



# SANATANA RESOURCES Inc.

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**Notice of Annual General**

**Meeting of Shareholders**

**January 22, 2019**

**Management Information Circular**

**Dated: December 18, 2018**

**SANATANA RESOURCES INC.**

Suite 1910 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual general meeting of the shareholders of Sanatana Resources Inc. (the “**Company**”) will be held at Suite 1910 – 925 West Georgia Street, Vancouver, BC, V6C 3L2 on Tuesday, January 22, 2019, at 10:00 a.m. (Pacific time) for the following purposes:

1. to receive and consider the audited financial statements of the Company for the fiscal year ended March 31, 2018, together with the report of the auditors thereon;
2. to determine the number of directors at four for the ensuing year
3. to elect the directors for the ensuing year;
4. to appoint auditors and to authorize the directors to fix their remuneration;
5. to ratify and approve the Company’s existing stock option plan;
6. to transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

This notice is accompanied by a form of proxy and management information circular. The management’s discussion and analysis and the audited financial statements of the Company for the fiscal year ended March 31, 2018 can be viewed on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders who are unable to attend the meeting in person are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the meeting.

Dated at Vancouver, British Columbia December 18, 2018.

BY ORDER OF THE BOARD

(signed) “Peter Miles”

Peter L. Miles

Chief Executive Officer and Director

**SANATANA RESOURCES INC.**

**MANAGEMENT INFORMATION CIRCULAR  
AS AT AND DATED DECEMBER 18, 2018**

**Solicitation of Proxies**

**THIS INFORMATION CIRCULAR IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF SANATANA RESOURCES INC. (THE “COMPANY”) OF PROXIES TO BE USED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY AND ANY ADJOURNMENT THEREOF (THE “MEETING”) TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ENCLOSED NOTICE OF MEETING.** It is expected that the solicitation will be primarily by mail but proxies may also be solicited personally by regular employees of the Company at nominal cost. The cost of solicitation by management will be borne directly by the Company.

**Appointment and Revocation of Proxies**

The persons named in the enclosed form of proxy are directors and officers of the Company. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM AT THE MEETING MAY DO SO** either by inserting such person’s name in the blank space provided in that form of proxy or by completing another proper form of proxy. To be effective, completed and executed proxies for the Meeting must be delivered by mail or fax to the transfer agent of the Company, Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, BC, Attention: Proxy Department (fax: 604-661-9401) not later than 48 hours before the time of holding the Meeting or any adjournment thereof. The Chairman of the Meeting will have the discretion to accept or reject proxies delivered thereafter and up to the time of the Meeting or any adjournment thereof.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the shareholder or by his attorney authorized in writing, and deposited with Computershare Investor Services Inc. (“Computershare”) not later than 48 hours before the time of holding the Meeting, or with the Chairman of the Meeting on the day of the Meeting, or in any other manner permitted by law.

**Voting of Proxies**

The common shares of the Company (“**Common Shares**”) represented by the accompanying form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such instructions, the persons named in the proxy **WILL VOTE IN FAVOUR OF EACH OF THE MATTERS TO BE VOTED ON BY SHAREHOLDERS AS DESCRIBED IN THIS INFORMATION CIRCULAR.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting, or other matters which may properly come before the Meeting. At the time of printing this information circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

**Beneficial Shareholders**

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

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

name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

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

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

The Company is taking advantage of the provisions of National Instrument 54-101 "Communication with Beneficial Owners of Securities of a Reporting Issuer" that permit it to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

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

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

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

#### **Voting Securities and Principal Holders Thereof**

The authorized capital of the Company consists of an unlimited number of Common Shares. As of the date of this information circular, the Company had **152,229,834** issued and outstanding Common Shares, each Common Share carrying the right to one vote.

The Company has fixed December 18, 2018 as the record date (the "**Record Date**") for the purpose of determining shareholders entitled to receive notice of and vote at the Meeting. Only registered holders of Common Shares at the close of business on the Record Date are entitled to receive notice of and vote at the Meeting.

To the knowledge of the directors and officers of the Company, as of the date hereof, no person beneficially owns, or controls or directs, directly or indirectly, securities carrying 10% or more of the voting rights attached to the Common Shares other than as set forth below:

Name of Shareholder	Number of Common Shares Owned	Percentage of Outstanding Common Shares <sup>(1)</sup>
Peter L. Miles, President & CEO, Director of the Company	16,901,501 <sup>(2)</sup>	11.1%

(1) This is based on **152,229,834** Common Shares issued and outstanding as of the date of this information circular. The Company believes that all persons hold legal title, and it has no knowledge of actual Common Share ownership.

(2) Based on SEDI filings by Mr. Miles to December 18, 2018.

A simple majority of the votes cast is required to pass an ordinary resolution at the Meeting. A majority of two-thirds of the votes cast is required to pass a special resolution at the Meeting. In certain instances, a different majority may be required, for example, if specified by a regulatory authority.

