFO of the Company, provided consulting services through TRG Resources, Ltd., a company he controls. A total of \$157,603 was paid by the Company to TRG Resources, Ltd. in the fiscal year ended September 30, 2017 for services provided by Mr. Nelson.

Termination and Change of Control Benefits

On April 2, 2012, the Company entered into a consulting agreement with TRG Resources, Ltd ("TRG"). TRG provides the consulting services of David Nelson, who was appointed President and Chief Executive Officer of Esrey on that date. Mr. Nelson was also appointed Interim Chief Financial Officer from July 24, 2015. The consulting agreement provided for the payment of US\$17,500 per month, which was increased to US\$20,000 per month effective June 2013. As of March 1, 2016, the consulting fee paid to TRG for Mr. Nelson's services was reduced to US\$10,000 per month as a result of a slowdown in the oil and gas industry and in the Company's oil and gas activities. In the event that Mr. Nelson's consulting agreement is terminated, TRG is entitled to three months' paid notice based on his fee prior to the March 1, 2016 reduction, or a payment equal to US\$60,000. On April 24, 2012, the Company granted Mr. Nelson 60,000 options to purchase common shares of the Company at an exercise price of \$3.00. These options were surrendered in February 2014. On January 8, 2014, the Company granted Mr. Nelson 250,000 options to purchase common shares of the Company at an exercise price of \$0.12. On April 2, 2015, the Company granted Mr. Nelson 440,000 options to purchase common shares of the Company at an exercise price of \$0.095. The last two sets of options are fully vested. Mr. Nelson resigned as President and CEO and as interim CFO on October 5, 2012 and received a termination payment of \$75,270 (US\$60,000). Mr. Nelson remains as a consultant to the Company on an as needed basis on its residual oil and gas interests.

Except as otherwise disclosed herein, there are no compensatory plans, contracts or arrangements in place with the NEOs resulting from the resignation, retirement or any other termination of employment of the NEOs with the Company or from a change in control of the Company, or a change in the NEOs' responsibilities following a change in control, where in respect of the NEOs the value of such compensation exceeds \$100,000.

The events triggering termination of the NEO's Consulting Agreement and the incremental payments to the NEO are set out in the following table. The amounts in the following table assume that the effective date of termination was September 30, 2017.

Named Executive Officer	Termination Scenario	Estimated Incremental Payments on Termination		
		Severance	Short-Term Incentive Award	Total
David Nelson , <i>Former CEO & Interim CFO</i> ⁽¹⁾	For cause by the Company	Nil	Nil	Nil
	By the Company for any other reason	US\$60,000	Nil	US\$60,000
	By the executive on 30 days' notice	US\$60,000	Nil	US\$60,000
	Change in control	US\$60,000	Nil	US\$60,000

Notes: (1) Mr. Nelson was President & CEO from July 2, 2012 to October 5, 2017 and interim Chief Financial Officer from July 24, 2015 to October 5, 2017. He received a termination payment of US\$60,000 (Cdn.\$75,270).

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NEO COMPENSATION

During the year ended September 30, 2017, the Company's Compensation Committee was comprised of David Cohen and Paul Larkin (both of whom were independent within the meaning of NI 52-110 – Audit Committees). The Compensation Committee is responsible for, among other things, the periodic review of the Company's short-term and long-term policies for attracting, retaining, developing and motivating executive officers of the Company. The Committee meets periodically to review compensation policies relating to the Company and its subsidiaries and to approve specific compensation awards and benefits.

The Compensation Committee monitors levels of executive remuneration to ensure overall compensation reflects the Company's objectives and philosophies and meets the Company's desired relative compensation position. The key components comprising executive officer compensation are base salary and annual bonus (short-term incentives) and participation in an incentive stock option plan (long-term incentive).

Executive officers' compensation is designed in a manner to recognize and reward executive officers based upon individual and corporate performance and to be consistent with the executive officers' respective contributions to the overall benefit of the Company.

In establishing compensation objectives for executive officers, the Compensation Committee seeks to:

1. motivate executives to achieve corporate performance objectives and reward them when such objectives are met;
2. recruit and subsequently retain highly qualified executive officers by offering overall compensation which is competitive with that offered for comparable positions in similar companies; and
3. align the interest of executive officers with the long-term interests of Shareholders through participation in the Company's Stock Option Plan.

