

# FORM 3A

## EXCHANGE INFORMATION CIRCULAR FORM

### Information Circular for a Qualifying Transaction or Reverse Take-Over

#### 1. General Instructions

- (a) Issuers are required by Exchange Policy to provide prospectus level disclosure, that is, full, true and plain disclosure of all material facts in connection with a Reverse Take-Over or a Capital Pool Company (“CPC”) Qualifying Transaction. The disclosure required must be made in accordance with this Form. This Form is intended to incorporate the form requirements of both an information circular and a prospectus. However, unless an applicable Securities Commission has provided an exemption from compliance with the applicable Securities Law, an Issuer must still ensure that any Information Circular prepared is also prepared in compliance with the provisions of applicable Securities Law, including any prescribed form requirements. Issuers are required to comply with all other provisions of applicable corporate law and Securities Law in relation to an Information Circular. Depending on the circumstances of the particular Issuer, additional disclosure may be necessary.
- (b) Financial statements as required pursuant to Exchange Policy 2.4 – Capital Pool Companies or Exchange Policy 5.2 – Changes of Business and Reverse Take-Overs must be attached to and incorporated into this Information Circular.
- (c) All disclosure contained in this Information Circular must be factual and non-promotional. This Information Circular is required to contain material facts. Statements of opinions, beliefs or views must not be made unless the statements are made on the authority of experts and consents are obtained and filed. The Exchange may require verification of disclosure.
- (d) The information contained in this Information Circular must be clearly presented. The statements made must be divided into groups according to subject matter and preceded by appropriate headings.
- (e) The disclosure contained in the Information Circular must be understandable to readers and, in particular, should avoid the use of jargon. If technical terms are required, these terms must be defined in a glossary included in the Information Circular.
- (f) The disclosure should be in narrative form using the headings in this Form, but the order may be varied. Where practicable and appropriate and where indicated in this Form, information required shall be presented in tabular form. All amounts must be stated in figures.

- (g) References to “Target Issuer” and “Resulting Issuer” include reference to all subsidiaries or proposed subsidiaries, except where the context reasonably otherwise requires. References to “Listed Issuer” include reference to all subsidiaries except where the context reasonably otherwise requires.
- (h) Unless otherwise specified in this Form, references in this form to a “Reverse Take-Over” include a “Qualifying Transaction”.
- (i) Where information as to the identity of a person is disclosed, disclose whether the person is at Arm’s Length to the Listed Issuer or, if the person is a Related Party, disclose the nature and extent of the relationship. Where the person is a Related Party and such Related Party is not an individual, disclose the name of any individual who is an Insider of that Related Party.
- (j) Whenever disclosure is required to be made of costs paid or to be paid by the Listed Issuer, Target Issuer or Resulting Issuer, disclose the portion of the costs paid or to be paid to Insiders.
- (k) The information contained in this Information Circular must be given for a specified date not more than 30 days before the date on which it is first sent to any security holder. When disclosure is required as of a specific date and there has been a significant or material change in the information subsequent to the date, the information must be presented as of a date that reflects this change.
- (l) Each item outlines disclosure requirements. Instructions to assist in providing this disclosure are printed in smaller type.
- (m) Certain terms used in this Form are defined in Policy 1.1 - Interpretation or Policy 5.2 - Changes of Business and Reverse Take-Overs. Other defined terms used in this Form, which are capitalized and in bold, are as follows:

“Available Funds” means the estimated minimum working capital (total current assets less total current liabilities) available to the Listed Issuer, its subsidiaries and proposed subsidiaries as of the Most Recent Month End, and the amounts and sources of other funds that will be available to the Listed Issuer, its subsidiaries and proposed subsidiaries prior to or concurrently with the completion of the Reverse Take Over or Qualifying Transaction.

“Breakdown of Costs” means a schedule of costs associated with the specific classification, separately itemizing each component that represents 10% or more of the total costs, with all other costs being grouped together under the heading “miscellaneous costs”.

“Development Costs” means costs incurred by the Listed Issuer, its subsidiaries and proposed subsidiaries relating to product research and development, material acquisitions of plant, equipment, technology, and marketing rights, and does not include general and administrative costs.

“Listed Issuer” means the Issuer listed on the Exchange as it exists prior to the RTO or Qualifying Transaction.

“Management” means all directors, officers, employees and contractors whose expertise is critical to an issuer, its subsidiaries and proposed subsidiaries in providing the Issuer with a reasonable opportunity to achieve its stated business objectives.

“Material” where used in relation to a fact or change, means a fact or change that could reasonably be expected to have a significant effect on the market value of the securities of an Issuer, unless otherwise defined.

“Most Recent Month End” means the latest month end prior to the date of the Information Circular or, where the date of the Information Circular is within ten days of the end of the latest month, the month end prior to the end of that month.

“Principal Properties” means the Properties on which the issuer intends to expend a material part of the Available Funds.

“Product” means any product, service or technology of an issuer:

- (i) that has a net book value representing more than 10% of the Issuer’s total assets;
- (ii) that generates more than 10% of the Issuer’s gross revenues;
- (iii) on which more than 10% of the Available Funds will be spent; or
- (iv) that is or will be the focus of Issuer’s stated business objectives.

“Properties” includes all the properties, mines, plants, facilities and installations presently owned, leased, held under option, or presently intended to be owned, leased or held under option by the Issuer, subsidiaries and proposed subsidiaries.

“Qualifying Transaction” has the meaning set forth in Policy 2.4 - Capital Pool Companies.

“Resulting Issuer” means the Listed Issuer as it exists upon completion of the RTO or Qualifying Transaction.

“RTO” means a Reverse Take-Over as defined in Policy 5.2 – Changes of Business and Reverse Take-Overs, and for the purposes of this Form, unless otherwise required by the context, includes a Qualifying Transaction.

“Seller” means the beneficial owner(s) of the assets, property, business or interest therein which are to be purchased, optioned or otherwise acquired pursuant to the RTO or Qualifying Transaction.

“Stub Period” means the period between the Listed Issuer’s most recently completed financial year and the Most Recent Month End.

“Target Issuer” means an issuer which is the beneficial owner of the assets, business, property (or interest) to be acquired as part of the RTO or Qualifying Transaction, where such acquisition is to be conducted by acquisition of the securities of such target issuer, whether by security purchase agreement, take-over bid, amalgamation, plan of arrangement or similar or other corporate reorganization. Where the context reasonably requires, “Target Issuer” shall also mean any issuer which beneficially owns the assets, business, property (or interest) to be acquired, where such assets, business, property (or interest) are to be acquired by asset acquisition and such assets constitute the principal assets of the Seller.

## **2. Disclosure of Listed Issuer and Matters to Be Acted Upon**

### **2.1 *Table of Contents***

Include a table of contents setting out the headings of each section in the Form and the page number on which each section starts.

### **2.2 *Revocability of Proxy***

- (a) State whether the Person giving the proxy has the power to revoke it.
- (b) If any right of revocation is limited or is subject to compliance with any formal procedure, briefly describe the limitation or procedure.

### **2.3 *Person Making the Solicitation***

- 1. If solicitation is made by or on behalf of the management of the Listed Issuer, state that fact. If a solicitation is made otherwise than by or on behalf of the management of the Listed Issuer, so state and give the name of the Person by whom or on whose behalf it is made.
- 2. If the solicitation is to be made otherwise than by mail, describe the method to be employed.
- 3. If the solicitation is to be made by specially engaged employees or soliciting agents, state:
  - (a) the material features of any contract or arrangement for the solicitation and identify the parties to the contract or arrangement; and
  - (b) the cost or anticipated cost thereof.

4. State the name of the Person by whom the cost of soliciting has been or will be borne, directly or indirectly.
5. Give the name of any director of the Listed Issuer who has informed the management in writing that he intends to oppose any action intended to be taken by the management and indicate the action that he intends to oppose.

## ***2.4 Interest of Certain Persons in Matters to be Acted Upon***

Give brief particulars of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted on other than the election of directors or the appointment of auditors:

- (a) if the solicitation is made by or on behalf of the management of the Listed Issuer, each individual who has been a director or senior officer of the Listed Issuer at any time since the beginning of the last financial year of the Listed Issuer;
- (b) if the solicitation is made otherwise than by or on behalf of the management of the Listed Issuer, each Person on whose behalf, directly or indirectly, the solicitation is made;
- (c) each proposed nominee for election as a director of the Listed Issuer; and
- (d) each Associate or Affiliate of any of the foregoing Persons.

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

1. State as to each class of voting securities of the Listed Issuer entitled to be voted at the meeting, the number of securities outstanding and the particulars of voting rights for each security of each such class.
2. Give the record date as of which the security holders entitled to vote at the meeting will be determined or particulars as to the closing of the security transfer register, as the case may be, and, if the right to vote is not limited to security holders of record as of a specified record date, indicate the conditions under which security holders are entitled to vote.
3. If, to the knowledge of the directors or senior officers of the Listed Issuer, any Person beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Listed Issuer:
  - (a) name each of those persons or companies;

- (b) state the approximate number of the securities beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of those persons or companies;
  - (i) as at the date of the Information Circular; and
  - (ii) as at the date of closing of the RTO; and
- (c) state the percentage of the class of outstanding voting securities of the Listed Issuer represented by the number of voting securities so owned, controlled or directed:
  - (i) as at the date of the Information Circular; and
  - (ii) as at the date of closing of the RTO.

## **2.6 Election of Directors**

1. If directors are to be elected, provide the following information, in tabular form to the extent practicable, for each individual proposed to be nominated for election as a director and each other individual whose term of office as a director will continue after the meeting:
  - (a) name and identify as such each proposed director of the Listed Issuer and name each director of the Listed Issuer whose term of office will continue after the meeting;
  - (b) state when the term of office for each director and proposed director will expire;
  - (c) state whether the Listed Issuer has an executive committee of its board of directors or is required to have an audit committee and, if so, name those directors who are members of each such committee;
  - (d) if a director or officer has held more than one position in the Listed Issuer, or a parent or subsidiary thereof, state only the first and last position held;
  - (e) state the present principal occupation, business or employment of each director and proposed director and give the name and principal business of any Person in which that employment is carried on, and the principal occupations, businesses or employments of each proposed director within the five preceding years, unless he is now a director and was elected to his present term of office by a vote of security holders at a meeting, the notice of which was accompanied by an information circular;
  - (f) if the proposed director is or has been a director of the Listed Issuer, state the period or periods during which he has served as such;

- (g) state the number of securities of each class of voting securities of the Listed Issuer or of any subsidiary of the Listed Issuer beneficially owned, directly or indirectly or over which control or direction is exercised by each proposed director:
    - (i) as at the date of the Information Circular; and
    - (ii) as at the closing of the RTO;
  - (h) if voting securities carrying more than 10% of the voting rights attached to all voting securities of the Listed Issuer or of a subsidiary of the Listed Issuer are beneficially owned, directly or indirectly, or controlled or directed by any proposed director and his associates or affiliates, state the number of securities of each class of voting securities beneficially owned, directly or indirectly, or controlled or directed by the associates or affiliates, naming each associate or affiliate whose security holdings are 10% or more.
2. If any proposed director is to be elected pursuant to any arrangement or understanding between the nominee and any other Person, except the directors and senior officers of the Listed Issuer acting solely in that capacity, name the other Person and describe briefly the arrangement or understanding.
  3. If any proposed director is a Related Party of any party to the RTO so state.
  4. If any proposed director has agreed to or is anticipated to resign in connection with or contemporaneously with the closing of the RTO, so state.
  5. If any person is not being nominated for election as a director but is anticipated to be a director upon completion of the RTO (by way of an appointment to fill a vacancy or as may otherwise be permitted pursuant to applicable corporate law and the Issuer's constating documents) the information required in this section 2.7 must be provided in regard to such person in a separate table. In addition, bold face disclosure must be included as to the method by which the person will be appointed and the fact that shareholders are not provided with a right to vote for the election of such director.