If there are more nominees for election as directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If a number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

#### **PARTICULARS OF MATTERS TO BE ACTED UPON**

##### **Number of Directors**

It is proposed that the size of the board of directors remain at four persons for the ensuing year. Each director will hold office until the next annual meeting or until his successor is duly elected unless his office is earlier vacated in accordance with the articles of the Company. Shareholders will be asked to approve an ordinary resolution that the number of directors elected be fixed at three.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the fixing of the number of directors at four.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE ESTABLISHMENT OF THE SIZE OF THE BOARD OF DIRECTORS OF THE COMPANY AT FOUR.**

##### **Election of Directors**

At the Meeting, shareholders will be asked to elect four directors (the “**Nominees**”) by ordinary resolution. The following table provides the names of the Nominees and information concerning such Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director. Each Nominee elected will hold office until his successor is elected at the next annual meeting of the Company, or any adjournment thereof, or until his successor is elected or appointed.

Advance notice of this Meeting was published on October 26, 2017. The Company has not received any nomination for election of directors in response to the advance notice of this Meeting.

Name and Place of Residence	Principal Occupation	Director Since	Number of Shares Beneficially Owned or Controlled or Directed <sup>(1)</sup>
Peter L. Miles <sup>(2)(4)</sup> British Columbia, Canada	Business executive, president and chief executive officer of the Company.	June 24, 2004	16,901,501
Buddy Doyle British Columbia, Canada	Business executive; geologist, VP Exploration of the Company, VP Exploration of Arctic Star Exploration Corp.; VP Exploration of Margaret Lake Diamonds Inc. and independent director of Equitorial Resources Corp. all of which are resource exploration companies.	Nov. 15, 2006	564,000
Darcy Will <sup>(2) (3) (4)</sup>	Commercial real estate developer, non-executive director of the Company, president, director and co-founder of the publicly traded company Gamehost Inc.	July 31, 2014	5,004,100
Timothy Barry <sup>(2) (3)</sup>	President and chief executive officer of Silver Bull Resources, Inc. and non-executive director of the Company.	Aug. 2, 2017	344,000

Notes:

- (1) The information as to Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the Nominees, not being within the knowledge of the Company, has been furnished by the respective Nominees.
- (2) A member of the Audit Committee.
- (3) A member of the Compensation Committee.
- (4) A member of the Corporate Governance Committee.

To the Company's knowledge, none of the above-named directors are, or have been within the ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of a corporation which, while acting in that capacity or after they ceased to act in respect of any event that occurred while they were acting in such capacity was the subject of a cease trade or similar order or an order that denied such corporation access to any statutory exemptions for a period exceeding 30 consecutive days.

IF ANY OF THE FOREGOING NOMINEES IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.**

### **Appointment of Auditors**

BDO Canada LLP was first appointed as auditor of the Company on March 31, 2005.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of BDO Canada LLP, of Vancouver, British Columbia, as auditor of the Company until the close of the next annual meeting of shareholders and to authorize the directors to fix its remuneration.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE RE-APPOINTMENT OF BDO CANADA LLP AS AUDITOR OF THE COMPANY.**

### **Approval of Stock Option Plan**

The Company’s shareholders first approved an incentive stock option plan for directors, officers, consultants and employees of the Company on May 11, 2005. This stock option plan was subsequently amended to meet the requirements of the TSX Venture Exchange. Shareholders first approved the current stock option plan (the “**Option Plan**”) in April 2011. The Option Plan is attached as Schedule G to this information circular and is a “rolling” plan that provides for the issuance (under the Option Plan or any other plan) of up to 10% of the Common Shares issued and outstanding at the date of the stock option grant.

The rules of the TSX Venture Exchange require that the shareholders of the Company approve the Option Plan annually by ordinary resolution. Accordingly, the shareholders will be asked to pass the following ordinary resolution at the Meeting:

“BE IT RESOLVED THAT:

- (i) the Option Plan be and is hereby ratified and approved; and
- (ii) any director or officer of the Company is hereby authorized to execute (whether under the corporate seal of the Company or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with such ratification and approval, the execution of any such document or the doing of any such other act or thing by any director or officer of the Company being conclusive evidence of such determination.”

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the foregoing ordinary resolution.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE RATIFICATION AND APPROVAL OF THE OPTION PLAN.**

### **Director and Named Executive Officer Compensation**

In this section “Named Executive Officer” means the Chief Executive Officer, the Chief Financial Officer and each of the three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

Peter Miles, President and Chief Executive Officer and Simon Anderson, Chief Financial Officer, are each a “Named Executive Officer” of the Company for the purposes of the following disclosure.