Currently, the Company's executive compensation package consists of the following principal components: base salary, annual incentive cash bonus and long-term incentive in the form of stock options. These components are normal for companies that are comparable to ours in the industry. Executive compensation is based on competitive industry data. At the end of each year, the Compensation Committee also reviews actual performance against corporate objectives.

The Board determines the number of stock options to be awarded. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. Stock options are granted to reward individuals as an incentive for retention, for current performance, expected future performance and value to the Company. The size of awards made subsequent to the commencement of employment takes into account stock options already held by the individual.

CEO compensation is determined by the Board on the recommendation of the Compensation Committee. The Committee's policy is that the salary of the CEO should be in line with competitive salaries for positions of similar responsibility at oil and gas companies that are operating in similar environments and, like the Company, publicly

held. However, in light of weak economic conditions in the industry, as of March 1, 2016, the CEO's base compensation was reduced, as further described below.

The CEO participates in discussions or reviews relating to executive compensation for Named Executive Officers ("NEOs") but does not participate in the discussions and reviews relating to his own compensation.

Base Compensation

During the year ended September 30, 2017, the Company was primarily engaged in activities related to its oil and gas properties in Papua New Guinea. Base salaries of the Company's executive officers have historically been determined through analysis of salaries paid by comparable companies as well as through the annual assessment of each individual's performance and experience and other factors the board of directors considers to be relevant, including prevailing industry demand for personnel having comparable skills and performing similar duties, the compensation the individual could reasonably expect to receive from a competitor and the Company's ability to pay.

Periodic reviews of the relevant marketplaces have been undertaken to ensure that Esrey's compensation packages and salary ranges are competitive. Comparisons are made to other publically traded companies in the same industry with similar levels of geographic diversification, assets and market capitalization. These assessments have been revised periodically as and when new compensation information becomes available. This sort of review has been used to assist the Compensation Committee and management in providing a comparison on the total compensation for key executive roles. The companies included in the comparator groups can vary from year to year based on availability of the data. However, in light of weak economic conditions in the oil and gas industry and the slowdown in the Company's activities, as of March 1, 2016, Mr. Nelson's base compensation was reduced from US\$20,000 per month to US\$10,000 per month. These changes were not made for the purposes of staying in line with the Company's peer group but rather were undertaken in order to reduce overhead expenses during a period of difficult market conditions.

On July 21, 2017, the Company acquired the rights to take delivery of zinc stockpile material located in Kosovo and is currently focusing on developing processes to efficiently produce zinc and other metals. Mr. Kirk Adams was hired as the President and Chief Executive Officer of the Company from October 5, 2017 to February 28, 2018 to oversee the commissioning of the modular zinc recovery plant. Following Mr. Adam's departure, Mr. David Cohen was appointed President and Chief Executive Officer on February 28, 2018. The compensation packages of Messrs. Adams and Cohen were determined through comparison of companies in the base metal mining and processing sector.

Annual Performance Bonus

Annual bonuses are a variable element of compensation designed to reward the Company's executive officers for individual and group performance contributing to the overall value of the Company. These bonuses are discretionary awards determined by the board of directors by taking into consideration the Company's performance, including achievements and results relative to the Company's budget and strategic plans, the senior officers' overall contribution to that performance during the year, and the Company's share price. Bonuses are also determined through an internal analysis of annual incentives paid by comparative companies in the oil and gas industry and general market conditions.

The Company did not award cash incentive bonuses for the year ended September 30, 2017 to the executive officers, in light of the performance of the Company's share price.

Long-term incentives – Stock Options

In keeping with market practice, stock options are issued as an incentive for performance and long term retention. The Company's Stock Option Plan is administered by the board of directors. The Stock Option Plan is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term, to enable the Company to attract and retain individuals with experience and ability, and to reward individuals for current performance and provide rewards for expected future performance. The board of directors considers the individual's performance and the number and exercise price of options previously issued to the individual when reviewing executive officer compensation packages as a whole and determining any new stock option grants.

The Company granted 4,183,000 stock options during the fiscal year ended September 30, 2017.

Other long-term incentives

The Company currently does not provide a pension plan or any other long-term incentives to its executive officers.

Chief Executive Officer Compensation

The compensation of the CEO consists of an annual base salary and incentive stock options determined in the manner described in the above discussion of compensation for all executive officers. The CEO is also entitled to receive annual bonuses at the discretion of the board of directors.

