RIVERSIDE RESOURCES INC.

INFORMATION CIRCULAR

FOR THE 2017 ANNUAL GENERAL MEETING OF SHAREHOLDERS

This information is given as of January 26, 2017

SOLICITATION OF PROXIES

This Information Circular is provided to registered and beneficial owners of the Company’s shares in connection with the solicitation of proxies by the management of **RIVERSIDE RESOURCES INC.** (the "Company") for use at the Annual General Meeting (the "Meeting") of the shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. This Information Circular and other proxy-related materials are not provided to registered or beneficial owners of the Company’s shares under the notice and access provisions of National Instrument 54-101.

PERSONS OR COMPANIES MAKING THE SOLICITATION

The enclosed instrument of proxy is solicited by management. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the instrument of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised management in writing that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

APPOINTMENT AND REVOCATION OF PROXIES

This Information Circular is accompanied by a management instrument of proxy that permits registered shareholders who do not attend the Meeting in person to have their shares voted at the Meeting by a proxyholder appointed by the registered shareholder. The persons named in the accompanying instrument of proxy are directors or officers of the Company. **A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed instrument of proxy. To exercise this right, the shareholder must strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided, or complete another instrument of proxy.**

The completed instrument of proxy must be dated and signed and the duly completed instrument of proxy must be deposited at the Company's transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays.

The instrument of proxy must be signed by the shareholder or by his duly authorized attorney. If signed by a duly authorized attorney, the instrument of proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the shareholder is a corporation, the instrument of proxy must be signed by a duly authorized attorney, officer, or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives his power, as the case may be, or a notarially certified copy thereof. The Chairman of the Meeting has discretionary authority to accept proxies that do not strictly conform to the foregoing requirements.

In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named as proxyholder in the enclosed instrument of proxy will vote the shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

In the absence of any direction in the instrument of proxy, it is intended that such shares will be voted in favour of the resolutions placed before the Meeting by management and for the election of the management nominees for directors and auditor, as stated under the headings in this Information Circular. The instrument of proxy enclosed, when properly completed and deposited, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters that may be properly brought before the Meeting. At the time of printing of this Information Circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any such amendments, variations or other matters should properly come before the Meeting, the proxies hereby solicited will be voted thereon in accordance with the best judgement of the nominee.

ADVICE TO BENEFICIAL HOLDERS OF SHARES

The following information is of significant importance to shareholders who do not hold shares in their own name. Beneficial shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of shares).

If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Company. Such shares will most likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered 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), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients. There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called "OBOs" for "Objecting Beneficial Owners") and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for "Non-Objecting Beneficial Owners").

The Company is taking advantage of the provisions of National Instrument 54-101 of the Canadian Securities Administrators, which permit it to directly deliver proxy-related materials to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form (a "VIF") from Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone and internet voting options, as described in the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and certain 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 shares 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 delivering these materials to you and executing your proper voting instructions. Please return your voting instructions by completing and returning the enclosed VIF in accordance with the instructions contained in the VIF.

Beneficial shareholders who are OBOs will not receive the materials unless their intermediary assumes the costs of delivery. In the event that voting instructions are requested from OBOs, such instructions will typically be sought by the shareholder receiving either a form of proxy or a voting instruction form. If a form of proxy is supplied to you by your broker, it will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in Canada and the United States. Broadridge obtains voting instructions by mailing a voting instruction form (the "Broadridge VIF") which appoints the same persons as the Company's proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a beneficial shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting.

If you plan to vote in person at the Meeting:

- nominate yourself as the appointee to attend and vote at the Meeting by printing your name in the space provided on the enclosed voting instruction form. Your vote will be counted at the Meeting so do NOT complete the voting instructions on the form;
- sign and return the form, following the instructions provided by your nominee; and
- register with the Scrutineer when you arrive at the Meeting.

You may also nominate yourself as appointee online, if available, by typing your name in the "Appointee" section on the electronic ballot.

If you bring your voting instruction form to the Meeting, your vote will not count. Your vote can only be counted if you have completed, signed and returned your voting instruction form in accordance with the instructions above and attend the Meeting and vote in person.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

On January 26, 2017, 37,409,778 common shares without par value were issued and outstanding, each share carrying the right to one vote. At a general meeting of the Company, on a show of hands, every shareholder present in person has one vote and, on a poll, every shareholder has one vote for each share of which he is the holder.

Only shareholders of record at the close of business on January 26, 2017, will be entitled to have their shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns or controls or directs, directly or indirectly, shares carrying more than l0% of the voting rights attached to all outstanding shares of the Company.