## **2.7 Executive Compensation**

1. In regard to the Listed Issuer, disclose the information on executive compensation as required by applicable Securities Laws. In addition, provide disclosure of the compensation of each of the President and CEO and each of the four highest paid executive officers regardless of the amount of compensation.
2. In the event the Listed Issuer has agreed to or reasonably anticipates any material change in the compensation to be paid to any executive officer, bold face disclosure shall be included disclosing the details of the anticipated material change.
3. The Exchange may require disclosure of the compensation of any other individual.

4. In the event the Issuer pays any indirect compensation pursuant to any management contract, a cross-reference should be provided to the disclosure under section 2.11, Management Contracts.

## ***2.8 Indebtedness of Directors, Senior Officers, Executive Officers and Other Management***

1. The information required by this section, must be provided for:
  - (a) each director, senior officer or executive officer of the Listed Issuer;
  - (b) each promoter of the Listed Issuer;
  - (c) each other member of Management of the Listed Issuer;
  - (d) each proposed nominee for election as a director of the Listed Issuer/Resulting Issuer; and
  - (e) each associate or affiliate of any of the persons referred to in a) through d),

who is or has been indebted to the Listed Issuer or any of its subsidiaries at any time during the most recently completed financial year of the Listed Issuer, or whose 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 Listed Issuer or any of its subsidiaries.

1. State in tabular form and as otherwise required in Appendix 3 to this Form, “Indebtedness of Directors, Senior Officers, Executive Officers and Other Management”:
  - (a) the indebtedness of the persons described in paragraph (a) of this item (other than in connection with a securities purchase program); and
  - (b) if the Listed Issuer has a securities purchase program, indebtedness of such persons that is in connection with a securities purchase program:
2. For the purposes of this Item, “executive officer” of an issuer for a financial year means an individual who at any time during the year was:
  - (a) the chair of the issuer, if that individual performed the functions of the office on a full-time basis;
  - (b) a vice-chair of the issuer, if that individual performed the functions of the office on a full-time basis;
  - (c) the president of the issuer;



- (d) a vice-president of the issuer in charge of a principal business unit, division or function such as sales, finance or production; or
- (e) an officer of the issuer or any of its subsidiaries or any other person who performed a policy making function in respect of the issuer,

whether or not the individual was also a director of the issuer or any of its subsidiaries.

- 3. For the purposes of this Item, “support agreement” includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

## **2.9 *Interests of Insiders in Material Transactions***

Where not previously disclosed in an information circular, describe briefly, and where practicable, state the approximate amount of any material interest, direct or indirect, of:

- (a) any Insider of the Listed Issuer;
- (b) any proposed nominee for election as a director of the Listed Issuer; or
- (c) any Associate or Affiliate of the Insider or proposed nominee,

in any transaction since the commencement of the Listed Issuer’s last financial year or in any proposed transaction that has materially affected or would materially affect the Listed Issuer or any of its subsidiaries.

### Instructions:

- 1. Give a brief description of the material transaction. State the name and address of each Person whose interest in any transaction is described and the nature of the relationship by reason of which the interest is required to be described.
- 2. As to any transaction involving the purchase or sale of assets by or to the Listed Issuer or any subsidiary, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and the cost of the assets to the seller if acquired by the seller within two years prior to the transaction.
- 3. This item does not apply to any interest arising from the ownership of securities of the Listed Issuer where the security holder receives no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of securities or by all holders of the same class of securities who are resident in Canada.
- 4. Information must be included as to any material underwriting discounts or commissions on the sale of securities by the Listed Issuer where any of the specified persons or companies was or is to be an underwriter who was or is to be in a contractual relationship with the Listed Issuer with respect to securities of the Listed Issuer or is an associate or affiliate of a Person that was or is to be such an underwriter.
- 5. No information need be given in answer to this item as to any transaction or any interest therein where:

- (a) the rates or charges involved in the transaction are fixed by law or determined by competitive bids;
  - (b) the interest of the specified Person in the transaction is solely that of a director of another Person that is a party to the transaction;
  - (c) the transaction involves services as a chartered bank or other depository of funds, transfer agent, registrar, trustee under a trust indenture or other similar services; or
  - (d) the transaction does not directly or indirectly, involve remuneration for services, and:
    - (i) the interest of the specified Person arose from the beneficial ownership, direct or indirect, of less than 10% of any class of voting securities of another Person that is a party to the transaction,
    - (ii) the transaction is in the ordinary course of business of the Listed Issuer or its subsidiaries, and
    - (iii) the amount of the transaction or series of transactions is less than 10% of the total sales or purchases, as the case may be, of the Listed Issuer and its subsidiaries for the last financial year.
6. Information must be provided in answer to this item with respect to transactions not excluded above that involve remuneration, directly or indirectly, to any of the specified persons for services in any capacity unless the interest of the Person arises solely from the beneficial ownership, direct or indirect, of less than 10% of any class of voting securities of another Person furnishing the services to the Listed Issuer or its subsidiaries.

## ***2.10 Appointment of Auditor***

1. If action is to be taken with respect to the appointment of an auditor, name the auditor of the Listed Issuer.
2. If the auditor was first appointed within the last five years, state the date when the auditor was first appointed.

## ***2.11 Management Contracts***

1. Where management functions of the Listed Issuer or any subsidiary are to any substantial degree performed by a Person other than the directors or senior officers of the Listed Issuer or subsidiary:
  - (a) give details of the agreement or arrangement under which the management functions are performed, including the name and address of any Person who is a party to the agreement or arrangement or who is responsible for performing the management functions:

- (b) give:
- (i) the names and home addresses in full or, alternatively, solely the municipality of residence or postal address, of the Insiders of any Person with which the Listed Issuer or subsidiary has any agreement or arrangement referred to in clause (a); and
  - (ii) if the following information is known to the directors or senior officers of the Listed Issuer, the names and addresses of any Person that would be an Insider of any Person with which the Listed Issuer or subsidiary has any such agreement or arrangement if the Person were a reporting issuer;
- (c) with respect to any Person named in answer to clause (a) state the amounts paid or payable by the Listed Issuer and its subsidiaries to the Person since the commencement of the last financial year and give particulars; and
- (d) with respect to any Person named in answer to clause (a) or (b) and their associates or affiliates, give particulars of:
- (i) any indebtedness of the Person , associate or affiliate to the Listed Issuer or its subsidiaries that was outstanding; and
  - (ii) any transaction or arrangement of the Person , associate or affiliate with the Listed Issuer or subsidiary,
- at any time since the commencement of the Listed Issuer's last financial year.

Instructions:

1. In giving the information called for by this section, it is not necessary to refer to any matter that in all the circumstances is of relative insignificance.
2. In giving particulars of indebtedness, state the largest aggregate amount of indebtedness outstanding at any time during the period, the nature of the indebtedness and of the transaction in which it was incurred, the amount of the indebtedness presently outstanding and the rate of interest paid or charged on the indebtedness
3. It is not necessary to include as indebtedness amounts due from the particular Person for purchases subject to usual trade terms, for ordinary travel and expense advances and for other like transactions.

## ***2.12 Particulars of Matters to be Acted Upon***

1. If action is to be taken on any matter to be submitted to the meeting of security holders other than the approval of financial statements, the substance of the matter, or related groups of matters, should be briefly described, except to the extent described pursuant to the foregoing items, in sufficient detail to permit security holders to form a reasoned judgment concerning the matter.

2. Without limiting the generality of subsection 1. these matters include:
  - (a) alterations of share capital;
  - (b) charter amendments;
  - (c) property acquisitions or dispositions;
  - (d) amalgamations; and
  - (e) mergers or reorganizations.
3. Where a reorganization or similar restructuring is involved, reference should be made to a prospectus form or issuer bid form for guidance as to what is material.
4. If the matter is one that is not required to be submitted to a vote of security holders:
  - (a) the reasons for submitting it to security holders should be given; and
  - (b) a statement should be made as to what action is intended to be taken by management in the event of a negative vote by the security holders.

Briefly describe the substance of the RTO or other transaction to be approved in sufficient detail to permit security holders to form a reasoned judgement concerning the matter.

### **3. Disclosure of Target Issuer, RTO and Resulting Issuer**

#### **3.1 *Summary of Transaction and Resulting Issuer and Business***

Provide a brief description of the following items:

- (a) material changes in the affairs of the Listed Issuer, including updated information with respect to all matters required to be disclosed pursuant to the press release issued in connection with the announcement of the RTO;
- (b) the principal business of the Resulting Issuer, its subsidiaries and proposed subsidiaries;
- (c) in the case of a natural resource issuer, the name and location of the Principal Properties and the natural resource(s) being targeted;
- (d) the stated business objectives that the Resulting Issuer expects to accomplish using the Available Funds; and

the specific risks relating to the business disclosed in paragraph (b) and (c).

### 3.2 *Available Funds*

Provide a breakdown of Available Funds as follows:

- (a) the estimated pro-forma consolidated working capital available to the Resulting Issuer, its subsidiaries and proposed subsidiaries as of the Most Recent Month End; and
- (b) the amounts and sources of other funds that will be available to the Resulting Issuer, its subsidiaries and proposed subsidiaries prior to or concurrently with the completion of the Reverse Take-Over.

Instructions:

1. The amount of working capital must be updated to the Most Recent Month End as at the date of the Information Circular.
2. Itemize the source of the Available Funds, including reference to those that are available from the Listed Issuer, from each subsidiary or proposed subsidiary, from any Target Issuer and from any concurrent financing or other source.
3. Where other sources of funds will be available to the Listed Issuer, identify the material terms, including the timing and identity of the person providing the funds.

### 3.3 *Principal purposes*

Provide in tabular form a description of each of the principal purposes, with amounts, for which the Available Funds will be used.

For any Resulting Issuer, other than an exploration resource issuer, state the following (with the bracketed information completed as appropriate):

[The Resulting Issuer] will spend the funds available to it on the completion of the [RTO/Qualifying Transaction] to further its stated business objectives set out in “Business of [the Resulting Issuer]”. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for [the Resulting Issuer] to achieve its stated business objectives.

For any Resulting Issuer that will be an exploration resource issuer, state the following (with the bracketed information completed as appropriate):

[The Resulting Issuer] will spend the funds available to it on completion of the [RTO/Qualifying Transaction] to carry out its proposed exploration and development program set out in “Properties of [the Resulting Issuer]”. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. The issuer will only redirect the funds to other properties and will only do so on the basis of a written recommendation from an independent professional geologist or engineer.

Except in the case of a Resulting Issuer which will have material operating revenues, state the following (with the bracketed information completed as appropriate):

The issuer's working capital available to fund ongoing operations will be sufficient to meet its administration costs for [\*] months.

Instructions:

1. Statements as to principal purposes for which the Available Funds are to be used must be specific and be cross referenced to the estimated costs disclosed in Item 4. Where the Listed Issuer has had no sales or limited sales, the table must include the administrative costs required for the Listed Issuer to achieve its stated business objectives.
2. Available Funds not allocated to one of the principal purposes must be identified as "Working Capital To Fund Ongoing Operations" and must be sufficient to meet Exchange Minimum Listing Requirements, including to fund the Resulting Issuer's operations following completion of the RTO and to maintain the Resulting Issuer as a Listed Issuer during the time frame contemplated by its stated business objectives.
3. Where Available Funds will be paid to a Related Party of the Listed Issuer or Target Issuer, or any holder of escrowed securities of the Listed Issuer, disclose either in the table or by way of a note to the table, the person, amount of the payments and principal purposes to which the payments relate.
4. Where more than 10% of the Available Funds will be used to reduce or retire indebtedness and where the indebtedness was incurred within the two preceding years, the principal purposes for which the indebtedness was used must be disclosed and where the creditor is a Related Party of the Listed Issuer or Target Issuer or a holder of escrowed securities of the Listed Issuer, identify the creditor and the nature of the relationship.

### **3.4 Conflicts of Interest**

Where the Listed Issuer and/or the Target Issuer is a related party or connected party of the Sponsor, provide a summary of the nature of the relationship between the Sponsor and the Listed Issuer and/or Target Issuer, as applicable.

State the extent to which the proceeds of the distribution will be applied, directly or indirectly, for the benefit of the Sponsor or any related party or connected party of the Sponsor. Provide a cross reference to the information required by Item 9.3.