The CEO's compensation has generally been established with reference to the upper end of the range of compensation for chief executive officers of comparable companies. The comparable companies used in the most recent (June 2013) review for the CEO's compensation were publicly traded oil and gas companies with similar activities and geographical areas as Esrey's core assets, and with market capitalization between \$5 million to \$20 million. However, in light of weak economic conditions in the oil and gas industry and the slowdown in the Company's activities, as of March 1, 2016, Mr. Nelson's base compensation was reduced from US\$20,000 per month to US\$10,000 per month. These changes were not made for the purposes of staying in line with the Company's peer group but rather were undertaken in order to reduce overhead expenses during a period of difficult market conditions.

Incentive Plan Awards

The Company has an incentive Stock Option Plan which permits the granting of options ("Options") in accordance with the terms of the Stock Option Plan to eligible participants to purchase up to a maximum of 10% of the issued Common Shares of the Company at the time of a grant. Please see "Disclosure relating to the Company's Stock Option Plan" for a full description of the Stock Option Plan.

The exercise price of incentive stock options is determined by the Board, but shall not be less than the closing trading price of the common shares of the Company on the Exchange on the last trading day immediately before the grant date, or such other price as may be agreed to by the Company and approved by the Exchange.

Director Compensation

The Company compensates its independent directors with cash compensation for acting as directors of the Company. Each independent director receives \$1,500 per fiscal quarter for acting as a Director of the Company and also receives \$500 per fiscal quarter for acting as a member of the Audit Committee.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee, proposed nominee for election to the Board, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

None of the directors or executive officers of the Company is or, at any time since the beginning of the most recently completed financial year, has been indebted to the Company. None of the directors' or executive officers' indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of all the Company's equity compensation plans as at September 30, 2017. The Company's only equity compensation plan consists of the Company's Stock Option Plan, which was approved by the Company's Shareholders at the Annual General Meeting of Shareholders held on October 5, 2017. Please see "The Company's Stock Option Plan" above for a full description of the Stock 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	7,099,500	\$0.11	853,054
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	7,099,500	\$0.11	853,054

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Common Shares or who exercises control or direction of Common Shares, or a combination of both carrying more than ten percent of the voting rights attached to the Common Shares outstanding (an “Insider”); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Common Shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Common Shares.

David Nelson, was President and CEO and interim CFO of the Company until October 5, 2017, provided consulting services through TRG Resources, Ltd., a company he controls. Upon termination, Mr. Nelson received a payment of \$75,270 (US\$60,000). A total of \$157,603 was paid by the Company to TRG Resources, Ltd. in the fiscal year ended September 30, 2017 for services provided by Mr. Nelson.

See “Director and NEO Compensation”.

MANAGEMENT CONTRACTS

The Company is party to a Shareholders’ cost-sharing agreement with certain other public and private companies (the “Other Companies”) pursuant to which the Company and the Other Companies are equal Shareholders in Sterling West Management Ltd. (“Sterling”) and, through Sterling, share office space, furnishings, equipment and communications facilities (on a cost recovery basis) and the employment of various administrative, office and management personnel in Vancouver, British Columbia. Costs of the shared office facilities and the shared employees are recovered from the Company in proportion to the time spent by the shared employees on matters pertaining to the Company. During the year ended September 30, 2017, the Company’s share of management and overhead costs was \$258,455.

Except for the foregoing, management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which contribute to effective and efficient decision making and are in the interest of its Shareholders.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

Board of Directors

The Board is currently composed of four directors: Paul Larkin, David Cohen, Raymond Power and Pablo Marcet.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. Except for Raymond Power and David Cohen, the proposed nominees are considered by the Board to be “independent” within the meaning of NI 58-101. Mr. Power is not independent by virtue of his relationship with PRG plc, a company which provides consulting services to the Company’s newly acquired zinc project in Kosovo. Mr. Power is a principal and officer of PRG plc. Mr. Cohen was an independent director of the Board until he was appointed President and CEO of the Company on February 28, 2018.

The independent directors exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary.

Mandate of the Board

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the board oversees the management of the Company’s affairs directly and through its committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to Shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Company’s capital resources.