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

Other than as disclosed elsewhere in this Information Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Information Circular, "informed person" means:

(a) a director or executive officer of the Company;

(b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;

(c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and

(d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Other than as disclosed elsewhere in this Information Circular, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

STATEMENT OF EXECUTIVE COMPENSATION

Definitions

For the purpose of this Information Circular:

"**CEO**" means 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;

"**CFO**" means each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments, including stock appreciation rights, deferred share units and restricted stock units, granted or issued by the Company or any of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

(a) a CEO;

(b) a CFO;

(c) in respect of the Company and its subsidiaries, the most highly compensated executive officer, other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation exceeded $150,000, calculated as prescribed, for that financial year;

(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;

Compensation Excluding Compensation Securities

Particulars of compensation, excluding compensation securities, paid to each NEO and director in the two most recently completed financial years is set out in the table below:

Name and position	Year ending	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisities ($)	Value of all other compen-sation ($)	Total compen-sation ($)
John-Mark Staude[(1)] CEO, Director	09/30/16 09/30/15	184,872 185,000	50,000 50,000	Nil Nil	Nil Nil	Nil Nil	234,872 235,000
Robert J. Scott CFO	09/30/16 09/30/15	170,004 170,004	Nil Nil	Nil Nil	Nil Nil	Nil Nil	170,004 170,004

(1) Mr. Staude and Mr. Scott were paid consulting fees and performance bonuses pursuant to consulting agreements as disclosed under "External Management Contracts" below.

External Management Contracts

Neither John-Mark Staude, the Company's CEO, nor Robert J. Scott, the Company's CFO, are employees of the Company, but derive their compensation indirectly through consulting agreements as described in the following.

Pursuant to a consulting agreement dated January 1st, 2011, between the Company and Arriva Management Inc. ("Arriva"), a company controlled by John-Mark Staude, Arriva supplies the services of John-Mark Staude as the Company's CEO for an annual fee of $185,000 (the "Annual Fee"). In addition to the Annual Fee, a share (or cash if necessary) bonus is payable by the Company equivalent to 1% of the increase in the size of the Company's market capitalization during the year of at least $25,000,000, calculated as at December 31 of each year, subject to a maximum annual pay-out of $500,000. In addition, a bonus of $25,000 is paid annually for the life of any new exploration alliance that is generated for the Company. The term of the agreement is three years, with renewal thereafter on a yearly basis. The Company may terminate the contract for any reason by giving three months written notice and payment equivalent to the sum of the Annual Fee. In the event of a change of control of the Company during the term, Arriva may elect to terminate the agreement and receive a termination payment equal to two times the Annual Fee plus any benefits and bonus that would otherwise accrue in the two months following such termination.

Pursuant to a consulting agreement dated October 1st 2007, between the Company and GSBC Financial Management Inc. ("GSBC"), a company wholly-owned by Robert J. Scott, GSBC supplies the services of Robert J. Scott as the Company's CFO, and all related services, for a monthly fee of $14,167. In addition to the monthly fee, at the discretion of the Board, GSBC may be granted a performance bonus payable in cash or shares. As at the date of this Information Circular, GSBC is continuing this agreement on a month to month basis. One month's advance notice is required by either party to terminate the agreement.

The base cash and bonus components of compensation payable for the services of John-Mark Staude and Robert J. Scott are paid to their respective companies, Arriva and GSBC. Stock options and bonus shares, when granted and issued, are granted and issued to these individuals in their personal capacities.

Stock Options and Other Compensation Securities

Particulars of compensation securities granted or issued to each NEO and director in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries is set out in the table below:

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	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 ($)	Expiry date ($)
John-Mark Staude CEO, Director	Stock Options	250,000	01/07/2016	0.145	0.145	0.42	01/07/2021
Robert J. Scott CFO	Stock Options	150,000	01/07/2016	0.145	0.145	0.42	01/07/2021
Brian Groves Director	Stock Options	75,000	01/07/2016	0.145	0.145	0.42	01/07/2021
James Clare Director	Stock Options	75,000	01/07/2016	0.145	0.145	0.42	01/07/2021
Michael Doggett Director	Stock Options	75,000	01/07/2016	0.145	0.145	0.42	01/07/2021
William Lee Former Director (resigned February 19, 2016)	Stock Options	75,000	01/07/2016	0.145	0.145	0.42	01/07/2021
Carol Ellis Director (appointed June 1, 2016)	Stock Options	Nil	-	-	-	-	-
Walter Henry Director (appointed June 1, 2016)	Stock Options	Nil	-	-	-	-	-

On January 7, 2016, Mr. Staude, Mr. Groves, Mr. Clare, Mr. Doggett, and Mr. Lee each received a stock option of 75,000 shares, vesting in the amount of 33% every six months from the date of grant, exercisable on or before January 7, 2021 at an exercise price of $0.145. Mr. Staude and Mr. Scott, with respect to their roles as officers, also received respectively, 175,000 and 150,000 stock options, vesting in the amount of 25% every three months from the date of grant, exercisable on or before January 7, 2021 at an exercise price of $0.145. The Black-Scholes calculation on this grant was based on the estimated risk-free rate of 0.66%, expected volatility of 72.77%, estimated annual dividend of 0%, and the expected life of the options is 5 years.