#### **(a) Compensation Discussion and Analysis**

The Compensation Committee is composed of Darcy Will and Timothy Barry. The function of the Compensation Committee generally is to assist the board in carrying out its responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company’s base compensation structure and equity-based compensation programs, recommending compensation of the Company’s

officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives. The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company although the Compensation Committee guides it in this role.

The Compensation Committee determines the compensation of the Chief Executive Officer. The Chief Executive Officer makes compensation recommendations for all other executive officers and senior employees of the Company to the Compensation Committee.

### Philosophy and Objectives

The compensation program for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- to align executive compensation with shareholders' interests;
- to attract and retain highly qualified management;
- to focus performance by linking incentive compensation to the achievement of business objectives and financial results; and
- to encourage retention of key executives for leadership succession.

The Company's executive compensation program comprises three elements: base salary and/or executive consulting fees, bonus incentives and equity participation. The compensation program is designed to pay for performance. Employees, including senior executives, are rewarded for the achievement of annual operating and financial goals, progress in executing the Company's long-term growth strategy and delivering strong total shareholder return performance.

The Company reviews industry compensation information and compares its level of overall compensation with those of comparable sized mineral exploration companies. Generally, the committee targets base management fees at levels approximating those holding similar positions in comparably sized companies in the industry and hopes to achieve competitive compensation levels through the fixed and variable components.

The Company's total compensation mix places a significant portion of the executive's compensation at risk and relies heavily on the award of stock options. The design takes into account individual and corporate performance. Compensation practices, including the mix of base management fees, short-term incentives and long-term incentives, are regularly assessed to ensure they are competitive, take account of the external market trends and support the Company's long-term growth strategies. Due to the early stage of the Company's development programs, the flexibility to quickly increase or decrease appropriate human resources is critical. Accordingly, the Company does not enter into long-term commitments with its officers.

### Base Salary / Consulting Fees

In the Board's view, paying base salaries or executive consulting fees which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Base salary is compensation for discharging job responsibilities and reflects the level of skills and capabilities demonstrated by the executive. Annual compensation adjustments, if any, take into account the market value of the role and the executive's demonstration of capability during the year.

### Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the executive's Company meeting those strategic objectives and milestones, the executive's individual performance and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on



recommendations of the Compensation Committee, and such recommendations are generally based on survey data provided by independent consultants.

#### Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's Option Plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Compensation Committee.

#### **(b) Summary Compensation Table**

The following table summarizes the compensation paid to the Named Executive Officers during the Company's three most recently completed financial years ended March 31:

<b>Name and Position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all Other Compensation (\$)</b>	<b>Total Compensation (\$)</b>
<b>Peter Miles</b> President and CEO and Director	2018	120,000	Nil	Nil	Nil	Nil	120,000
	2017	120,000	Nil	Nil	Nil	Nil	120,000
<b>Simon Anderson</b> CFO <sup>(1)</sup>	2018	9,430	Nil	Nil	Nil	Nil	9,430
	2017	11,980	Nil	Nil	Nil	Nil	11,980
<b>Buddy Doyle</b> Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
<b>Tim Barry</b> Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
<b>Darcy Wills</b> Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- <sup>(1)</sup> Mr. Anderson provides his services to the Company through S2 Management Inc. ("S2 Management"). Compensation to S2 Management includes \$480 (2017 - \$360) for secretarial services provided by S2 Management. S2 Management paid Mr. Anderson an aggregate of \$8,000 (2017 - \$10,500) that is attributable to services he provided to the Company.

**(c) Incentive Plan Awards**

Grant of Compensation Securities to Directors and NEOs

The following table sets forth all compensation securities granted or issued to each NEO and director by the Company in the financial year ended March 31, 2018 for services provided or to be provided, directly or indirectly, to the Company::

Compensation Securities							
Name	Type of compensation security	Number of compensation securities, underlying and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying securities on date of grant (\$)	Closing price of security or underlying security at year end (note 1) (\$)	Expiry Date
Peter Miles President and CEO, Director	Options	1,500,000	25-Sep-17	\$0.06	\$0.045	\$0.05	25-Sep-22
Simon Anderson, CFO	Options	500,000	25-Sep-17	\$0.06	\$0.045	\$0.05	25-Sep-22
Tim Barry, Director	Options	1,000,000	25-Sep-17	\$0.06	\$0.045	\$0.05	25-Sep-22
Buddy Doyle, Director	Options	1,000,000	25-Sep-17	\$0.06	\$0.045	\$0.05	25-Sep-22
Darcy Will, Director	Options	1,000,000	25-Sep-17	\$0.06	\$0.045	\$0.05	25-Sep-22

<sup>(1)</sup> The closing price of the Company's shares traded on the TSX Venture Exchange was \$0.05 on March 29, 2018, the last trading day before March 31, 2018.

Options granted in the year vest as to one-quarter on each of September 25, 2017, March 25, 2018, September 25, 2018 and March 25, 2019.