Instructions:

1. For example, disclosure would be required in most cases where the Listed Issuer or Target Issuer received a loan from the Sponsor and thus would be a connected party of the Sponsor. Reference should be made to the Exchange Rules for further requirements.
2. For the purpose of this section, reference to a Sponsor includes a special selling group member, as defined in the Exchange Rules.

## 4. Business of the Resulting Issuer

### Instructions:

1. Where securities of an industrial or technology issuer are being acquired, include disclosure as specified in Appendix 1 to this Form.
2. Where securities of a mining issuer or an oil and gas issuer are being acquired, include disclosure as specified in Appendix 2 to this Form.
3. Where securities of a research and development issuer are being acquired, include disclosure as specified in Appendix 1 to this Form. However, disclosure must also be included as to nature and extent of the proposed research and development program. A timetable for the proposed program, describing each significant component of the program and identifying the planned commencement and completion dates of each significant component must be included. A summary of the material aspects of any technical report or feasibility study prepared for or on behalf of the issuer must be included.
4. Where securities of a finance issuer and any real estate issuer principally engaged in the short term buying and selling of real estate are being acquired, include disclosure as specified in Appendix 1 to this Form. However, disclosure must also be included as to the investment objectives of the issuer, including identification of the estimated number and types of investments, relative size and value, and the risks associated with such investments.
5. Where assets of a Target Issuer are being acquired, item 4.2 of Appendix 1 or 2, as applicable and items 4.5 and 4.6 of Appendix 1, may be omitted.

## 5. Corporate Information

### 5.1 *Name and incorporation*

Provide:

- (a) the full name of the Target Issuer and the address of its registered office and, if applicable, its address for service in Canada;
- (b) the laws under which the Target Issuer was incorporated or organized and the date the Target Issuer came into existence;
- (c) the full name of the Resulting Issuer, the laws under which it will be organized or incorporated and an address for service within Canada for the Resulting Issuer;
- (d) the full name of the Resulting Issuer's subsidiaries or proposed subsidiaries, the laws under which they were incorporated or organized and the date they came into existence;
- (e) if applicable, that the Target Issuer has been or that the Resulting Issuer will be, a party to any amalgamation, arrangement or continuance or has changed its name or will, in connection with the RTO, change its name, and the laws governing the event; and

- (f) relevant details of the Target Issuer's and Resulting Issuer's form of organization and structure, where either is not or will not be a corporation.

## 5.2 *Intercorporate relationships*

Illustrate by way of a diagram or otherwise the intercorporate relationships among the Resulting Issuer, and any subsidiaries, proposed subsidiaries and affiliates. For each subsidiary, state the percentage of voting securities which are anticipated to be owned.

## 5.3 *Existing share capital and prior sales*

- (a) *Target Issuer Prior Sales*

Provide, in the tabular form indicated or, where appropriate, in notes to the table, particulars of the share capital of any Target Issuer. State the prices at which securities have been sold within the last 12 months prior to the date of the Information Circular. State the number of securities sold at each price.

TARGET ISSUER SHARE CAPITAL TABLE

	<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
	<b>Number of Issued Securities</b>	<b>Price per Security</b>	<b>Total Consideration</b>
(a) Prior sales of securities within the last 12 months			
(b) Issued as of [the Most Recent Month End]			

- (b) *Listed Issuer*

Provide, in the tabular form indicated or, where appropriate, in notes to the table, particulars of the share capital of the Listed Issuer. State the prices at which securities have been sold within the last 12 months prior to the date of the Information Circular. State the number of securities sold at each price.



LISTED ISSUER SHARE CAPITAL TABLE

	Column 1	Column 2	Column 3
	Number of issued securities	Price per security	Total consideration
(a) Prior sales of securities within the last 12 months			
(b) Issued as of [the <b>Most Recent Month End</b> ]			

Instructions:

1. Where the consideration for any of the prior sales included in the tables is other than cash, describe in a note cross referenced to the prior sale set out in (a) of the table the method of determining the value of the consideration (e.g. out of pocket costs, valuation opinion, Arm's Length negotiation or, in the case of services, determination by directors based on estimated fair market value).
2. Set out in the tables or a note thereto the number of securities of each class authorized to be issued.
3. In columns 1 and 3 of the table, (b) is equal to the total of (a).
4. The information shall be updated to the Most Recent Month End.
5. In (a) of the tables list prior sales aggregated on the basis of the same price per security and type of consideration.
6. If there is a concurrent financing, with a minimum and maximum subscription, disclose the number of securities that are offered and that would be issued on both a minimum and maximum basis.
7. A separate table shall be prepared for each class or kind of securities
8. As a note to the table, indicate whether there are any restrictions on the transferability of the securities (e.g. hold periods, escrow or pooling agreement) and summarize the nature of the restrictions. Where the information is provided elsewhere the disclosure may be provided by a cross-reference to the page in the Information Circular where the disclosure is contained.

(c) *Listed Issuer Trading History*

For each exchange or quotation system upon which the Listed Issuer's securities are listed or quoted, provide a weekly trading history (high, low, volume) for at least six weeks prior to the date of the Information Circular and monthly for the preceding 12 months.

## 5.4 Fully diluted share capital and consolidated share and loan capital

### (a) Fully diluted share capital

Provide the information indicated in the table set out below for each class of securities of the Listed Issuer and Resulting Issuer.

FULLY DILUTED SHARE CAPITAL TABLE

	Number of securities	Percentage of Total
(a) Issued by Listed Issuer as of the Most Recent Month End		
(b) Securities reserved by Listed Issuer for future issue as of the Most Recent Month End (excluding securities to be issued pursuant to the RTO)		
(c) Securities to be issued in consideration for the asset, business or property to be acquired pursuant to the RTO		
(d) Securities to be issued pursuant to any concurrent or contemporaneous financing		
(e) Securities to be reserved for issuance in connection with the RTO		
Total		100%

#### Instructions:

- (a) is the amount indicated in (b) of column 1 of the table in section 5.3.
- If there is a minimum and maximum on any financing, disclose the number of securities offered and indicate the totals assuming each of the minimum and maximum.
- (e) is the amount indicated in paragraph (b) from section 7.1

4. A separate table shall be prepared for each class or kind of securities that the Resulting Issuer will have issued upon completion of the RTO and any concurrent financing.
5. The information shall be updated to the Most Recent Month End.
6. Clearly disclose any stock consolidation, stock split or other security reclassification or capital reorganization that has been effected by the issuer or which is intended to be effected in conjunction with or contemporaneous to the RTO. Indicate whether shares are shown prior to or after giving effect to such consolidation, split or reclassification.

(a) *Consolidated Share and Loan Capital*

Provide particulars of share and loan capital of the Listed Issuer and of the Resulting Issuer, including subsidiaries (other than loan capital owned by the issuer or its wholly owned subsidiaries) whose financial statements are included in the Information Circular on either a consolidated or individual basis.

Provide the aggregate amount of the minority interest in the preference shares, if any, and the aggregate amount of minority interest in the common shares and surplus of all subsidiaries whose financial statements are contained in the Information Circular on a consolidated basis.

Provide the aggregate amount of the minority interest in the preference shares, if any, and the aggregate amount of minority interest in the common shares and surplus of all subsidiaries whose financial statements are contained in the prospectus on an individual basis and not included in the consolidated financial statements.

<b>Designation of Security</b>	<b>Amount authorized or to be authorized</b>	<b>Amount outstanding as of the date of the most recent balance sheet in the Information Circular</b>	<b>Amount outstanding as of the Most Recent Month End</b>	<b>Amount to be outstanding in Resulting Issuer upon completion of the RTO (including any concurrent financing)</b>

Instructions:

1. Include all indebtedness for borrowed money as to which a written understanding exists that the indebtedness may extend beyond one year. Do not include indebtedness classified as current liabilities unless secured.

2. Include in the table the amount of obligations under financial leases capitalized in accordance with generally accepted accounting principles. Set out in a note to the table a cross reference to any note in the financial statements containing information concerning the extent of obligations arising by virtue of other leases on real property.
3. Individual items of indebtedness that are not in excess of 3% of total assets as shown in the balance sheet referred to in the third column may be set out in a single aggregate amount under an appropriate caption such as "Sundry Indebtedness".
4. Where practicable, state in general terms the respective priorities of the indebtedness shown in the table.
5. Give particulars of the amount, general description of and security for any substantial indebtedness proposed to be created or assumed by the issuer or its subsidiaries.
6. Set out in a note the amount of contributed surplus and retained earnings or deficit as of the date of the most recent balance sheet contained in the Information Circular.
7. Set out in a note the number of shares subject to rights, options and warrants.
8. No information need be given under the second column with respect to the common and preference shares of subsidiaries.
9. For the purpose of the third column, in computing the amount of the minority interest in the subsidiaries whose financial statements are contained in the Information Circular on an individual basis and not included in the consolidate financial statements, the computation may be based on the financial statements of each subsidiary contained in the Information Circular.
10. In computing the minority interest in the subsidiaries for the purposes of the fourth column, the amount set out in the third column may be used provided that the appropriate adjustment is made to that amount to reflect any change in the percentage of ownership in the capital and surplus of any subsidiary by the minority interest.
11. The information to be set out in the fifth column may be based on the information contained in the fourth column, adjusted to take into account any amounts set out in the fourth column to be retired out of the proceeds of any concurrent financing or otherwise in connection with the RTO.

## **5.5**      *Foreign Listed Issuers*

If the Target Issuer is or the Resulting Issuer will be incorporated or continued under the laws of a jurisdiction other than Canada or a province or territory of Canada or if any of the directors, officers or experts are or will be resident outside of Canada or any material portion of the business or assets are or will be located outside of Canada, state the following (with the bracketed information completed as appropriate):

[All of] [Certain of] the directors and officers of the [Resulting Issuer and [all of] [certain of] the experts named herein reside outside of Canada. [[Substantially] all of the assets of [those persons and/or the Resulting Issuer] [are/may be] located outside of Canada.] Although the Listed Issuer has appointed [insert name and address of agent for service] as its agent for service of process in Canada, it may not be possible for investors to effect service of process within Canada upon the directors, officers and experts referred to above. It may also not be possible to enforce against the [Resulting Issuer], [certain of] its directors and officers and [certain of] the experts named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

## **6. Directors, Officers, Promoters and Persons Holding More Than 10% of the Issued Equity Shares**

### Instructions

1. In sections 6.3 and 6.6, the Canadian Venture Exchange may require information for periods prior to those indicated in the section depending upon the materiality of the events.
2. Provide the information required by this Item for each proposed director of the Resulting Issuer and indicate clearly the individual whether the individual is a current director of the Target Issuer, a proposed nominee for election by shareholders or, if applicable, whether such person is intended to be appointed by the board of directors.

### **6.1 *Name, address, occupation and security holding***

List the names and the municipality of residence of all directors, officers and promoters of the Resulting Issuer and each material proposed subsidiary, for each person, disclose:

- (a) the current positions and offices with the Listed Issuer or Target Issuer;
- (b) the principal occupations during the five years prior to the date of the Information Circular and, where the principal occupation is that of an officer of an issuer other than the Listed Issuer or the Target Issuer, state the name of the other issuer and the principal business in which it was engaged; and
- (c) the number of securities of each of the Listed Issuer and Target Issuer beneficially owned, directly or indirectly, indicating the number of performance shares held in escrow and the number and percentage of the class to be held on conclusion of the RTO.

### Instructions:

1. Where a director, officer or promoter is an associate of another director, officer or promoter, disclose as a footnote the relationships.
2. The description of the principal occupation of a director, officer or promoter must be specific. The terms “businessman” or “entrepreneur” are not sufficiently specific.

3. Where the director, officer or promoter is a member of Management, the information in (b), other than a current occupation, may be disclosed by a cross reference to the page on which the information required by section 4.6 is disclosed.
4. If in regard to any concurrent financing there is a maximum subscription that differs from the minimum subscription, disclose the percentage of the class held by the directors, officers and promoters on both a minimum and maximum basis.

## **6.2      *Aggregate ownership of securities***

State the aggregate number of each class of voting securities of the Resulting Issuer that at the completion of the RTO are beneficially owned, directly or indirectly, by all directors, officers and promoters of the Resulting Issuer, as a group, and then state the percentage that number will represent of the total issued and outstanding voting securities of the Resulting Issuer upon the completion of the RTO.