At the end of the most recently completed financial year, the Company's NEOs and directors held the stock options and had received the bonus shares set forth in the following.

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	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 ($)	Expiry date ($)
John-Mark Staude CEO, Director	Stock Options Stock Options Stock Options Stock Options Bonus Shares Bonus Shares Bonus Shares	250,000 235,000 175,000 150,000 75,000 50,000 50,000	01/07/2016 11/14/2014 12/14/2012 09/08/2011 11/30/2015 10/17/2013 05/08/2013	0.145 0.270 0.650 0.500(1) 0.150 0.335 0.400	0.145 0.270 0.650 0.930 0.150 0.335 0.400	0.42	01/07/2021 11/14/2019 12/14/2017 09/08/2016 N/A N/A N/A
Robert J. Scott CFO	Stock Options Stock Options Stock Options Stock Options Bonus Shares Bonus Shares Bonus Shares Bonus Shares	150,000 160,000 125,000 100,000 75,000 40,000 40,000 40,000	01/07/2016 11/14/2014 12/14/2012 09/08/2011 11/30/2015 10/20/2014 10/17/2013 05/08/2013	0.145 0.270 0.650 0.500(1) 0.150 0.350 0.335 0.400	0.145 0.270 0.650 0.930 0.150 0.330 0.335 0.400	0.42	01/07/2021 11/14/2019 12/14/2017 09/08/2016 N/A N/A N/A N/A
Brian Groves Director	Stock Options Stock Options Stock Options Stock Options	75,000 55,000 50,000 50,000	01/07/2016 11/14/2014 12/14/2012 09/08/2011	0.145 0.270 0.650 0.500(1)	0.145 0.270 0.650 0.930	0.42	01/07/2021 11/14/2019 12/14/2017 09/08/2016
James Clare Director	Stock Options Stock Options Stock Options Stock Options	75,000 55,000 50,000 50,000	01/07/2016 11/14/2014 12/14/2012 09/08/2011	0.145 0.270 0.650 0.500(1)	0.145 0.270 0.650 0.930	0.42	01/07/2021 11/14/2019 12/14/2017 09/08/2016
Michael Doggett Director	Stock Options Stock Options Stock Options Stock Options	75,000 55,000 50,000 50,000	01/07/2016 11/14/2014 12/14/2012 09/08/2011	0.145 0.270 0.650 0.500(1)	0.145 0.270 0.650 0.930	0.42	01/07/2021 11/14/2019 12/14/2017 09/08/2016
William Lee Former Director (resigned February 19, 2016)	Stock Options	Nil	-	-	-	-	-
Carol Ellis Director (appointed June 1, 2016)	Stock Options	Nil	-	-	-	-	-
Walter Henry Director (appointed June 1, 2016)	Stock Options	Nil	-	-	-	-	-

(1) Stock options granted on September 8, 2011 were re-priced from $0.94 to $0.50.

No compensation securities were re-priced, cancelled or replaced, extended or otherwise materially modified during the most recently completed financial year.

Exercise of Compensation Securities by Directors and NEO's

Particulars of compensation securities exercised by each NEO and director in the most recently completed financial year is set out in the table below:

Name and 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 ($)
John-Mark Staude CEO, Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robert J. Scott CFO	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brian Groves Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James Clare Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michael Doggett Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
William Lee Former Director (resigned February 19, 2016)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carol Ellis (appointed June 1, 2016)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walter Henry (appointed June 1, 2016)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Stock Option Plans and Other Incentive Plans

Stock Option Plan

The Company has adopted a rolling stock option plan (the "Stock Option Plan") enabling the directors to grant options to employees, directors and officers of the Company and persons providing ongoing services to the Company. The policies of the TSX Venture Exchange (the "Exchange") state that rolling stock option plans must receive shareholder approval upon initial adoption and thereafter yearly, at the Company's Annual General Meeting. The Stock Option Plan was last approved by the shareholders at the Annual General Meeting held February 25, 2016, and will again be presented for approval at the Meeting.