Exercise of Compensation Securities by Directors and NEOs

Directors and NEOs did not exercise any compensation securities in the year ended March 31, 2018.

See "Securities Authorized for Issuance Under Equity Compensation Plans" for further information on the Company's Option Plan.

**(d) Termination of Employment, Changes in Responsibilities and Employment Contracts**

In August 2012, the Company entered into change of control agreements with its NEOs and other key personnel. These agreements provided that in the event of a change of control, as defined, directors and officers of the Company may be eligible to receive termination payments within 12 months of the change of control if they resign or are terminated. At March 31, 2018, no amounts were potentially payable to NEOs. By August 31, 2018, all change of control agreements had lapsed or terminated without any payment having been made.

### **Securities Authorized for Issuance Under Equity Compensation Plans**

The only stock option plan or other incentive plan the Company currently has in place is a 10% “rolling” stock option plan, which authorizes the Board to grant options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Company, from time to time. The underlying purpose of the Option Plan is to attract and motivate the directors, officers, employees and consultants of the Company and to advance the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Option Plan.

The Company has no other form of compensation plan under which equity securities of the Company are authorized for issuance to employees or non-employees in exchange for consideration in the form of goods and services.

The table below sets out the outstanding options under the Company’s existing Option Plan under which Common Shares are authorized for issuance as of March 31, 2018.

<b>Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by security holders	8,700,000	\$0.07	5,147,983
Equity compensation plans not approved by security holders	-	-	-
<b>Total</b>	8,700,000	\$0.07	5,147,983

### **Indebtedness of Directors and Executive Officers**

None of the directors or executive officers of the Company or any of their associates was indebted to the Company during the fiscal year ended March 31, 2018, including under any securities purchase or other program, or is currently indebted to the Company.

### **Interest of Informed Persons in Material Transactions**

Except as disclosed under this heading, no informed person of the Company, proposed director of the Company, or any associate or affiliate of any informed person or proposed director of the Company has any material interest, direct or indirect, in any transaction which has occurred within the fiscal year ended March 31, 2018, or in any proposed transaction that has materially affected or will materially affect the Company.

### **Interest of Persons in Matters To be Acted Upon**

No director, executive officer, proposed nominee for election as a director nor their respective associates or affiliates has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at this Meeting other than the election of directors.

### **Management Contracts**

No management functions of the Company are performed to any substantial degree by a person other than the directors or executive officers of the Company.

### **Other Business**

Management does not know of any other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

### **Audit Committee and Relationship with Auditors**

Multilateral Instrument 52-110 - *Audit Committees* requires the Company to disclose in its management information circular certain information relating to the Company's audit committee. This disclosure in Form 51-101F2 is appended as Schedule A to this management information circular.

### **Corporate Governance**

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* requires the Company to disclose in its management information circular certain information relating to the Company's corporate governance practices. This disclosure in Form 58-101F2 is appended as Schedule B to this management information circular.

### **Additional Information**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). To obtain copies of the Company's financial statements and management's discussion and analysis (which contain financial information about the Company), shareholders are directed to the Company's filings on SEDAR or may request copies of such information in writing by contacting the Company at: Suite 1910 – 925 West Georgia Street, Vancouver, BC, V6C 3L2.

The contents and sending of this information circular have been approved by the directors of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Peter Miles"

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Peter L. Miles  
Chief Executive Officer and Director

**SCHEDULE A**  
**FORM 52-110F2**  
**DISCLOSURE BY VENTURE ISSUERS**

**1. The Audit Committee's Charter**

*Disclose the text of the audit committee's charter.*

A copy of the charter of the audit committee is attached as Schedule C to this management information circular.

**2. Composition of the Audit Committee**

*Disclose the name of each audit committee member and state whether or not the member is (i) independent and (ii) financially literate.*

The members of the audit committee are Darcy Will (Chair), Tim Barry and Peter Miles. The Board has determined that two members of the audit committee, Mr. Will and Mr. Barry are independent and that all members are financially literate.

**3. Relevant Education and Experience**

*Describe the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member and, in particular, disclose any education or experience that would provide the member with:*

- (a) an understanding of the accounting principles used by the issuer to prepare its financial statements;*
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;*
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising one or more individuals engaged in such activities; and*
- (d) an understanding of internal controls and procedures for financial reporting.*

*Mr. Darcy Will* is a commercial real estate developer and president, director and co-founder of the publicly traded company Gamehost Inc.

*Mr. Peter Miles* has a BComm from the University of British Columbia. He has more than 25 years' experience in investment banking and retail stock brokerage, and was formerly a Vice President of Midland Doherty Inc., Dean Witter Reynolds, and CIBC World Markets. Prior to becoming CEO of Sanatana Resources, Mr. Miles was an advisor to a number of public and private companies, primarily in the natural resource sector. Mr. Miles is a director of Gamehost Inc. and is the founder of Sanatana Resources Inc.