## **6.3      *Other reporting issuers***

Where any proposed director, officer or promoter of the Resulting Issuer is, or within the five years prior to the date of the prospectus has been, a director, officer or promoter of any other reporting issuer (or equivalent), state the name of the individual, the number of reporting issuers for which the individual acted, the names of those reporting issuers and the periods during which the individual has so acted.

## **6.4      *Corporate cease trade orders or bankruptcies***

Where any proposed director, officer or promoter of the Resulting Issuer is, or within the five years prior to the date of the Information Circular has been, a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days, state the fact and describe the reasons and whether the order is still in effect; or
- (b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person, state the fact.

## **6.5      *Penalties or sanctions***

Where any proposed director, officer or promoter of the Resulting Issuer has, within the ten years prior to the date of the Information Circular, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer, or theft or fraud, describe the penalties or sanctions imposed.

Instructions:

1. Penalties or sanctions include charges that have been laid or notices of hearing that have been issued as of the date of the Information Circular.
2. The Exchange may require information relating to other penalties and sanctions depending on the materiality of the events.

## **6.6 Individual bankruptcies**

Where any proposed director, officer or promoter of the Resulting Issuer has, within the five years prior to the date of the Information Circular, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual, state the fact.

## **6.7 Conflicts of interest**

Disclose particulars of any existing or potential conflicts of interest of any of the directors, officers or promoters of the Resulting Issuer as a result of their outside business interests.

## **6.8 Indebtedness of directors, officers, promoters and other management**

State the name of each director, officer, promoter and member of Management of the Target Issuer and each of their respective associates or affiliates who is or has been indebted to the Target Issuer at any time during the preceding financial year and the Stub Period and state, for each person:

- (a) the largest amount of indebtedness outstanding at any time;
- (b) the nature of the indebtedness and the purpose for which it was incurred;
- (c) the amount presently outstanding;
- (d) the rate of interest paid or charged;
- (e) the terms of repayment;
- (f) the nature of any security granted to the Target Issuer; and
- (g) if the person is an associate or affiliate of a director, officer or member of Management, the person's relationship to the director, officer or member of Management of the Target Issuer.

Instructions:

1. In this Item, "Target Issuer" includes the Target Issuer's subsidiaries and proposed subsidiaries.
2. Provide the information required by this Item for each proposed nominee for election as a director of the Target Issuer and indicate clearly that the individual is a proposed nominee.

## **6.9 Executive compensation**

For the management of the Target Issuer, provide the information required by applicable Securities Laws with the following additions:

- (a) disclosure must be provided for each of the Target Issuer's four most highly compensated executive officers, in addition to the CEO, regardless of the amount of their compensation: and
- (b) in addition to the periods required under applicable Securities Laws, disclosure must be provided for the Stub Period.

## **6.10 Related party transactions**

Where, during the five preceding financial years and the Stub Period, or such shorter period as the Target Issuer may have been in existence, the Target Issuer has acquired assets or services from an Insider, promoter or member of Management and their respective associates or affiliates, disclose the following for each acquisition:

- (a) the name of the individual;
- (b) the nature of the assets or services;
- (c) the form and value of the consideration; and
- (d) where the Target Issuer has acquired assets:
  - (i) the cost of the assets to the seller; and
  - (ii) where the consideration referred to in paragraph (c) above exceeds the seller's out-of-pocket costs, a cross reference to the valuation opinion disclosed in section 4.5.

Instructions:

1. Information with respect to executive compensation need not be disclosed in this section.
2. Any debt settlement made by the Target Issuer to any Insider or promoter must be disclosed in this section.
3. For acquisitions where the consideration is not in excess of the greater of 10% of the aggregate compensation or consideration paid to the individual under sections 6.9 and 6.10 or \$5,000, the information required by this item may be aggregated together and classified as "miscellaneous".



4. As an alternative to the disclosure required in (b), provide a cross reference to the page(s) of the Information Circular where the required disclosure is made.

### **6.11 Proposed compensation**

Where known, provide executive compensation disclosure in the form required by applicable Securities Laws, as modified by section 6.9 with respect to the amounts that the Resulting Issuer anticipates it will pay during the 12 month period following completion of the RTO.

Instruction:

The amounts referred to in this section include the forms of compensation referred to in sections 6.9 and 6.10 above.

### **6.12 Principal holders of voting securities**

Provide as of the Most Recent Month End and as at the completion of the RTO, the information indicated in the table set out below for each person who has, or is known by the Listed Issuer to currently have or to have upon completion of the RTO:

- (a) direct or indirect beneficial ownership of;
- (b) control or direction over; or
- (c) a combination of direct or indirect beneficial ownership of and of control or direction over,

voting securities that constitute more than 10 per cent of any class of such securities of the Listed Issuer, or the Resulting Issuer upon completion of the RTO.

PRINCIPAL SECURITY HOLDER TABLE

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>
Name and municipality of residence	Number of securities	Percentage of class prior to the RTO [Most Recent Month End]	Percentage of class after the RTO

Instructions:

1. Where a person that is not an individual is shown as owning directly or indirectly more than 10 per cent of any class of such securities, identify the individual shareholders of the person as required by the General Instructions . The name of such individuals should be disclosed in a note to the table.
2. If voting securities will be issued prior to, concurrently with or immediately following the RTO indicate as far as practicable the respective holding of voting securities that will exist after giving effect to the issue.

3. If there is a concurrent financing being conducted in regard to which the maximum subscription that differs from the minimum subscription, disclose the percentage of the class held by the principal holders on both a minimum and maximum basis.
4. If, to the knowledge of the Listed Issuer/Target Issuer or the Sponsor, more than 10 per cent of any class of voting securities of the Listed Issuer are held or of the Resulting Issuer will be held subject to any voting trust or other similar agreement/arrangement, state the designation of such securities, the number or amount held or to be held and the duration of the agreement. Give the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.
5. Where a person identified in the table is a control person of the Listed Issuer and is not a director, officer or promoter of the Listed Issuer, provide the disclosure required for sections 6.3 - 6.6 for the control person. If the control person is a corporation, the disclosure must be provided for the control persons of the corporation.
6. A separate table shall be prepared for each class or kind of voting securities that the Listed Issuer has issued or the Resulting Issuer will have issued upon completion of the RTO.
7. The information shall be updated to the Most Recent Month End.

### **6.13 Public and Insider ownership**

Disclose the aggregate number of voting securities that will be held by the public and the aggregate number of voting securities that will be held by promoters and Insiders each as a percentage of the total issued and outstanding voting securities of the Resulting Issuer upon completion of the RTO.

## **7. Options to Purchase Securities**

### **7.1 Options and other rights to purchase securities**

- (a) Disclose, as of the effective date of the Information Circular, the following information respecting each option that is held and each option that will be held upon completion of the RTO, by any person:
  - (i) the name of each person and the reasons that the option was or is to be granted;
  - (ii) the name of the grantor and the nature of the option granted to each person (e.g. options, or other warrants);
  - (iii) the designation and number of the securities subject to the option;
  - (iv) the purchase price of the securities subject to the option or the formula by which the purchase price will be determined;
  - (v) the expiration date of the option; and

- (vi) if there is a published market for the securities, the market value of the securities subject to the option as of the date of grant and the Most Recent Month End.
- (b) State the aggregate number of each class or kind of securities that are subject to options described in paragraph (a)(iii) above.
- (c) State the following:

There are no assurances that the options, warrants or other rights described above will be exercised in whole or in part.

Instructions:

1. In this section, “option” means option, warrant or other right to purchase securities of the Listed Issuer/Resulting Issuer granted or to be granted by the Listed Issuer, selling security holder, Insider, promoter or, control persons or to be granted by the Resulting Issuer.
2. In this section, “Listed Issuer” and “Resulting Issuer” includes subsidiaries and proposed subsidiaries.
3. The information shall be updated to the Most Recent Month End.

## **8. Securities of the Issuer Held in Escrow, in Pool or Subject to Hold Restrictions**

### **8.1 *Escrowed securities***

Where the Listed Issuer has issued securities subject to escrow restrictions or in connection with the RTO will issue escrowed securities state:

- (a) the number of escrow securities currently outstanding and to be outstanding upon completion of the RTO;
- (b) the estimated percentage that the escrowed securities will represent of the total issued and outstanding voting securities of the Resulting Issuer, upon the completion of the RTO;
- (c) the names of the beneficial owners of the escrowed securities and the number of escrowed securities owned or to be owned by each;
- (d) the name of the escrow agent or escrow agents;
- (e) the date of the escrow agreement(s) and the material conditions governing the transfer, release and cancellation of the escrowed securities; and
- (f) the rights or obligations of a person who ceases to be a principal, dies or becomes bankrupt to retain, transfer or surrender to the Resulting Issuer for cancellation the escrowed securities.

## 9. Particulars of any Other Material Facts

### 9.1 *Sponsorship*

- (a) State the name and address of the Sponsor. If the Listed Issuer or Target Issuer is a related or connected party (as defined in applicable Securities Law and Exchange Requirements) of the Sponsor summarize the nature of the relationship and provide a cross reference to “Relationship between Listed Issuer and Sponsor.
- (b) In relation to Sponsorship, and if the Listed Issuer or Target Issuer has entered into any agreement with any registrant to provide corporate finance services, either now or in the future, disclose the following information regarding these services:
  - (i) the date of the agreement;
  - (ii) the name of the registrant;
  - (iii) the consideration, both monetary and non-monetary, paid or to be paid; and
  - (iv) a summary of the nature of the services to be provided, including the period during which the services will be provided, activities to be carried out and, where market making services will be provided, whether the registered broker or dealer will commit its own funds to the purchase of securities of the Resulting Issuer or whether the registered broker or dealer will act as agent for others to do so.

#### Instruction:

In this subsection, “Listed Issuer” and “Target Issuer” include subsidiaries and proposed subsidiaries.

### 9.2 *Investor relations arrangements*

If the Listed Issuer or Target Issuer has entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Listed Issuer or Resulting Issuer or its securities, either now or in the future, disclose the following information regarding these services:

- (a) the date of the agreement and the anticipated date that the services will commence;
- (b) the name, principal business and place of business of the person providing the services;
- (c) the background of the person providing the services;

- (d) whether the person has, or is known by the Listed Issuer or Target Issuer to have:
  - (i) direct or indirect beneficial ownership of;
  - (ii) control or direction over; or
  - (iii) a combination of direct or indirect beneficial ownership of and of control or direction over securities of the Listed Issuer;
- (e) whether the person has any right to acquire securities of the Listed Issuer, either in full or partial compensation for services;
- (f) the consideration both monetary and non-monetary paid or to be paid by the Listed Issuer, including whether any payments will be made in advance of services being provided;
- (g) if the Listed Issuer does not have sufficient funds to pay for the services, how the Listed Issuer intends to pay for the services; and
- (h) the nature of the services to be provided, including the period during which the services will be provided.

Instructions:

1. Include any arrangements made by the Listed Issuer or any other person on behalf of the Listed Issuer or on the person's own initiative where the Listed Issuer knows, after reasonable enquiry, that such an arrangement exists.
2. The disclosure in (c) and (h) need only summarize the background and nature of services.
3. If there are no promotional or investor relations arrangements, so state.

### **9.3 Relationship between Listed Issuer/Target Issuer and the Sponsor**

Where the Listed Issuer or Target Issuer is a related party or connected party, as defined in applicable Securities Law of the Sponsor describe:

- (a) the nature of the relationship or connection with the Sponsor including:
  - (i) the basis on which the Listed Issuer/Target Issuer or selling security holder is a related party or connected party of the Sponsor;
  - (ii) the name of each relevant related party of the Sponsor;

- (iii) the details of the ability of the Sponsor or any related party of the Sponsor to affect materially the operations of the Listed Issuer/Resulting Issuer; and
  - (iv) whether the Listed Issuer/Target Issuer is indebted to the Sponsor or any related party of the Sponsor and, if so, provide particulars of such indebtedness, and
- (b) the extent to which the proceeds of the issue will be applied, directly or indirectly, for the benefit of the Sponsor or any related party of the Sponsor.