The purpose of the Stock Option Plan is to attract, retain and motivate management, staff, consultants and other qualified individuals by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The material features of the Stock Option Plan are as follows:

1. the Stock Option Plan is administered by the Company's Board of Directors or, if the Board so designates, a committee of the Board appointed to administer the plan;

2. options granted under the Stock Option Plan are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently limited to ten years;

3. the maximum number of shares in respect of which options may be outstanding under the Stock Option Plan at any time is equivalent to 10% of the issued and outstanding shares of the Company (the "Outstanding Shares") at that time, less the number of shares, if any, subject to options outstanding under any prior stock option plan, and less the number of shares that remain unissued, from time to time, from the number of shares reserved for the issuance of bonus shares under the Company's Bonus Share Plan as described hereafter;

4. upon an optionee ceasing to hold any position with the Company that would qualify a person to receive an option under the terms of the Stock Option Plan, the optionee's option shall terminate upon the expiry of such reasonable period of time following termination as has been fixed by the plan administrator. Also, an option granted under the Stock Option Plan will terminate one year following the death of the optionee. These provisions do not have the effect of extending the term of an option that would have expired earlier in accordance with its terms, and do not apply to any portion of an option which had not vested at the time of death or other termination;

5. as long as required by Exchange policy, no one individual may receive options on more than 5% of the Outstanding Shares in any 12 month period, the insiders as a group may not receive options on a number of shares exceeding 10% of the Outstanding Shares in any 12 month period, no one consultant may receive options on more than 2% of the Outstanding Shares in any 12 month period, and options granted to persons employed to provide investor relations services may not exceed, in the aggregate, 2% of the Outstanding Shares in any 12 month period and must vest in stages over a minimum period of 12 months;

6. the exercise price of options is subject to the discretion of the plan administrator, provided however that options may not be granted at prices that are less than the Discounted Market Price as defined in Exchange policy. Discounted Market Price generally means, subject to certain exceptions, the most recent closing price of the Company's shares on the Exchange, less a discount of from 15% to 25% depending on the trading value of the Company's shares;

7. any amendment of the terms of an option is subject to any required regulatory and shareholder approvals; and

8. options granted under the Stock Option Plan are not assignable, negotiable or otherwise transferable other than by will or the laws of descent and distribution and, subject to the terms of the Stock Option Plan, are exercisable only by the optionee and his legal heirs or personal representatives.

The Stock Option Plan does not provide for any financial assistance or support to be provided to optionees by the Company or any affiliated entity of the Company to facilitate the purchase of shares under the plan.

Bonus Share Plan

The Company has adopted a Bonus Share Plan (the "Bonus Share Plan") enabling the directors to issue bonus shares to employees, officers and directors. Following its adoption, the Bonus Share Plan required disinterested shareholder approval under the policy of the TSX Venture Exchange (the "Exchange"), which was obtained at the Company's Annual General Meeting held February 25, 2016. The plan does not require further shareholder approval until such time as the number of shares reserved for the issue of bonus shares is increased, or the plan is otherwise amended in such a manner as to require shareholder approval under Exchange policy. However as the number of shares remaining available under the plan has been depleted to 55,000 shares, it is proposed to present a new bonus share plan to the shareholders for disinterested shareholder approval at the Meeting, as described hereafter.

The purpose of the Bonus Share Plan is to attract, retain and motivate management and staff by providing them with the opportunity, through the issue of bonus shares, to acquire a proprietary interest in the Company and benefit from its growth. The material features of the Bonus Share Plan are as follows:

1. The Bonus Share Plan is administered by the Company's Board of Directors or, if the Board so designates, a committee of the Board appointed to administer the plan;

2. The plan administrator may from time to time determine that an employee, officer or director of the Company has performed services for the Company that have a value in excess of the value for which the person has otherwise been compensated, the amount of such excess value being hereafter referred to as "Excess Value", and may issue to that person common shares as compensation for providing such Excess Value ("Bonus Shares");

3. The number of Bonus Shares so issuable is in the discretion of the plan administrator, provided however that the number of shares cannot exceed the number that results when the Excess Value is divided by the Discounted Market Price as defined in Exchange policy. Discounted Market Price generally means, subject to certain exceptions, the most recent closing price of the Company's shares on the Exchange, less a discount of from 15% to 25% depending on the trading value of the Company's shares;

4. In any 12 month period, no one person may receive a number of Bonus Shares that exceeds 1% of the issued and outstanding shares of the Company at that time (the "Outstanding Shares") unless otherwise permitted by Exchange policy, and Bonus Shares may not issued in respect of Excess Value provided in the form of investor relations services. The plan administrator may impose such other restrictions, terms and conditions on the issue of Bonus Shares as it may determine in each case.

5. The original number of Bonus Shares reserved for issuance under the Bonus Share Plan is 375,000 common shares, and no more.

Employment, Consulting and Management Agreements

Other than as disclosed under "External Management Contracts", no services were provided to the Company during the most recently completed financial year by a director or named executive officer, or any other party who provided services typically provided by a director or named executive officer, pursuant to any employment, consulting or management agreement between the Company and any other party, and the Company has no agreement or arrangement with any director, named executive officer or any other party with respect to any change of control of the Company or any severance, termination or constructive dismissal of any director, named executive officer or any other party, or any incremental payments triggered by any such change of control, severance, termination or constructive dismissal.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of the Company's Named Executive Officers and directors is determined by the full Board, based on the recommendations of the Compensation Committee. Compensation is determined based on factors considered relevant and appropriate, including the level of service provided, the background and expertise of the individual director or officer, amounts paid by other companies in similar industries at similar stages of development, and compensation levels necessary to attract, retain and develop management of a high calibre. Compensation is typically reviewed annually by the Compensation Committee and the Board, usually in the first fiscal quarter, but may also be reviewed on an ad hoc basis as the need arises.