*Mr Timothy Barry* is the President and CEO of Silver Bull Resources, Inc. Between September 2010 to March 2011, Mr. Barry served as Vice President of Exploration for Metalline Mining (now renamed to Silver Bull Resources), before stepping into the role of President and CEO in April 2011. Previously, he held the position of Chief Geologist for Dome Ventures Corporation, a publicly traded company on the Toronto Stock Exchange working on their projects in Africa. Mr. Barry has over 15 years of exploration and management experience and has worked as a Consulting Geologist and manager on projects in Canada, Mexico, Australia, New Zealand, Mongolia and West and Central Africa. Mr. Barry is a Chartered Professional Geologist (CPAusIMM) and holds a BSc in Geology from the University of Otago in New Zealand.

#### **4. Audit Committee Oversight**

*If, at any time since the commencement of the issuer's most recently completed financial year, a recommendation of the audit committee to nominate or compensate an external auditor was not adopted by the board of directors, state that fact and explain why.*

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the board of directors.

#### **5. Reliance on Certain Exemptions**

*If, at any time since the commencement of the issuer's most recently completed financial year, the issuer has relied on*

- (a) the exemption in section 2.4 (De Minimis Non-audit Services), or*
- (b) an exemption from this Instrument, in whole or in part, granted under Part 8 (Exemptions), state that fact.*

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in section 2.4 of MI 52-110 (De Minimis Non-audit Services), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of MI 52-110 (Exemptions).

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

*If the audit committee has adopted specific policies and procedures for the engagement of non-audit services, describe those policies and procedures.*

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

#### **7. External Auditor Service Fees (By Category)**

- (a) Disclose, under the caption "Audit Fees", the aggregate fees billed by the issuer's external auditor in each of the last two fiscal years for audit fees.*
- (b) Disclose, under the caption "Audit-Related Fees", the aggregate fees billed in each of the last two fiscal years for assurance and related services by the issuer's external auditor that are reasonably related to the performance of the audit or review of the issuer's financial statements and are not reported under clause (a) above. Include a description of the nature of the services comprising the fees disclosed under this category.*
- (c) Disclose, under the caption "Tax Fees", the aggregate fees billed in each of the last two fiscal years for professional services rendered by the issuer's external auditor for tax compliance, tax advice, and tax planning. Include a description of the nature of the services comprising the fees disclosed under this category.*
- (d) Disclose, under the caption "All Other Fees", the aggregate fees billed in each of the last two fiscal years for products and services provided by the issuer's external auditor, other than the services reported under clauses (a), (b) and (c), above. Include a description of the nature of the services comprising the fees disclosed under this category.*

BDO Canada LLP has been the auditor of the Company since March 31, 2005. Fees payable to BDO Canada LLP for the years ended March 31, 2018 and 2017 were as follows:

	<b>2018</b>	<b>2017</b>
Audit fees	\$15,500	\$20,886
Audit-related fees	-	-
Tax fees	2,650	2,650
All other fees	-	-
<b>TOTAL</b>	<b>\$18,150</b>	<b>\$23,536</b>

*Audit Fees.* The audit fees relate to the audit of financial statements, and other statutory and regulatory filings, including procedures performed in connection with any prospectus filings.

*Audited-Related Fees.* The audit-related fees relate to review and audit services performed in connection with proposed business transactions by the Company, as well as advising management, securities regulators and legal counsel.

*Tax Fees.* Tax fees relate to tax compliance, tax advice and tax planning, including the preparation and review of the corporate tax returns, assistance with tax audits and federal, provincial or international tax advisory services.

*All Other Fees.* There were no other fees billed by the Company's external auditors in the past two fiscal years.

## **8. Exemption**

*Disclose that the issuer is relying upon the exemption in section 6.1 of the Instrument.*

The Company is relying upon the exemption in section 6.1 of MI 52-110.

## SCHEDULE B

### FORM 58-101F2 CORPORATE GOVERNANCE DISCLOSURE (VENTURE ISSUERS)

The Company believes that its corporate governance practices ensure that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The disclosure requirements of National Instrument 58-101 and a commentary on the Company's approach with respect to each requirement are set forth below.