Instruction:

In this item, “Listed Issuer” and “Target Issuer” includes subsidiaries and proposed subsidiaries.

#### **9.4 Relationship between Listed Issuer/Target Issuer and professional persons**

Disclose the nature and extent of any beneficial interest, direct or indirect, in any securities or property, of the Listed Issuer or Target Issuer or of an associate or affiliate of either of them, held by a “professional person” or any associate of the professional person. For the purposes of this subsection, “professional person” means, any person whose profession gives authority to a statement made by the person in the person’s professional capacity and includes a barrister and solicitor (attorney), a public accountant, an appraiser, valuator, auditor, engineer or geologist.

Also, disclose whether the professional person or any associate of the professional person, is or is expected to be elected, appointed or employed as a director, senior officer or employee of the Listed Issuer/Resulting Issuer, or of an associate or affiliate of the Listed Issuer/Resulting Issuer, or is a promoter of the Listed Issuer/Target Issuer, or of an associate or affiliate of the Listed Issuer/Target Issuer.

Instructions:

1. The interest of a professional person and all associates of that professional person may be shown in the aggregate. Disclosure of the interest in or held by an associate of the professional person is only required where known by the professional person after reasonable inquiry.
2. In this section, “Listed Issuer”, “Target Issuer” and “Resulting Issuer” includes subsidiaries and proposed subsidiaries.

#### **9.5 Legal proceedings**

Describe any outstanding or contemplated legal proceedings that are material to the business and affairs of the Resulting Issuer.

Instruction:

Include the name of the court or agency, the date the proceedings were instituted, the principal parties to the proceedings, the nature of the proceedings, the amount claimed, if any, whether the proceedings are being contested, the present status of the proceedings and, if a legal opinion is referred to in the prospectus, the name of counsel providing that opinion.

## **9.6 Auditor**

State the name and address of the auditor of the Listed Issuer and the name and auditor of the proposed auditor of the Resulting Issuer.

## **9.7 Registrar and transfer agent**

State the name of the Listed Issuer's registrar and transfer agent. Where the Listed Issuer has branch registers for transfers of its securities, state the location (by municipalities) of the registers. If any of the foregoing will be different for the Resulting Issuer, so state.

## **9.8 Material contracts**

- (a) Disclose all material contracts to which the Resulting Issuer will be a party upon completion of the RTO, including:
  - (i) the date of each contract;
  - (ii) the parties to each contract;
  - (iii) the consideration paid or payable; and
  - (iv) the general nature of each contract.

Instruction:

As an alternative to the disclosure required in this section, provide a cross reference to the page(s) of the Information Circular where the required disclosure with respect to a particular contract is made.

- (b) State a reasonable time and place in the Province of Alberta or British Columbia at which a copy of any material contract may be inspected for the 30 days following the effective date of this Information Circular.

## **9.9 Other Material Facts**

Give particulars of any other material facts in respect of the Listed Issuer's, Target Issuer's or Resulting Issuer's affairs and not disclosed elsewhere in this Information Circular.

## **9.10 Financial statements, reports and other exhibits**

Include the financial statements, reports and other exhibits required by applicable Exchange Policies. See *Policy 2.4 – Capital Pool Companies and Policy 5.2 – Changes of Business and Reverse Take-Overs*.

## **9.11 Certificates**

Provide a certificate attached to the Information Circular signed by the chief executive officer, the chief financial officer and any two directors, other than the aforementioned officers, who are duly authorized by the board of directors to sign the certificate on behalf the Listed Issuer:

“The foregoing constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon the securityholders.”

Provide a certificate attached to the Information Circular signed by the chief executive officer, the chief financial officer and any two directors, other than the aforementioned officers, who are duly authorized by the board of directors to sign the certificate on behalf any Target Issuer:

“The foregoing as it relates to [the Target Issuer] constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the securityholders.”

Where required by Exchange Policy, include a certificate of the Sponsor which states:

“To the best of our knowledge and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the securityholders.”

**It is a breach of Exchange Requirements for a person to make a statement in a document required to be filed or furnished under Exchange Policy that, at the time and in the light of the circumstances under which it is made, is a misrepresentation.**



**APPENDIX 1 TO EXCHANGE INFORMATION CIRCULAR FORM  
DISCLOSURE REQUIRED BY AN INDUSTRIAL/TECHNOLOGY ISSUER**

**4.1**      *Description and general development of the Business*

Describe the business currently carried on by the Listed Issuer and, if applicable, any Target Issuer and intended to be carried on after completion of the Reverse Take-Over by the Resulting Issuer, including Products to be developed or produced, and the stage of development of each of the Products.

Disclose the year of commencement of operations and summarize the general development of the business of the Target Issuer during the five preceding financial years and the Stub Period, or such shorter period as the Target Issuer may have been in existence. Provide disclosure for earlier periods if material to an understanding of the development of the business.

Instructions:

1.      In describing developments, include disclosure of the following: the nature and results of any bankruptcy, receivership or similar proceedings; the nature and results of any material reorganization; material prior litigation (including any series of proceedings based on similar causes of action); the nature and date of any prior trading suspensions or cease trade orders made against the Target Issuer by any regulatory authority; material changes in the types of Products produced or services rendered; and any material changes in the method of conducting the business.
  
2.      In this section, "Target Issuer" includes the Target Issuer's subsidiaries, proposed subsidiaries and predecessor(s).

## 4.2 Summary and analysis of financial operations

Provide the information indicated in the table set out below with respect to the Target Issuer's financial operations during the last two financial years and any period subsequent to the most recent financial year end for which financial statements are included in the Information Circular.

TABLE

	<b>* Month Period Ending</b>	<b>Year Ending *</b>	<b>Year Ending *</b>
Sales			
Gross profit			
Research and Development Expenses			
Sales and Marketing Expenses			
General and Administrative Expenses			
Net Income (Loss)			
Working Capital			
Property, Plant and Equipment			
Deferred Research and Development			
Other Intangibles			
Long Term Liabilities			
Shareholders' equity			
Dollar amount			
Number of securities			

State the following as a note to the number of shares in the table (with the bracketed information completed as appropriate):

There are [\* shares] in the capital of the [Listed Issuer] issued and outstanding as of the effective date of this [Information Circular] of which [\*] are subject to a [indicate type of escrow agreement] that will be released from escrow [describe escrow release terms.]

In addition, [\* shares] of the [Listed Issuer] are to be issued pursuant to the [RTO], of which [\* shares] will be required to be escrowed pursuant to a [describe the type of escrow agreement] with shares being released from escrow [describe escrow release terms].

Discuss and compare the Target Issuer's results of operations, including the reasons for any substantial variations, for the periods included in the table, and the anticipated impact of these historical operations on the future activities of the Listed Issuer. Include, to the extent reasonably practicable, a description of the impact of acquisitions or dispositions disclosed in section 4.5 on the operating results and financial position of the Target Issuer/Resulting Issuer.

Include a discussion of liquidity on a historical and prospective basis in the context of the Target Issuer's business and focus on the ability of the Target Issuer'/ Resulting Issuer's to generate adequate amounts of cash and cash equivalents when needed. This discussion, at a minimum, should identify and describe the following,

- (a) any known trends or expected fluctuations in the Target Issuer's/Resulting Issuer's liquidity, taking into account known demands, commitments, events or uncertainties, and where a deficiency is identified indicate the course of action that has been taken or is proposed to be taken to remedy the deficiency;
- (b) those balance sheet conditions or income or cash flow items that may be indicators of the Target Issuer's liquidity condition;
- (c) the requirements relating to working capital items (e.g. where significant quantities of inventory are required to be carried to meet rapid delivery requirements of customers or where extended payment terms have been provided to customers);
- (d) the nature and extent of legal or practical restrictions on the ability of subsidiaries to transfer funds to the Target Issuer/Resulting Issuer and the impact such restrictions have had or are expected to have on the ability of the Target Issuer/Resulting Issuer to meet its obligations;
- (e) whether the Target Issuer is in arrears on the payment of dividends, interest, or principal payment on borrowing; and
- (f) whether the Target Issuer is in default on any debt covenants at the present time or was in default during the most recently completed financial year and any period subsequent to the most recent financial year end for which financial statements are included in the Information Circular.

### Instructions

1. The sales and gross profit disclosed in the table must be separately presented by industry and geographic segment.
2. Net income disclosed in the table is net income after tax.
3. Where it would be meaningful to an investor, include in the table any prior periods covered by the financial statements included in the Information Circular and provide an analysis of the Target Issuer's results of operations for those periods.
4. Where the Target Issuer has not had significant sales, the analysis must discuss all material expenditures. Related or similar types of expenditures representing in the aggregate greater than 10% of total expenditures would generally be considered material.
5. In the discussion identify any unusual or extraordinary events or transactions or any significant economic changes that materially affect income from continuing operations and describe the extent to which income from continuing operations was affected.
6. Describe in the discussion the extent to which any changes in net sales or revenues are attributable to changes in selling prices or to changes in the volume or quantity of goods or services being sold or to the introduction of new Products or services. Where management knows of events that are expected to materially affect costs or revenues, describe the event(s).
7. Where there has been a significant or material change in operations from the date of the information in the table, the analysis of operations and variations in operations must discuss the change.

### **4.3 Stated business objectives**

State the business objectives that the Resulting Issuer expects to accomplish after completion of the Reverse Take-Over and the time period in which these business objectives are expected to be achieved.

#### Instruction:

The Resulting Issuer's stated business objectives must not include any prospective financial information with respect to sales, whether expressed in terms of dollars or units, unless the information is prepared in accordance with National Policy Statement No. 48 (or any successor instrument). Where sales performance is considered to be an important objective, it must be stated in general terms. For example, a statement may be included that the Resulting Issuer anticipates generating sufficient cash flow from sales to pay its operating costs for a specified period following completion of the Reverse Take-Over.

### **4.4 Milestones**

Describe each significant event that must occur for the business objectives to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event.

Instructions:

1. Examples of significant events would include hiring of key personnel, making major capital acquisitions, obtaining necessary regulatory approvals, implementing marketing plans and strategies and commencing production and sales.
2. The milestones must be cross referenced to the related items in the Information Circular.

#### **4.5 Acquisitions and dispositions**

Disclose any material acquisitions and dispositions relating to the Target Issuer's current business made by the Target Issuer during the five preceding financial years and the Stub Period, or such shorter period as the Target Issuer may have been in existence, and any intended material acquisitions or dispositions, including particulars of:

- (a) the nature of the assets acquired or disposed of or to be acquired or disposed of;
- (b) the actual or proposed date of each acquisition or disposition;
- (c) the name of the vendor or purchaser and whether the transaction was or will be at Arm's Length;
- (d) for an acquisition or disposition from a Related Party, the vendor's out of pocket costs;
- (e) the consideration, both monetary and non-monetary, paid by the Target Issuer or to be paid to or by the Listed Issuer;
- (f) any material obligations that must be complied with in order to keep any acquisition or disposition agreement in good standing;
- (g) how the consideration was determined (e.g. limited to out of pocket costs, valuation opinion or Arm's Length negotiations); and
- (h) any evidence of value required pursuant to Exchange Policy 5.4 – Escrow and Vendor Consideration to support the value of the consideration paid in connection with a transaction, including in regard to any formal appraisal or valuation, the name of the author, the date of the opinion, the assets to which the opinion relates and the value attributed to the assets.

Instructions:

1. Out of pocket costs must be supported by either audited financial statements or an audited statement of costs.
2. The granting or acquiring of any material licence agreement by the Target Issuer or any predecessor is considered to be an acquisition or disposition for purposes of this section.