The Company's compensation structure has two primary components, cash compensation and share-based compensation in the form of incentive stock options and bonus shares. Cash compensation has two components, base salary and bonuses.

For the most recently completed financial year, Arriva Management Inc. ("Arriva"), which provides the services of John-Mark Staude as CEO, received base cash compensation of $185,000 for providing those services. Also for the most recently completed financial year, GSBC Financial Management Inc. ("GSBC"), which provides the services of Robert J. Scott as CFO, received base cash compensation of $170,004. The base cash compensation paid to the Company's NEOs is based on the Board's subjective assessment of the value to the Company of the services provided by each, and the other factors referred to in the foregoing. For further particulars of the Company's agreements with Arriva and GSBC, see "External Management Contracts".

Bonuses are awarded annually to the Company's CEO on two bases. A share (or cash if necessary) bonus is payable by the Company equivalent to 1% of the increase in the size of the Company's market capitalization during the year of at least $25,000,000, calculated as at December 31 of each year, subject to a maximum annual pay-out of $500,000. In addition, a bonus of $25,000 is paid annually for the life of any new exploration alliance that is generated for the Company. A bonus may be awarded annually to the Company's CFO in the discretion of the Board, on the recommendation of the Compensation Committee, based on the overall performance of the Company and other criteria the Board considers relevant. For the most recently completed financial year, a bonus of $50,000 was awarded to Arriva as a result of the two exploration alliances to which the Company is party during the fiscal year, and no bonus was awarded to GSBC.

The Company may grant stock options pursuant to its stock option plan and/or issue bonus shares pursuant to its Bonus Share Plan to officers and directors on an ad hoc basis, based on the same subjective performance criteria referred to in the foregoing and other performance criteria considered relevant by the

Board. During the most recently completed financial year, John-Mark Staude received (i) options on 75,000 shares vesting as to 33 1/3% every six months, exercisable at $0.145 per share on or before January 7, 2021, (ii) options on 175,000 shares vesting as to 25% every three months and exercisable at $0.145 per share on or before January 7, 2021, and (iii) 75,000 Bonus Shares granted on November 30, 2015. Robert J. Scott received (i) options on 150,000 shares vesting as to 25% every three months and exercisable at $0.145 per share on or before January 7, 2021, and (ii) 75,000 Bonus Shares granted on November 30, 2015.

The Company regards the strategic use of incentive stock options and bonus shares as a significant component of its compensation structure. In evaluating option grants and bonus share issues, the Board evaluates a number of factors including, but not limited to: (i) the number of options or bonus shares already held by or issued to an individual; (ii) a fair balance between the number of options held by or bonus shares issued to an individual and those held by or issued to other directors or officers, in light of their responsibilities and objectives; and (iii) the value of the options (generally determined using a Black-Scholes analysis) and bonus shares as a component of the individual's overall compensation.

No significant events occurred during the most recently completed financial year that significantly affected compensation. While the Board considers amounts paid by other companies in similar industries at similar stages of development in determining compensation, no specifically selected peer group has been identified as a comparable. No significant changes were made to the Company's compensation policies since the commencement of the most recently completed financial year.

CORPORATE GOVERNANCE

General

"Corporate Governance" refers to the process and structure used to direct and manage the business and affairs of a corporation. The objective is to enhance shareholder value, including ensuring the financial viability of the business. Corporate governance processes and structures define the division of power among the shareholders, the board of directors and management, and establish ways to ensure accountability. They also take into account how the direction and management of the business will affect other stakeholders such as employees, customers, suppliers and communities.

The Canadian Securities Administrators have adopted two National Instruments, 58-201 *Corporate Governance Guidelines* ("NI 58-201") and 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101").

NI 58-201 sets forth a set of guidelines or "best practices" for reporting issuers to consider when evaluating their own corporate governance practices. Recognizing that not all of the guidelines set forth in NI 58-201 will be appropriate for all companies, full implementation of the guidelines is not mandated by either NI 58-201 or the TSX Venture Exchange. NI 58-101 mandates the disclosure of the corporate governance practices actually implemented by a reporting company, in certain prescribed disclosure documents.

As the business of the Company is straightforward, the Company is at an early stage of development and its Board is relatively small, the Company's Corporate Governance practices are at an early stage of evolution. The following describes the Company's approach to corporate governance, in compliance with NI 58-101.

Board of Directors

The Company's Board consists of a total of six directors, John-Mark Staude, Brian Groves, James Clare, Michael Doggett, Carol Ellis and Walter Henry. John-Mark Staude is not independent in that he is the Chief Executive Officer of the Company. The other five directors are independent. Accordingly, the majority of the directors are independent.