Disclosure Requirements	Comments
<p><b>1. Board of Directors</b> — Disclose how the board of directors (the board) facilitates its exercise of independent supervision over management, including (i) the identity of directors that are independent, and (ii) the identity of directors who are not independent, and the basis for that determination.</p>	<p>The Board of Directors has four directors, two of whom are independent. The definition of independence used by the Company is that used by the Canadian Securities Administrators, which is set out in section 1.4 of MI 52-110. A director is independent if he or she has no direct or indirect material relationship to the Company. A "material relationship" is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment. Certain types of relationships are by their very nature considered to be material relationships and are specified in section 1.4 of MI 52-110.</p> <p>Darcy Will and Timothy Barry are considered to be independent directors. Peter Miles is not considered to be independent by virtue of his position as Chief Executive Officer of the Company. Buddy Doyle is not considered to be independent by virtue of his position as Vice President, Exploration.</p> <p>A copy of the Company's directors' position description is attached as Schedule D to this management information circular.</p>
<p><b>2. Directorships</b> — If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>Peter Miles is a director of Gamehost Inc.</p> <p>Buddy Doyle is a director of Arctic Star Exploration Corp., Margaret Lake Diamonds Inc., and Equitorial Resources Corp.</p> <p>Darcy Will is a director of Gamehost Inc.</p> <p>Timothy Barry is a director of Silver Bull Resources, Inc.</p>



Disclosure Requirements	Comments
<p><b>3. Orientation and Continuing Education</b> — Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.</p>	<p>Orientation including understanding the operations of the company and the new director’s roles is provided on an informal basis by Company management. This approach is appropriate given the relatively small size of the Company, and the fact that all relevant information is publicly available as well as posted on the Company’s website.</p> <p>The Board of Directors does not provide formal continuing education for directors. Directors maintain the skill and knowledge necessary to meet their obligations as directors through a combination of their existing education, experience as businesspersons and managers, service as directors of other issuers and advice from the Company’s legal counsel, auditors and other advisors.</p>
<p><b>4. Ethical Business Conduct</b> — Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.</p>	<p>Management, with the support of the Board, has put structures in place to ensure effective communication between the Company and its shareholders and the public. The Company provides disclosure as required by law, and legal counsel reviews press releases and reports to shareholders as required.</p> <p>The Board manages the business of the Company on behalf of the shareholders and is responsible for, among other things, strategic planning and management of the Company’s principal risks. Any responsibility that is not delegated to senior management or a committee of the Board remains with the full Board. In addition to those matters, which must by law be approved by the Board, the approval of the Board is required for major transactions or expenditures.</p>
<p><b>5. Nomination of Directors</b> — Disclose what steps, if any, are taken to identify new candidates for board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.</p>	<p>All directors are responsible for recommending suitable candidates for nomination to the Board, when required, and when doing so consider:</p> <ul style="list-style-type: none"> <li>(a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;</li> <li>(b) the competencies and skills that the Board considers necessary for each existing director to possess; and</li> <li>(c) the competencies and skills each new nominee will bring to the boardroom.</li> </ul>

Disclosure Requirements	Comments
<p><b>6. Compensation</b> — Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including: (i) who determines compensation, and (ii) the process of determining compensation.</p>	<p>The Company has established a compensation committee, currently comprising Darcy Will and Timothy Barry, to ensure that independent directors determine and review the remuneration of executives on behalf of the Board of Directors and that the remuneration policies and packages attract retain and motivate quality individuals without exceeding market rates.</p> <p>The compensation committee determines and agrees with the Board of Directors the framework or broad policy for the remuneration of the Company’s executive directors, CEO and other members of the executive management of the Company. The remuneration of non-executive directors is determined by the Chairman of the Board and the executive members of the Board of Directors. No director or manager is involved in any decisions as to their own remuneration.</p> <p>A copy of the compensation committee mandate is attached as Schedule E to this management information circular.</p>
<p><b>7. Other Board Committees</b> — If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board has established a corporate governance committee, currently comprised of Peter Miles and Darcy Will. A copy of the corporate governance committee mandate is attached as Schedule F to this management information circular.</p>
<p><b>8. Assessments</b> — Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.</p>	<p>The board does not, at present, have a formal process in place for assessing the effectiveness of the board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant.</p>

## SCHEDULE C

### AUDIT COMMITTEE CHARTER (Implemented Pursuant to Multilateral Instrument 52-110)

This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

- (a) The Board shall elect annually from among its members at the first meeting of the Board following the annual meeting of the shareholders, a committee to be known as the audit committee to be composed of three directors or such other number not less than three as the Board may from time to time determine, of whom the majority shall not be officers or employees of the Corporation or an affiliate of the Corporation. A majority of the audit committee shall constitute a quorum.
- (b) Any member of the committee may be removed or replaced at any time by the Board. Any member of the committee ceasing to be a director shall cease to be a member of the audit committee. Subject to the foregoing, each member of the audit committee shall hold office as such until the next annual appointment of members after his election. Any vacancy occurring in the committee shall be filled at the next meeting of the Board.
- (c) The responsibilities of the audit committee shall be to:

With respect to Financial Accounting Matters,

1. Review with management and the external auditors the annual consolidated financial statements, the annual report including the management discussion and analysis and the press release before making recommendations to the Board relating to approval of the statements. *Timing: year-end.*
2. Review with management, and if deemed necessary with the external auditors, interim financial statements, the quarterly report including the management discussion and analysis and the press release before making recommendations to the Board relating to approval of the statements. *Timing: first three quarters.*
3. Review with management, and if deemed necessary with the external auditors, all financial statements included in a prospectus or annual information form or any other public disclosure document containing financial information before making recommendations to the Board relating to the approval of the same. *Timing: as required.*
4. Review annually the accounting principles and practices followed by the Corporation and any changes in the same as they occur. *Timing: annually near year-end.*
5. Review new accounting principles of the Canadian Institute of Chartered Accountants, which would have a significant impact on the Corporation's financial reporting as reported to the audit committee by management. *Timing: annually near year-end or as required.*
6. Review estimates and judgments and choices of accounting alternatives, which are material to reported financial information as reported to the audit committee by management. *Timing: each quarter and year-end.*
7. Review the status of material contingent liabilities as reported to the audit committee by management. *Timing: each quarter and year-end.*
8. Review the status of income tax returns and potentially significant tax problems as reported to the audit committee by management. *Timing: immediately as known.*

9. Review any errors or omissions in the current or prior year's financial statements. *Timing: immediately as known.*

With respect to Internal Controls,

Review with management, and if deemed necessary with the external auditors, the adequacy of the Corporation's internal controls over financial reporting and disclosure controls and procedures to ensure that:

- (a) effective internal controls over financial reporting have been designed to provide a reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Corporation's GAAP; and
- (b) disclosure controls and procedures have been designed to provide reasonable assurance that material information relating to the Corporation, including its consolidated subsidiaries, is made known to the board of directors in a timely manner.

With respect to the External Auditors,

1. Review with management the performance and independence of the external auditors and report thereon to the Board at least annually, including, where appropriate, a recommendation to replace the external auditor. *Timing: year-end.*
2. Review with management the engagement letter of the external auditors and the scope and timing of the audit work to be performed as outlined in the Audit Plan. *Timing: annually.*
3. Review with the external auditors the performance of management involved in the preparation of financial statements and any problems encountered by the external auditors, any restrictions on the auditors' work, the cooperation received in the performance of the audit and the audit findings. *Timing: year-end.*
4. Review the management letter with management and the external auditors, noting any significant recommendations on internal control made by them to management and management's response to the recommendations. *Timing: mid-year starting in second year.*
5. Review with management and the external auditors, estimated and actual audit fees. *Timing: mid-year.*
6. Receive and review with the external auditors a formal written statement prepared by the external auditors that discloses all relationships, including the nature of and fees for any non-audit services performed for the Corporation, between the external auditor and the Corporation and consider whether the nature and extent of such services could impact on the objectivity and independence of the external auditor and, if necessary, recommending that the full board take appropriate action to oversee the independence of the external auditor. *Timing: as required.*

With respect to General Audit Matters,

1. Inquire of management, and the external auditors as to any activities that may be or may appear to be illegal or unethical. *Timing: each quarter and year-end.*
2. Review with management, and if deemed necessary, with the external auditors any material frauds reported to the audit committee. *Timing: immediately as known.*
3. Review with the external auditors the adequacy of staffing for accounting and financial responsibilities. *Timing: year-end.*
4. Report and make recommendations to the Board as the committee considers appropriate. *Timing: as required.*

- (d) In addition, the Board may refer to the audit committee such matters and questions relating to the Corporation and its affiliates as the Board may from time to time see fit.
- (e) Any member of the audit committee may require the auditors to attend any or every meeting of the audit committee.
- (f) The audit committee shall elect annually a chairman from among its members.
- (g) The audit committee shall review and reassess the adequacy of the formal mandate on an annual basis.
- (h) The times of and the places where meetings of the audit committee shall be held and the calling of and procedure at such meetings shall be determined from time to time by the audit committee; provided that notice of every such meeting and the circulation of the financial statements to committee members is at least 48 hours prior to the meeting. The auditors of the Corporation also shall be given such notice of meetings and shall be entitled to attend and be heard thereat, and that meetings shall be convened whenever requested by the auditors, or any member of the audit committee in accordance with the Business Corporations Act (1982).
- (i) At each meeting of the audit committee the independent members shall meet without management and consider any matters tabled by any such member. At each meeting at which the external auditors of the Corporation are in attendance, the independent members shall meet with the external auditors without management present and consider any matters tabled by any such member or the external auditors.
- (j) The audit committee shall support the senior management team and the Board in keeping abreast of changes occurring or proposed to regulatory requirements and/or general accounting guidelines, such that the Corporation adopts “best in class” accounting and internal control policies and practices.
- (k) All prior resolutions of the Board relating to the constitution and responsibilities of the audit committee are hereby repealed.