## 4.6 Management

Provide the following information for each member of Management:

- (a) in regard to each individual who is currently a member of Management of the Target Issuer, state such individual's, name, age, position and responsibilities with the Target Issuer and relevant educational background and indicate whether the individual is intended to be a member of Management of the Resulting Issuer and, if such individual's position with the Resulting Issuer will be different than the position held with the Target Issuer also indicate the new position that will be held;
- (b) in regard to each individual not referenced in paragraph a) who is intended to be a member of Management of the Resulting Issuer, state such individual's, name, age, and anticipated position and responsibilities;
- (c) state whether each individual referenced in paragraph a) works full time or what proportion of the individual's time is devoted to the Target Issuer and in regard to each individual in paragraph a) and b) state what proportion of the individual's time will be devoted to the Resulting Issuer;
- (d) state whether the individual is an employee or independent contractor of the Target Issuer;
- (e) in regard to each individual who will be a member of Management of the Resulting Issuer, state the individual's principal occupations or employment during the five years prior to the date of the Information Circular, disclosing with respect to each organization as of the time such occupation or employment was carried on:
  - (i) its name and principal business;
  - (ii) if applicable, that the organization was an affiliate of the Target Issuer;
  - (iii) positions held by the individual;
  - (iv) whether it is still carrying on business, if known to the individual; and
  - (v) if the issuer was a public company, the stock exchange or market upon which it traded,
- (f) describe the individual's experience in the Target Issuer's/Resulting Issuer's industry; and
- (g) state whether the individual has entered or intends to enter into a non-competition or non-disclosure agreement with the Target Issuer/Resulting Issuer.

Instructions:

1. The description of the principal occupation of a member of Management must be specific. The terms “businessman” or “entrepreneur” are not sufficiently specific.
2. The disclosure in (d)(iv) and (d)(v) is only required where the individual was or is an officer or director of the organization.

#### **4.7 Organizational structure**

Provide a chart setting out the number of full and part time employees currently in each department and the approximate number of full and part time employees or contractors in each department required to meet the Listed Issuer’s stated business objectives.

#### **4.8 Products**

Describe:

- (a) the Products developed or to be developed as part of the (stated business objectives;
- (b) the history of development of the Products, including estimated Development Costs to the Most Recent Month End;
- (c) the stage of development of the Products, including whether they are at the design, prototype, market test or commercial production stage;
- (d) if the Products are not at the commercial production stage or if part of the Available Funds will be used for research and development:
  - i) the stage of development that Management anticipates will be reached using the Available Funds;
  - ii) the major components of the proposed development program that will be funded using the Available Funds and provide a Breakdown of Costs; and
  - iii) whether the Target Issuer has or the Resulting Issuer will conduct its own research and development, will subcontract out the research and development or will use a combination of those methods,
- (e) any material regulatory approvals that are required for the Resulting Issuer to achieve its stated business objectives;
- (f) where the development of documentation is considered to be necessary in the Resulting Issuer’s industry, the stage of development of documentation, including manuals, relating to the Products; and

- (g) the potential impact of any laws, such as industry or environmental regulations or controls on ownership or profit repatriation, or economic or political conditions that may materially affect the Resulting Issuer's operations.

#### **4.9 *Future developments***

If the Products are not at the commercial production stage or if the Products will not be in commercial production at conclusion of the proposed development program, describe the additional steps required to get to commercial production, including any material regulatory approvals, and provide an estimate of the Development Costs and time periods, to the extent known, and describe any uncertainties relating to the completion of the steps, the estimate of the costs or the time periods.

#### **4.10 *Proprietary protection***

Where proprietary protection is normally obtained for products similar to the Products, describe:

- (a) the proprietary protection of the Products including the duration of all material patents, copyrights and trade marks;
- (b) if no proprietary protection has been obtained, the steps Management intends to take to secure proprietary protection and, if known, the time periods for completing these steps, or explain why this proprietary protection has not or will not be obtained; and
- (c) the steps taken by the Target Issuer and to be taken by the Resulting Issuer to protect its know how, trade secrets and other intellectual property, including physical possession of source codes and any use of confidentiality or non-competition agreements.

Instruction:

Where the Target Issuer is the licensee under any material licence agreement, provide the information required by this section, where known after reasonable investigation, with respect to the licensor.

#### **4.11 *Operations***

If the Target Issuer is currently marketing its Products or the Resulting Issuer will be marketing its Products as part of its stated business objectives, provide the following information regarding the production and sales of its Products:

- (a) describe the actual or proposed method of production of the Products or, if the Products are services, the method of providing the services;
- (b) state whether the Target Issuer is or the Resulting Issuer will be producing the Products itself, is subcontracting out production, is purchasing the Products or is using a combination of these methods;



- (c) disclose the location of existing property, plant and equipment, indicating whether the property, plant or equipment is owned or leased by the Target Issuer;
- (d) state the payment terms, expiration dates and the terms of any renewal options of any material leases or mortgages, whether the leases or mortgages are in good standing and, if applicable, that the landlord or mortgagee is not at Arm's Length with the Target Issuer;
- (e) disclose any specialized skill or knowledge requirements necessary for the Products to be produced and describe the extent that this skill or knowledge will be available to the Resulting Issuer;
- (f) disclose sources and availability of raw materials, component parts, or finished products including factors that may have a material impact on the Resulting Issuer's operations such as:
  - (i) dependence on a limited number of suppliers for essential raw materials, component parts, or finished products;
  - (ii) potential shortages of raw materials, component parts or finished products; or
  - (iii) any unusual payment terms under any agreements or other arrangements with the Target Issuer's principal suppliers, that may impact on the Resulting Issuer's cash flow,
- (g) where any principal supplier of raw materials, component parts or finished products is not at Arm's Length with the Target Issuer, disclose its name, relationship with the Target Issuer and the material terms of any existing contract or arrangement with the Target Issuer;
- (h) disclose the extent to which the Target Issuer's/Resulting Issuer's business is dependent upon a single or a limited number of customers;
- (i) where any existing or proposed principal customer is not at Arm's Length with the Target Issuer/Resulting Issuer, disclose its name, the nature and extent of the relationship, the material terms of any contract or arrangement and the proportion of the Target Issuer's total net sales made to that customer during the preceding financial year and the Stub Period;
- (j) describe any unusual payment terms under any agreements or other arrangements with the Target Issuer's principal customers that may impact on the Resulting Issuer's cash flow; and

- (k) disclose any proposed material changes to plant, property and equipment, manpower or sources of supply required to enable the Resulting Issuer to meet its stated business objectives and provide a Breakdown of Costs for the major components of the proposed material changes that will be funded using the Available Funds.

#### **4.12 Market**

Provide the following information regarding the market for the Products:

- (a) describe the market segment and specific geographical area in which the Target Issuer is selling or the Resulting Issuer expects to sell its Products as contemplated by its stated business objectives or intends to sell its Products upon completion of its product development;
- (b) describe material industry trends within the market segments and specific geographical areas referred to in paragraph (a) that may impact on the Resulting Issuer's ability to meet the Target Issuer's/Resulting Issuer's stated business objectives;
- (c) describe the competition within the market segments and specific geographical areas referred to in paragraph (a) including, to the extent known after reasonable investigation by the Target Issuer:
  - (i) names of the Resulting Issuer's principal competitors;
  - (ii) a comparison of the principal aspects of competition (e.g. price, service, warranty or product performance) between the Target Issuer and its principal competitors; and
  - (iii) potential sources of significant new competition,
- (d) disclose the extent of market acceptance of the Products and the method used to determine whether market acceptance exists (e.g. market testing or surveys), including the names of the parties who performed the appropriate procedures and, if not at Arm's Length with the Target Issuer, the nature and extent of the relationship;
- (e) if applicable, state that obsolescence is a factor in the Target Issuer's industry and describe how the Resulting Issuer intends to maintain its competitive position;
- (f) describe the effect of any material market controls or regulations within the market segment and specific geographical area referred to in paragraph (a) that may affect the marketing of the Products (e.g. marketing boards or export quotas); and

- (g) describe the effect of any seasonal variation within the market segment and specific geographical area referred to in paragraph (a) that may affect the sales of the Products.

Instruction:

In discussing competition, consideration must be given to substitute or alternative products that may impact on the Resulting Issuer's ability to meet its stated business objectives.

#### **4.13 Marketing plans and strategies**

If the Target Issuer is currently marketing its Products or the Resulting Issuer will be marketing its Products in order to achieve its stated business objectives, provide the following information regarding the marketing plans and strategies:

- (a) describe when, how and by whom the Products are or will be marketed and, if not at Arm's Length with the Target Issuer/Resulting Issuer, disclose the nature and extent of any relationship;
- (b) disclose any marketing programs actual or proposed to meet the Target Issuer's/Resulting Issuer's stated business objectives and the major components of the marketing programs (e.g. trade shows, magazines, television or radio advertising);
- (c) provide a Breakdown of Costs for major components of the marketing programs;
- (d) disclose the Target Issuer's/Resulting Issuer's pricing policy (e.g. at market, discount or premium); and
- (e) where after sales service, maintenance or warranties are a significant competitive factor, describe the differences between the Target Issuer's policies and those of its principal competitors.

#### **4.14 Administration**

Provide:

- (a) the estimated aggregate monthly and total administration costs that will be incurred in order for the Resulting Issuer to achieve its stated business objectives, the time period during which these costs will be incurred and any anticipated variations in the monthly amounts during that period; and
- (b) a Breakdown of Costs of the monthly administration costs disclosed in paragraph (a), including any anticipated variations.

Instruction:

Administrative support includes professional fees, transfer agent fees, management fees, rent, travel, investor relations and other administrative costs, such as those costs required to maintain a reporting issuer in good standing, whether incurred by the issuer or its subsidiaries.

#### **4.15 Risk factors**

List the risks that could be considered to be material to an investor as follows:

- (a) risks relating to the nature of the business of the Target Issuer/Resulting Issuer;
- (b) risks relating to the nature of the Reverse Take-Over and the likelihood of completion; and
- (c) any other risks.

Instructions:

1. Risk factors may include but are not limited to such matters as cash flow and liquidity problems, inexperience of Management in start up operations, reliance upon key Management, inexperience of Management in the particular industry in which the issuer operates, dependence of the issuer on an unproven Product, environmental regulations, economic or political conditions, absence of an existing market for the Product, absence of an operating history, absence of profitable operations in recent periods, an erratic financial history, significant competition, conflicts of interest of Management, reliance on the efforts of a single individual, reliance upon a limited number of suppliers or customers, illiquidity and/or instability in the market for the Listed Issuer's securities.
2. Foreign issuer risks, if applicable, should also be disclosed pursuant to section 5.5. Disclosure should be made that as a result of the directors or officers having residence outside of Canada or as a result of any of the material assets of the Resulting Issuer being situated outside of Canada, there may be risks associated with effecting service of process on such persons and that there may be risks associated with enforcement against such persons and against the Resulting Issuer of any judgement obtained in Canadian courts. Furthermore, any material differences between the laws governing the incorporation, continuance or organization of the Listed Issuer and the corporate laws applicable to Canadian issuers [for comparison purposes refer to the *Canada Business Corporations Act*] relating to security holders' rights and remedies. Any risks related to political, economic or legal instability of any applicable foreign jurisdiction should also be disclosed.
3. With respect to (a) and (b) the most significant risk factors should be disclosed at the top of the list.

**APPENDIX 2 TO EXCHANGE INFORMATION CIRCULAR FORM  
DISCLOSURE REQUIRED OF A MINING ISSUER  
OR AN OIL AND GAS ISSUER**

**4.1 *Description and general development of the Business***

Describe the nature of the business carried on and intended to be carried on by the Listed Issuer. State whether the Listed Issuer's Properties are primarily in the exploration stage or in the development stage.

Disclose the year of commencement of operations and summarize the general development of the business of the Target Issuer during the five preceding financial years and the Stub Period, or such shorter period as the Target Issuer may have been in existence. Provide disclosure for earlier periods if material to an understanding of the development of the business.

Instructions:

1. In describing developments, include disclosure of the following: the nature and results of any bankruptcy, receivership or similar proceedings; the nature and results of any material reorganization; material prior litigation (including any series of proceedings based on similar causes of action); the nature and date of any prior trading, suspensions, or cease trade orders made against the Target Issuer by any regulatory authority; and material changes in the type of business undertaken.
2. In this section, Target Issuer includes the Target Issuer's subsidiaries, proposed subsidiaries and predecessor(s).

#### 4.2 Summary and analysis of financial operations

Provide the information indicated in the table set out below with respect to the Target Issuer's financial operations during the last two financial years and any period subsequent to the most recent financial year end for which financial statements are included in the Information Circular.