Directorships

Mr. Doggett is a director of Pacific Link Mining Corp. and Minco Gold Corporation. Mr. Groves is a Director of Genesis Metals Ltd and Kootenay Silver Inc. Mr. Clare is a director of PJX Resources Inc. and Spanish Mountain Gold Ltd. Mr. Henry is a director of Frontline Gold Corporation, Platinex Inc., Alturas Minerals Corp., Merrex Gold Inc., and Alexandria Minerals Corporation. All of the foregoing companies are reporting issuers.

Orientation and Continuing Education

The Company does not have a formal process of orientation for new Board members. However, the Company does orient and educate new Board members by providing background information, conducting personal meetings and responding to questions, during the early stages of a new Board member's involvement with the Company.

The Company does not have a formal process of continuing education for directors. Generally, the Company expects that existing and new Board members will have a familiarity with the business of mineral exploration and development. Professional advisors may be invited to attend Board meetings, as needed. The Company also relies on the relatively straightforward nature of its business, and the established qualifications and expertise of its Board members.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Disclosure Policy for the Company's directors, officers and employees with respect to ethical business conduct. A full copy of both the Code of Business Conduct and Disclosure Policy was filed on SEDAR on November 30, 2009. To the greatest extent possible, the Company attempts to attract and retain individuals with a well-developed personal code of ethical conduct in both their business and personal lives.

In considering a transaction in which a director has a material interest, the director is required to disclose the nature and extent of his interest to the Board and to abstain from voting on any resolution pertaining to the transaction.

Nomination of Directors

The Board does not have a Nominating Committee to identify new candidates for Board nomination. Potential candidates for appointment to the Board are considered by the Board as a whole, in reliance on the recommendations, qualifications and experience of its members. The Board recognizes that, in accordance with good corporate governance practices, it is desirable to appoint additional members who are independent, and gives weight to this consideration in its Board appointments.

Compensation

The Company's Board has a Compensation Committee consisting of Michael Doggett, James Clare and Walter Henry. The Compensation Committee sets cash compensation for the Company's CEO and CFO. Stock options and bonus shares are set by the Compensation Committee and then granted by the full Board. Further particulars concerning the compensation of the Company's directors and officers are set forth under "Oversight and Description of Director and Named Executive Officer Compensation".

Other Board Committees

The Board has no committees other than its Audit Committee and Compensation Committee.

Assessments

The Board has no specific procedures for regularly assessing the effectiveness and contribution of the Board, its committees or individual directors. As the business of the Company is relatively straightforward and its Board relatively small, it is expected that a significant lack of performance on the part of a committee or individual director would become readily apparent, and could be dealt with on a case-by-case basis. With respect to the Board as a whole, the Board monitors its performance on an ongoing basis, and as part of that process considers the overall performance of the Company and input from its shareholders.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Company's compensation plans under which equity securities of the Company are authorized for issuance at the end of the Company's most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	2,191,000	$0.324	1,549,977[(1)]
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	2,191,000	$0.324	1,549,977

(1) Made up of 1,494,977 shares remaining under the Company's Stock Option Plan, and 55,000 shares remaining under the Company's Bonus Share Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No executive officer, director, employee, former executive officer, former director, former employee, proposed nominee for election as a director, or associate of any such person has been indebted to the Company or its subsidiaries at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company or its subsidiaries at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

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, as set forth in the following.

The Company's Audit Committee is governed by an Audit Committee Charter. A copy of the Audit Committee Charter is attached as Schedule "A" to this Information Circular.

The Company's Audit Committee is comprised of three directors, Brian Groves, Carol Ellis and Walter Henry. As defined in NI 52-110, all of the members of the Audit Committee are "independent". Also as defined in NI 52-110, all of the Audit Committee members are "financially literate". The experience of the Audit Committee members is set forth in the following.

Brian Groves, Director

Brian Groves has worked in the Australian and Canadian mining and exploration industries for more than 28 years and has held senior positions with larger industry participants as well as mid-level producers. A graduate of the University of Sydney, Australia, Mr. Groves began his career in exploration as a geophysicist in Australia. He has been involved in exploration for gold, base metals and coal with AMAXD Minerals and Noranda from Australian and Canadian bases. Most of his professional career has been spent in Canada where he spent 1990 to 2003 with Placer Dome, and his final position was Manager of Corporate Development based in Toronto. Following his tenure with Placer Dome, Mr. Groves became President and Chief Executive Officer of Temex Resources Corp., a junior exploration company. Mr. Groves has also held positions as President, CEO and Director for Spanish Mountain Gold Ltd., an officer for Claude Resources and as a Director for Christopher James Gold Corp. Mr. Groves is a Director of the Prospectors & Developers Association of Canada.