Directorships

The following directors of the Company also serve as directors of other reporting issuers:

Director	Other Reporting Issuer(s)
Paul Larkin	Tyner Resources Ltd. (NEX-TIP) Condor Resources Inc. (TSX.V-CN) Westbridge Energy Corporation (TSX.V-WEB) Gstaad Capital Corp. (TSX.V-GTD) Earl Resources Ltd. (TSX.V-ERL.H)
David Cohen	None
Raymond Power	None
Pablo Marcet	Barrick Gold Corporation (TSX-ABX, NYSE-ABX) U3O8 Corp. (TSX-UWE)

Denotes:

NEX	A separate board of the TSX Venture Exchange
TSX	Toronto Stock Exchange
NYSE	New York Stock Exchange
TSX.V	TSX Venture Exchange

Orientation and Continuing Education

Each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues within the Company. New directors are also required to meet with management of the Company to discuss and better understand the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company continually reviews the latest securities rules and policies and is on the mailing list of the Exchange to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors either by way of director or committee meetings or by direct communications from management to the directors.

Ethical Business Conduct

The Board has adopted a written Code of Ethical Conduct (the "Code") for its directors, officers and employees. As one measure to ensure compliance with the Code, the Board has also established a Whistleblower Policy which details complaint procedure for financial concerns. The full text of these standards is available free of charge to any person upon request to the Company by mail to Suite 250 – 1075 West Georgia Street, Vancouver, BC, V6E 3C9 (Telephone: +1-778-373-0103).

The Board has adopted an Insider Trading Policy to assist directors, officers, employees and consultants in meeting their obligations under applicable securities laws, rules and regulations, including the rules and regulations of the TSX Venture Exchange. The policy prohibits trading on material, non-public information and describes certain blackout periods and insider reporting obligations under applicable laws.

In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, the Board must comply with the conflict of interest provisions of the BCBCA, 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. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

Nomination and Assessment of Directors

Due to the size of the Board, the Board does not have a separate Nominating or Corporate Governance Committee. Roles of such committees have been handled by the Board as a whole. The Board is responsible for recommending candidates for nomination, appointment, and re-election to the Board and its committees and for developing qualification criteria for Board membership (considering the goals for Board composition and size and individual qualifications) and evaluating potential candidates. New nominees should have a track record in general business management, special expertise in an area of strategic interest to the Company, and the ability to devote the time required. In the event of a vacancy occurring on the Board, the Board's role is to search for and recommend a qualified person to fill the vacancy if necessary.

The Board also determines whether each director should be nominated for re-election annually. This role includes a consideration of the performance in office of all individual directors. In addition, the Board will review the Board's past proceedings and will recommend any changes to current Board practices as a result of such review.

Compensation

As described above under "Oversight and Description of Director and NEO Compensation" the Compensation Committee is also responsible for annually reviewing, in consultation with the President, the adequacy and form of the Company's compensation programs for each of the Company's executive officers, including the Company's President, and making recommendations to the Board regarding such compensation. The Committee's process includes considering the relationship between executive officer compensation and corporate performance and returns to shareholders, and determining the qualitative and quantitative measures of corporate performance to be used in the determination of executive officer compensation. The Committee will review market data of appropriate peer group companies to assess the Company's competitive position with respect to the principal components of the Company's executive officer compensation.

Other Board Committees

In addition to the Audit Committee and Compensation Committee, during the year ended September 30, 2017, the Board had a Reserves Committee in place which assisted the Board in its oversight of the reliability and integrity of the reporting and evaluations in respect of the Company's oil and gas activities. The Reserves Committee was not active during the year ended September 30, 2017 as there was little oil and gas activity in the Company.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, no director or executive officer of the Company at any time since the beginning of the Company's most recently completed financial year, no proposed nominee for election as a director of the Company and no associate or affiliate of any such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except for any interest arising from the ownership of shares of the Company where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of shares in the capital of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Financial information is provided in the Company's comparative financial statements and Management Discussion and Analysis for its most recently completed financial year. To request copies of these documents, please contact the Company, at Suite 250 – 1075 West Georgia Street, Vancouver, BC, V6E 3C9; telephone +1-778-373-0103; facsimile +1-604-434-1487; email info@esreyresources.com.

OTHER MATTERS

Other than the above, management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, in respect of amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting or an adjournment or postponement thereof, the accompanying proxy form confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

Dated at Vancouver, British Columbia, April 27, 2018.

BY ORDER OF THE BOARD

“David Cohen”
David Cohen
President and CEO

SCHEDULE “A”

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (the “Committee”) is to assist the board of directors (the “Board”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting, and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control systems and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

Composition

The Committee shall be comprised of three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee’s Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Company’s financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company 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 auditors.
- (c) Confirm that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board, take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) 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 Company's external auditors. 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 provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company 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 Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board 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.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.