TABLE

	<b>* Month Period Ending</b>	<b>Year Ending *</b>	<b>Year Ending *</b>
Revenues			
Gross profit			
Exploration and Development Expenses			
General and Administrative Expenses			
Net Income (Loss)			
Working Capital			
<b>Properties</b>			
Deferred Research and Development			
Other Assets			
Long Term Liabilities			
Shareholders' equity			
Dollar amount			
Number of securities			

State the following as a note to the number of securities in the table (with the bracketed information completed as appropriate):

There are [\* shares] in the capital of the [Listed Issuer] issued and outstanding as of the effective date of this [Information Circular], of which [\*] are subject to a [indicate type of escrow agreement] that will be released from escrow [describe escrow release terms].

In addition, [\* shares] of the [Listed Issuer] are to be issued pursuant to the [RTO], of which [\* shares] will be required to be escrowed pursuant to a [describe the type of escrow agreement] with shares being released from escrow [describe escrow release terms].

Discuss and compare the results of the Target Issuer's operations and activities, including the reasons for any substantial variations, for the periods included in the table, and the anticipated impact of these historical operations on the future activities of the Listed Issuer. Include, to the extent reasonably practicable, a description of the impact of acquisitions or dispositions of Properties disclosed in this Section on the operating results and financial position of the Target Issuer/Resulting Issuer.

Include a discussion of liquidity on a historical and prospective basis in the context of the Target Issuer's business and focus on the ability of the Target Issuer/Resulting Issuer to generate adequate amounts of cash and cash equivalents when needed. This discussion, at a minimum, should identify and describe the following:

- (a) any known trends or expected fluctuations in the Target Issuer's/ Resulting Issuer's liquidity, taking into account known demands, commitments, events or uncertainties, and where a deficiency is identified indicate the course of action that has been taken or is proposed to be taken to remedy the deficiency;
- (b) those balance sheet conditions or income or cash flow items that may be indicators of the Target Issuer's liquidity condition;
- (c) the nature and extent of legal or practical restrictions on the ability of subsidiaries to transfer funds to the Target Issuer/Resulting Issuer and the impact such restrictions have had or are expected to have on the ability of the Issuer to meet its obligations;
- (d) whether the Target Issuer is in arrears on the payment of dividends, interest, or principal payment on borrowing; and
- (e) whether the Target Issuer is in default on any debt covenants at the present time or was in default during the most recently completed financial year and any period subsequent to the most recent financial year end for which financial statements are included in the Information Circular.

Instructions:

1. Net income disclosed in the table is net income after tax.
2. Where it would be meaningful to an investor, include in the table any prior periods covered by the financial statements included in the Information Circular and provide an analysis of the Target Issuer's results of operations for those periods.
3. The analysis must discuss all significant expenditures. An expenditure would generally be considered significant where the expenditure represents 20% or more of the total expenditures included in a material classification, such as deferred or expensed exploration and development, properties, or general and administrative expenses.
4. In the discussion identify any unusual or extraordinary events or transactions or any significant economic changes that materially affect income from continuing operations and describe the extent to which income from continuing operations was affected.
5. Describe in the discussion the extent to which any changes in net sales or revenues are attributable to changes in selling prices or to changes in the volume or quantity of products being sold.
6. Where there has been a significant or material change in operations from the date of the information in the table, the analysis of operations and variations in operations must discuss the change.

#### **4.3 *Mineral Properties/Oil and Gas Properties***

Instructions:

1. The information required by this Section shall be derived from or supported by information obtained from Geological Reports and/or from material contracts to which the issuer is a party. Where information is based on property reports, identify the report title, author and date, and that they are available for inspection upon request.
2. All information required in this Section shall be presented on a property by property basis.
3. When disclosure is required for the Properties of the Target Issuer, describe all Principal Properties first, identifying them as such, before discussing the remaining Properties of the Target Issuer.
4. Sufficient detail should be included in this item, so as to provide a shareholder with an opportunity to adequately evaluate the geological merits and/or economic prospects of the Principal Properties without having to refer to Geological Reports.
5. At a minimum, include a property location map and a property plan map. Additional maps that would facilitate an investor's evaluation of the Properties may be required.
6. In this item, Target Issuer includes the Target Issuer's subsidiaries, proposed subsidiaries and predecessors.



## 4.3A Mineral Properties

### 1. Location, description and acquisition

Provide the following information for each of the Properties of the Target issuer:

- (a) the name of, the location of, the size of, and the number of claims and concessions of the Property;
- (b) the nature (claim, title, lease, option, or other interest) and status (patented, unpatented, etc.) of the interest under which the issuer has or will have the rights to hold or operate the Property, and the expiry date, if applicable; and
- (c) the details of the acquisition or proposed acquisition of the Property by the issuer, including particulars of:
  - (i) the actual or proposed date of each acquisition;
  - (ii) the name of the vendor and whether the transaction was or will be at Arm's Length;
  - (iii) for an acquisition not at Arm's Length, the vendor's out of pocket costs;
  - (iv) the consideration, both monetary and non-monetary, including securities, carried interest, royalties and finders fees, paid or to be paid by the issuer;
  - (v) any material obligations that must be complied with in order to keep any acquisition agreement and property in good standing, including work progress with stated due dates where applicable;
  - (vi) how the consideration was determined (e.g., limited to out of pocket costs, valuation opinion, or Arm's Length negotiations); and
  - (vii) any valuation opinion required by a policy of a securities regulatory authority or a stock exchange to support the value of the consideration paid in connection with a transaction not previously approved by the Executive Director or the stock exchange, or that has been approved within the preceding financial year and the Stub Period, including the name of the author, the date of the opinion, the assets to which the opinion relates and the value attributed to the assets.

#### Instructions:

1. A description of the location of the Properties will include such things as the country, province, state, latitude and longitude, township and range, distance from a geographic marker, and elevation.

2. In providing the information requested by (b), indicate the type of interest (e.g., fee simple, leasehold, royalty, reservation, option, farmout, farmin or other type of interest and any variation thereof), including the percentage interest in the Properties held by the Target Issuer, as well as the date on which the Target Issuer has the right to hold or operate the Properties. In addition, indicate whether or not a title report has been obtained. If so, disclose any material qualifications to the title report and the relationship to the Target Issuer of the individual providing the title report.
3. Out of pocket costs must be supported by either audited financial statements or an audited statement of costs.
4. The disclosure required by (c) need only be provided for all acquisitions within the last three years and for all acquisitions where material obligations under the terms of the acquisition are still outstanding.

## 2. *Exploration and development history*

Describe:

- (a) all prospecting, exploration, development and operations previously done by operators other than the Target Issuer on the Principal Properties, including the names of the previous operators, years during which the work was done and the results they achieved, in so far as known after reasonable inquiry; and
- (b) all prospecting, exploration, development and operations previously done by the Target Issuer on the Properties, including a Breakdown of Costs (for the Principal Properties only) for the work done, referring to section 5.2, where appropriate.

## 3. *Geology, mineral deposits and reserves*

For each of the Principal Properties, describe:

- (a) the general geology and structure of the Principal Property;
- (b) the type of, dimensions of, and grade of any mineralization:
  - (i) the mineral deposits and their dimensions, including the identity of their principal metallic or other constituents, in so far as known, and where the work done has established the existence of reserves of proven, probable or possible ore, or other mineralization;
  - (ii) the estimated tonnage and grade of such class of mineral reserves;
  - (iii) whether the reserve is mineable or in situ; and
  - (iv) the name of the person making the estimates, the nature of the person's relationship to the Target Issuer, and the date the estimates were made,
- (c) the current extent and condition of any underground exploration and development, and any underground plant and equipment;

- (d) the current extent and condition of any surface exploration and development, and any surface plant and equipment; and
- (e) any other results that would allow for a more accurate evaluation of the geological merits of each Principal Property.

Instructions:

1. In providing the disclosure requested in (a), include such information as the rock type, amount of alluvial cover, faults, fissures and alterations.
2. Disclose whether any of the Principal Properties are without a known body of commercial ore and whether the proposed program is an exploratory search for ore.
4. *Proposed exploration and development program*

Disclose the nature and extent of the proposed exploration and development program that is to be carried out by the Target Issuer using the Available Funds or by third parties under farmout or option agreements. Additionally, provide:

- (a) a timetable for this program, describing each significant component of the program, and identifying the planned commencement and completion date of each significant component;
- (b) a Breakdown of Costs for this proposed program with reference to Item 7; and
- (c) a description of the general topography, vegetation, climate, infrastructure, means of access, source of labour and power sources that may affect the program.

Instructions:

1. In (a) include approximate dates for commencing and completing the planned exploration program, for releasing exploration results, and for obtaining the necessary regulatory approvals.
2. Significant components of the program include geological mapping, trenching, drilling, underground works, bulk sampling, feasibility study, etc.
3. If the exploration and development program is divided into stages, indicate whether proceeding with a subsequent stage in the program is contingent upon the results achieved on an earlier stage.
4. Disclose the name and relationship to the Target Issuer of the engineer on whose recommendation or report the Target Issuer is relying in formulating its exploration and development program.
5. The disclosure in (c) is only required when these factors may be potential impediments to commercial exploration. Examples may include limitations on the exploration season due to climate or effects on operations due to environmental regulations.

## 5. *Other properties*

Describe the plans that the Target Issuer/Resulting Issuer has for the Properties other than Principal Properties.

## 6. *Dispositions*

Disclose any material dispositions of Properties made by the Target Issuer within the previous three years or for which material obligations are still outstanding. Provide details of the disposition including particulars of the consideration, how the consideration was determined and whether the vendor was at Arm's Length.

## 7. *Administration*

Provide:

- (a) the estimated aggregate monthly and total administration costs that will be incurred in order for the Target Issuer/Resulting Issuer to carry out its proposed exploration and development program or that will be incurred over a period of twelve months (whichever is greater), the time period during which these costs will be incurred, and any anticipated variations in the monthly amounts during that period; and
- (b) a Breakdown of Costs for the monthly administration costs disclosed in paragraph (a), including any anticipated variations.

### Instructions:

1. Administrative support includes professional fees, transfer agent fees, management fees, rent, travel, investor relations and other administrative costs, such as those costs required to maintain a reporting issuer in good standing, whether incurred by the issuer or its subsidiaries.
2. The disclosure under this item is not required where the Listed Issuer is listed on Tier 1 of the Exchange and has material operating revenues.

## **4.3B Oil and Gas Properties**

### Instruction:

The disclosure required under this item with respect to minor interests in Properties that are not material to the Target Issuer, may be aggregated in summary form by geographical location provided that the interest and the consideration paid is set out for each of the Properties in which the minor interest is held.

### 1. *Location, description and acquisition*

Provide the following information for each of the Properties of the Target Issuer:

- (a) the name and location by field (or geographical area if a field name has not been designated);
- (b) the nature (title, lease, option or other interest) and status of the interest under which the Target Issuer has or will have the rights to hold or operate the Property, and the expiry date, if applicable;
- (c) the working interest, the net revenue interest (both before and after pay out), together with the gross area of the lease, the assigned petroleum and natural gas rights (all depths, certain depths or formation), the expiry date of the lease and the royalties payable;
- (d) the total number of wells, including producing, shut-in, disposal, suspended and abandoned (identifying separately oil and gas wells in each category), and the amount of acreage available for further exploration and/or development;
- (e) the proximity of the Property to pipelines or other means of transportation; and
- (f) the details of the acquisition or proposed acquisition of the Property by the Target Issuer, including particulars of:
  - (i) the actual or proposed date of each acquisition;
  - (ii) the name of the vendor and whether the transaction was or will be at Arm's Length;
  - (iii) for an acquisition not at Arm's Length, the vendor's out of pocket costs;
  - (iv) the consideration, both monetary and non-monetary, including securities, carried interest, royalties and finders fees, paid or to be paid by the Target Issuer;
  - (v) any material obligations that must be complied with in order to keep any acquisition agreement and property in good standing, including work progress with stated due dates where applicable;
  - (vi) how the consideration was determined (e.g., limited to out of pocket costs, valuation opinion or Arm's Length negotiations); and
  - (vii) any valuation opinion required to support the value of the consideration paid, including the name of the author, the date of the opinion, the assets to which the opinion relates and the value attributed to the assets.