Carol Ellis, Director

Carol Ellis consults on mining, exploration and venture strategy and is based in Vancouver. Ms. Ellis has diverse experience in the junior resource sector, recently as an investment banker with a full service dealer headquartered in Vancouver, and previously as a manager with the TSX Venture Exchange, as a mining analyst with a boutique investment company and as a vice-president investor relations with a junior resource company. She started her career as a geologist with the federal government in Yellowknife, NWT, promoting mineral exploration in Canada's north. She holds a B.Sc. in Geological Sciences and an MBA from Queen's University and is a Professional Geoscientist. Ms. Ellis is a past Director of the Association for Mineral Exploration British Columbia.

Walter Henry, Director

Walter Henry is currently President of Frontline Gold Corporation, holds a BA in Political Science/Economics, and has several years of experience in the finance and mining industries. He served with CIBC, BNP Paribas, and PriceWaterhouseCoopers where he managed portfolios and arranged project financing totaling over $1 billion.

Since 2003 he has since held executive positions with Tiberon Minerals, Royal Nickel Corporation, Alturas Minerals and Satori Resources Inc. He currently holds various Chairman, Audit Chairman and Director roles, in the following companies: Alexandria Minerals Corporation, Alturas Minerals Corp., Merrex Gold Corp, and Platinex Inc. He has completed the requirements of the Chartered Financial Analyst program and the Institute of Corporate Directors - Director Education Program.

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

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. NI 52-110 provides that the Audit Committee must pre-approve all non-audit services to be provided by the Company's auditor. Section 2.4 provides an exemption from this requirement 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 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.

No specific policies or procedures have been adopted with respect to the provision of non-audit services by the Company's external auditor although, under the Company's Audit Committee Charter, such services are required to be approved by the Audit Committee.

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 or 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 fees billed to the Company by its 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
September 30, 2016	$40,800	Nil	Nil	Nil
September 30, 2015	$42,000	Nil	$10,000(1)	3,060(2)

(1) Fees incurred for the preparation and filing of tax returns.
(2) Fees incurred for reviewing the Company's quarterly financial statements.

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.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

Management intends to propose for adoption an ordinary resolution that the number of directors of the Company be fixed at five, subject to such increase as may be permitted by the articles of the Company.

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by proxy will, on a poll, be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the persons nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations and the number of shares of the Company which each beneficially owns, or controls or directs, directly or indirectly, as of the date of this Information Circular:

Name of Nominee, Residence and Present Positions Held	Principal Occupation	Director Since	Number of Shares Beneficially Owned, Controlled or Directed
JOHN-MARK STAUDE British Columbia, Canada Director, President & CEO	President & CEO of the Company since July 2007	February 2007	1,365,960
BRIAN GROVES(1) British Columbia, Canada Director	Business Consultant	October 2007	Nil
JAMES CLARE(2) Ontario, Canada Director	Lawyer – Partner at Bennett Jones LLP	June 2008	23,500
CAROL ELLIS(1) British Columbia, Canada Director	Business Consultant Professional Geoscientist; Self-employed consultant to mining, exploration and venture companies on corporate strategy, October 2014 to present; Investment Banker at PI Financial Corp. October 2005 to October 2014	June 2016	16,000
WALTER HENRY(1)(2) Ontario, Canada Director	Business Analyst; President of Frontline Gold Corporation a mineral exploration company listed on the TSX Venture Exchange, from 2010 to present	June 2016	Nil

(1) Member of the Audit Committee
(2) Member of the Compensation Committee

The terms of office of those nominees who are presently directors will expire as of the date of the Meeting. All of the directors who are elected at the Meeting will have their term of office expire at the next Annual General Meeting of the Company, unless terminated earlier.

No proposed director of the Company is, or within the 10 years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or;

(b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer.

For the purposes of the preceding paragraph, “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, and which, in each case, was in effect for a period of more than 30 consecutive days.

No proposed director of the Company is, at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within one year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company or personal holding company of a proposed director has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Company or personal holding company of a proposed director has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The above information was provided by management of the Company.

Appointment of Auditor

The shareholders will be asked to appoint Davidson & Company LLP, Chartered Accountants, of Suite 1200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1G6, to serve as the auditor of the Company until the close of the next Annual General Meeting of the shareholders, and to authorize the directors to fix the auditor's remuneration.

Stock Option Plan

The Company has adopted a rolling stock option plan (the "Stock Option Plan"), as more particularly described previously under "Stock Option Plan". The policies of the TSX Venture Exchange (the "Exchange") state that rolling stock option plans must receive shareholder approval upon initial adoption and thereafter yearly, at the Company's Annual General Meeting. Accordingly, the shareholders will be asked to approve the Stock Option Plan at the Meeting.

The full text of the Stock Option Plan will be available to the shareholders at the Meeting. Shareholders may also view the Stock Option Plan in advance of the Meeting at the Company's head office, 1110-1111 West Georgia Street, Vancouver, BC, V6E 4M3, or by requesting a copy of the plan from the Company by telephone at (778) 327-6671.

In connection with shareholder approval of the Stock Option Plan, management will place the following proposed resolution before the shareholders for their consideration:

> **RESOLVED** that the Company's Stock Option Plan, presented for consideration at the Company's 2017 Annual General Meeting, be approved.

Bonus Share Plan

The Company has adopted a Bonus Share Plan (the "Existing Bonus Share Plan"), as more particularly described previously under "Bonus Share Plan". The Existing Bonus Share Plan reserved 375,000 shares of the Company for the issuance of bonus shares, of which 320,000 shares have been issued, leaving a balance of 55,000 shares available. The Company's Board of Directors wishes to increase the number of shares available for the issuance of bonus shares to the 400,000 share level and so has adopted a new Bonus Share Plan (the "2017 Bonus Share Plan") reserving 400,000 shares. Upon approval of the 2017 Bonus Share Plan, the Existing Bonus Share Plan will terminate and the remaining 55,000 shares reserved thereunder will no longer be issuable.

Apart from the number of shares reserved for issuance, the 2017 Bonus Share Plan will have the same terms and conditions as the Existing Bonus Share Plan, described previously under "Bonus Share Plan". The full text of the Bonus Share Plan will be available to the shareholders at the Meeting. Shareholders may also view the Bonus Share Plan in advance of the Meeting at the Company's head office, 1110-1111 West Georgia Street, Vancouver, BC, V6E 4M3, or by requesting a copy of the plan from the Company by telephone at (778) 327-6671.

The 2017 Bonus Share Plan is subject to the approval of the TSX Venture Exchange (the "Exchange"). In the event that Exchange approval has not been received prior to the date hereof and the Exchange thereafter requires changes to the terms or specific wording of the 2017 Bonus Share Plan as a condition of granting approval, the 2017 Bonus Share Plan submitted for approval at the Meeting will be amended to include the required changes. In voting on the 2017 Bonus Share Plan, if so amended, the proxyholders appointed to vote at the Meeting will employ the discretionary authority provided under the form of proxy to vote on amendments or variations to matters that properly come before the Meeting. It is not anticipated that the Exchange will require amendments to the 2017 Bonus Share Plan.

The policy of the Exchange requires that, to be effective, any proposal to issue shares as compensation for services must be approved by a majority of votes cast at the meeting by disinterested shareholders. Accordingly, the 2017 Bonus Share Plan is subject to disinterested shareholder approval, requiring that insiders of the Company who may receive bonus shares under the plan, and their associates, abstain from voting. In that connection, management will place the following proposed resolution before the shareholders for their consideration:

> **RESOLVED** that the Company's Bonus Share Plan, presented for consideration at the Company's 2017 Annual General Meeting, be approved.

ADDITIONAL INFORMATION

Additional Information concerning the Company is available on SEDAR at www.sedar.com. Financial Information concerning the Company is provided in the Company's comparative financial statements and Management's Discussion and Analysis for the financial year ended September 30, 2016.

Shareholders wishing to obtain a copy of the Company's financial statements and Management's Discussion and Analysis may contact the Company as follows:

Robert J. Scott, Chief Financial Officer
1110-1111 W. Georgia Street, Vancouver,
British Columbia, Canada, V6E 4M3
Telephone: (778) 327-6671
Fax: (778) 327-6675

BOARD APPROVAL

The contents of this Information Circular have been approved and its mailing has been authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 26th day of January, 2017.

ON BEHALF OF THE BOARD

"John-Mark Staude"

John-Mark Staude
President, Chief Executive Officer & Director

Schedule "A"

RIVERSIDE RESOURCES INC.
(the "Company")

AUDIT COMMITTEE CHARTER

1. Mandate

The audit committee will assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the company's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Company. If the Company ceases to be a "venture issuer" as that term is defined in Multilateral Instrument 52-110 entitled "Audit Committees" ("MI 52-110"), then all of the members of the audit committee shall be free from any material relationship with the Company within the meaning of MI 52-110.

2.2 Financial Literacy of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. A person is generally considered "financially literate" if he or she has 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.

3. Meetings

The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

(a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

(b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;

(c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;

(d) review and recommend to the Board the compensation to be paid to the external auditors; and

(e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

(a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and

(b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

(a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and

(b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

(a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;

(b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and

(c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

(a) review and approve the interim financial statements prior to their release to the public; and

(b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

(a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

(a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

(a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:

(i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or

(ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

(a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

(i) the pre-approval policies and procedures are detailed as to the particular service;

(ii) the audit committee is informed of each non-audit service; and

(iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

(a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;

(b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;

(c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;

(d) review the policies and procedures in effect for considering officers' expenses and perquisites;

(e) perform other oversight functions as requested by the Board; and

(f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the audit committee; and

(c) communicate directly with the internal and external auditors.