Instructions:

1. In providing the information requested by (b), indicate the type of interest (e.g., fee simple, leasehold, royalty, reservation, option, farmout, farmin or other types of interests and variations thereof) including the percentage interest in the Properties held by the Target Issuer. In addition, indicate whether or not a title report has been obtained. If so, disclose any material qualifications to the title report and the relationship to the Target Issuer of the individual providing the title report.
2. Out of pocket costs must be supported by either audited financial statements or an audited statement of costs.
3. The disclosure required by (f) need only be provided for all acquisitions within the last three years and for all acquisitions where material obligations under the terms of the acquisition are still outstanding.

2. *Production history*

Provide details on the net crude oil, natural gas liquids, natural gas and sulphur production of the Target Issuer, or in which the Target Issuer has had any type of interest, for each of the last five completed financial years preceding the date of the preliminary prospectus, and for the current year as of the Most Recent Month End. The details should include the net cash flow to the Target Issuer derived from the production.

3. *Drilling activity*

As of the Most Recent Month End, state:

- (a) the number of wells the Target Issuer has drilled or has participated in the drilling of;
- (b) the number of such wells completed as producing wells and the number abandoned as dry holes; and
- (c) the amount expended by the issuer and its subsidiaries on these drilling and exploration activities with reference to item 8.

Instruction:

In providing the information requested in (c), do not include amounts expended for payments made for and under leases or other similar interests.

4. *Geology and reserve summaries*

For all Principal Properties, describe:

- (a) the petroleum geology in the area using the available geophysical, geochemical, geological and production data;

- (b) the net quantity (after the deduction of royalties) and type (crude oil, natural gas, natural gas liquids, sulphur, etc.) of the estimated reserves of the Target Issuer, together with the value assigned to the reserves on a net cash flow basis, using discount rates at 0, 10, 15, and 20%; and
- (c) any other relevant details that will be of assistance to a shareholder in evaluating the geological merits of each Principal Property;
- (d) State in bold print that the values reported under paragraph (b) above may not necessarily be fair market value of the reserves. Indicate whether the values are before or after income tax. Provide disclosure regarding the degree of risk assigned to the values, particularly of probable additional reserves, including a statement in bold print disclosing the approximate amount, or alternatively the approximate average percentage, by which the volume of probable reserves or their values have been reduced to allow for the risk associated with obtaining production from probable reserves. Where no percentage or calculated amounts as contemplated in the preceding sentence have been used to allow for the risk, describe the method otherwise employed to allow for such risk.

Instruction:

1. In paragraph (b), reserves include reserves as defined in National Policy Statement No. 2-B
2. The information required by (b) should be provided by jurisdiction, category (producing, non-producing, etc.) and type of reserve.
3. In accordance with National Policy Statement No. 2-B, dollar values must be calculated at current prices and costs, unless under contract as to price, to all future time.
4. Provide a summary table of the assumptions employed regarding prices, costs, inflation and other factors used. Identify the source of the data used in the estimates, including any comments the author of the report might have respecting the soundness of the data.
5. Provide the estimated total capital costs necessary to achieve the net cash flow and the amount of such costs estimated to be incurred in each of the first two years of cash flow estimates.

5. *Proposed exploration and development program*

Disclose the nature and extent of the proposed exploration and development program that is to be carried out by the Target Issuer/Resulting Issuer using the Available Funds or by third parties under farmout or option agreements. Additionally, provide:

- (a) a timetable for this proposed program, describing each significant component of the program, and identifying the planned commencement and completion dates of each significant component;
- (b) a Breakdown of Costs for this proposed program with reference to the section entitled "Available Funds"; and

- (c) a description of the general topography, vegetation, climate, infrastructure (including pipelines), means of access, source of labour and power sources that may affect the program.

Instruction:

1. In (a) include approximate dates for commencing and completing the planned exploration program, for releasing exploration results, and for obtaining the necessary regulatory approvals.
2. If the exploration and development program is divided into stages, disclose whether proceeding with a subsequent stage in the program is contingent upon the results achieved on an earlier stage.
3. The disclosure in (c) is only required when these factors may be potential impediments to commercial exploration. Examples may include limitations on the exploration season due to climate or effects on operations due to environmental regulations.
4. Disclose the name and relationship to the Target Issuer of the engineer on whose recommendation or report the Target Issuer is relying in formulating its exploration and development program.

6. *Other properties*

Describe the plans that the Target Issuer/Resulting Issuer has for the Properties other than Principal Properties.

7. *Dispositions*

Disclose any material dispositions of Properties made by the Target Issuer within the previous three years or for which material obligations are still outstanding. Provide details of the disposition including particulars of the consideration, how the consideration was determined and whether the vendor was at Arm's Length.

8. *Administration*

Provide:

- (a) the estimated aggregate monthly and total administration costs that will be incurred in order for the Target Issuer/Resulting Issuer to carry out its proposed exploration and development program or that will be incurred over a period of twelve months (whichever is greater), the time period during which these costs will be incurred, and any anticipated variations in the monthly amounts during that period; and
- (b) a Breakdown of Costs for the monthly administration costs disclosed in paragraph (a), including any anticipated variations.



Instructions:

1. Administrative support includes professional fees, transfer agent fees, management fees, rent, travel, investor relations and other administrative costs, such as those costs required to maintain a reporting issuer in good standing, whether incurred by the issuer or its subsidiaries.
2. The disclosure under this item is not required where the issuer is listed on Tier 1 of the Exchange and has material operating revenues.

**APPENDIX 3 TO EXCHANGE INFORMATION CIRCULAR FORM  
INDEBTEDNESS OF DIRECTORS, SENIOR OFFICERS, EXECUTIVE OFFICERS AND OTHER  
MANAGEMENT**

**Part A. Disclosure of Indebtedness Other Than Under Securities Purchase Programs**

1. State in the tabular form under this section, for any indebtedness referred to in Section 2.8 of the Exchange Information Circular Form, that was not entered into in connection with a purchase of securities of the issuer or any of its subsidiaries:
  - (a) The name of the borrower (column (a)) and, if the borrower is a director, executive officer or senior officer, the principal position of the borrower. If the borrower was, during the year, but no longer is a director or officer, include a statement to that effect. If the borrower is a proposed nominee for election as a director, include a statement to that effect. If the borrower is included as an associate describe briefly the relationship of the borrower to an individual who is or, during the year, was a director, executive officer or senior officer or who is a proposed nominee for election as a director, name that individual and provide the information required by this subparagraph for that individual (column (a)).
  - (b) Whether the issuer or a subsidiary of the issuer is the lender or the provider of a guarantee, support agreement, letter of credit or similar arrangement or understanding (column (b)).
  - (c) The largest aggregate amount of the indebtedness outstanding at any time during the last completed financial year (column (c)).
  - (d) The aggregate amount of indebtedness outstanding as at a date within thirty days of certification of the information circular (column (d)).

**TABLE OF INDEBTEDNESS, OTHER THAN UNDER SECURITIES PURCHASE PROGRAMS**

Name and Principal Position (a)	Involvement of Issuer or Subsidiary (b)	Largest Amount Outstanding During [Last Completed Financial Year] (\$) (c)	Amount Outstanding as at [current date] (\$) (d)

2. State in the introduction immediately preceding the table required in Part A, section 1, the aggregate indebtedness (other than under securities purchase programs),
  - (a) to the issuer or any of its subsidiaries; and

- (b) to another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the issuer or any of its subsidiaries,

of all officers, directors, employees and former officers, directors and employees of the issuer or any of its subsidiaries outstanding as at a date within thirty days of certification of the information circular.

## **Part B. Disclosure of Indebtedness Under Securities Purchase Programs**

1. State in the tabular form under this Part, for any indebtedness referred to in Section 2.8 of the Exchange Information Circular Form that was entered into in connection with a purchase of securities of the issuer or any of its subsidiaries:
  - (a) The name of the borrower (column (a)) and, if the borrower is a director, executive officer or senior officer, the principal position of the borrower. If the borrower was, during the year, but no longer is a director or officer, include a statement to that effect. If the borrower is a proposed nominee for election as a director, include a statement to that effect. If the borrower is included as an associate describe briefly the relationship of the borrower to an individual who is or, during the year, was a director, executive officer or senior officer or who is a proposed nominee for election as a director, name that individual and provide the information required by this subparagraph for that individual (column (a)).
  - (b) Whether the issuer or a subsidiary of the issuer is the lender or the provider of a guarantee, support agreement, letter of credit or similar arrangement or understanding (column (b)).
  - (c) The largest aggregate amount of the indebtedness outstanding at any time during the last completed financial year (column (c)).
  - (d) The aggregate amount of indebtedness outstanding as at a date within thirty days of certification of the information circular (column (d)).
  - (e) Separately for each class or series of securities, the sum of the number of securities purchased during the last completed financial year with the financial assistance (column (e)).
  - (f) The security for the indebtedness, if any, provided to the issuer, any of its subsidiaries or the other entity (column (f)).

## TABLE OF INDEBTEDNESS UNDER SECURITIES PURCHASE PROGRAMS

Name and Principal Position (a)	Involvement of Issuer or Subsidiary (b)	Largest Amount Outstanding During [Last Completed Financial Year] (\$) (c)	Amount Outstanding as at [current date] (\$) (d)	Financially Assisted Securities Purchases During [Last Completed Financial Year] (#) (e)	Security for Indebtedness (f)

2. State in the introduction immediately preceding the table required by Part B, section 1, the aggregate indebtedness (under securities purchase programs),
- (a) to the issuer or any of its subsidiaries; and
  - (b) to another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the issuer or any of its subsidiaries,
- of all officers, directors, employees and former officers, directors and employees of the issuer or any of its subsidiaries outstanding as at a date within thirty days of certification of the information circular.

### Part C. Additional Footnote or Narrative Disclosure Accompanying Tables

1. Disclose in a footnote to, or a narrative accompanying, each table required by this Appendix,
- (a) the material terms of each incidence of indebtedness and, if applicable, of each guarantee, support agreement, letter of credit or other similar arrangement or understanding, including without limitation the term to maturity, rate of interest and any understanding, agreement or intention to limit recourse, and for the table required by Part A only, any security for the indebtedness and the nature of the transaction in which the indebtedness was incurred;
  - (b) any material adjustment or amendment made during the most recently completed financial year to the terms of the indebtedness and, if applicable, the guarantee, support agreement, letter of credit or similar arrangement or understanding; and
  - (c) the class or series of the securities purchased with financial assistance or held as security for the indebtedness and, if the class or series of securities is not publicly traded, all material terms of the securities, including but not limited to provisions for exchange, conversion, exercise, redemption, retraction and dividends.

2. No disclosure need be made under this Item of an incidence of indebtedness that has been entirely repaid on or before the date of certification of the information circular or of routine indebtedness.

“Routine indebtedness” means indebtedness described in any of the following clauses:

- (a) If an issuer makes loans to employees generally, whether or not in the ordinary course of business, loans are considered routine indebtedness if made on terms, including those as to interest rate and security, no more favourable to the borrower than the terms on which loans are made by the issuer to employees generally, but the amount at any time during the last completed financial year remaining unpaid under the loans to any one director, executive officer, senior officer or proposed nominee together with his or her associates that are treated as routine indebtedness under this clause must not exceed \$25,000.
- (b) Whether or not the issuer makes loans in the ordinary course of business, a loan to a director, executive officer or senior officer is considered routine indebtedness if:
  - (i) the borrower is a full-time employee of the issuer;
  - (ii) the loan is fully secured against the residence of the borrower; and
  - (iii) the amount of the loan does not exceed the annual salary of the borrower.
- (c) If the issuer makes loans in the ordinary course of business, a loan is considered routine indebtedness if made to a Person other than a full-time employee of the issuer, and if the loan:
  - (i) is made on substantially the same terms, including those as to interest rate and security, as are available when a loan is made to other customers of the issuer with comparable credit ratings: and
  - (ii) involves no more than usual risks of collectibility.
- (d) Indebtedness arising by reason of purchases made on usual trade terms or of ordinary travel or expense advances, or for similar reasons is considered routine indebtedness if the repayment arrangements are in accord with usual commercial practice.