*Outside of the Mandate but as a matter of routine at each Audit Committee Meeting, the Chief Financial Officer will make a series of reports which will include:*

- 1. The CFO is not aware of any frauds or thefts of Corporation property.*
- 2. The CFO is not aware of any activities which may be illegal or unethical.*
- 3. There are no new contingent liabilities except as reported.*
- 4. There are no new tax reassessments or other tax issues except as reported.*
- 5. There are no prior year accounting adjustments except as reported.*

## **SCHEDULE D**

### **DIRECTORS' POSITION DESCRIPTION**

Every Director of the Corporation in exercising his powers and discharging his duties shall:

- (a) act honestly and in good faith with a view to the best interests of the Corporation.
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

#### **With respect to Fiduciary Duty or the Duty of Loyalty**

1. The fiduciary duty requires a Director to be honest in dealing with other Directors and with the Corporation. In fact, a Director must disclose all information he or she has to the Board. The collegial structure of the Board and the practical delegation of responsibilities to committees will suffer if Directors deprive their fellow Directors of important information they need to carry out their responsibilities and practice due diligence.
2. The fiduciary duty implies a duty of confidentiality. All information about the Board or the Corporation's activities should be presumed to be confidential unless released to the public.
3. Directors may not profit at the expense of the Corporation. They may not divert opportunities or benefits from the Corporation to themselves or put themselves in a position of conflict by competing with the Corporation for business opportunities.
4. Directors must disclose their material interest in a party or contracts and should disclose these interests to the full Board and not just a committee.

#### **With respect to the Duty of Care**

1. These responsibilities imply that the Directors attend meetings regularly, read the documents and briefing notes prepared for them prior to the meetings and follow-up on important matters.
2. The business judgement rule protects boards and directors from those that might second-guess their decisions. However, Directors must ensure that the process by which they made a decision ensures that there was adequate information available, agendas and background documents in place, rigorous review and questioning is documented and that in-depth review where warranted is referred to the appropriate committee.

#### **Specific Duties of Directors**

1. Overseeing and approving a strategy for the business.

The Directors, individually and collectively, have the responsibility to participate in developing and approving the mission of the business, its objectives and goals, and the strategy by which it proposes to reach those goals. Directors must ensure there is congruence between shareholder expectations, Company plans and management performance.

2. Management of the Board and selection and oversight of senior management.

Directors, individually and collectively, are responsible for managing the Board affairs, including planning its composition, selecting its chair, nominating candidates for election to the Board, appointing committees and determining Director compensation. Directors, individually and collectively, have the responsibility for management succession including the appointment, monitoring and replacement of the Chief Executive

Officer as well as Chief Executive Officer compensation. Directors have the responsibility for approving the appointment and compensation of senior management acting upon the advice of the Chief Executive Officer.

3. Monitoring and Acting.

Directors, individually and collectively, have the responsibility for monitoring the company's performance against goals and revising strategy as appropriate.

4. Approving Policies and Procedures for implementing strategy.

Directors, individually and collectively, have the responsibility for approving all significant policies and procedures and ensuring compliance with all laws and regulations, while adhering to the highest ethical and moral standards.

5. Reporting to shareholders on the performance of the business.

Directors, individually and collectively, have the responsibility for the integrity and timely reporting to shareholders in addition to the approval of all dividends.

6. Approval and completion of routine legal requirements

Directors, individually and collectively, are responsible for ensuring all legal requirements, documents and records have been properly prepared, approved and maintained.

## SCHEDULE E

### COMPENSATION COMMITTEE MANDATE

This Charter has been adopted by the Board in order to more properly define the role of the Committee in the oversight of the compensation strategy and policies for Directors, Officers and employees of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures as necessary.

- (a) The Board shall elect annually from among its members at the first meeting of the Board following the annual meeting of the shareholders, a committee to be known as the Compensation Committee to be composed of two independent directors or such other number not less than two as the Board may from time to time determine. A majority of the Compensation Committee members will constitute a quorum, with a minimum of two.
- (b) Any member of the Compensation Committee may be removed or replaced at any time by the Board. Any member ceasing to be a director shall cease to be a member of the Compensation Committee. Subject to the foregoing, each member of the Compensation Committee shall hold office as such until the next annual appointment of members after his election. Any vacancy occurring in the committee shall be filled at the next meeting of the Board.
- (c) The Board of Directors assumes responsibility for the stewardship of the corporation, and as part of this stewardship, through the Compensation Committee, assumes responsibility for the following:

The responsibilities of the Compensation Committee will include reviewing and making recommendations to the Board with respect to the overall compensation strategy and policies for Directors, Officers and employees of the Company, more specifically these will include:

1. setting the goals and objectives for the compensation of the Chairman and Chief Executive Officer. *Timing: annually and as required.*
  2. evaluating the performance of the Chairman and Chief Executive Officer relative to the goals and objectives set and recommending to the Board the compensation level of the Chairman and Chief Executive Officer based on this evaluation. *Timing: annually and as required.*
  3. reviewing the annual compensation of all other senior executive officers of the Company as recommended by the Chief Executive Officer. The Chief Executive Officer shall attend the Compensation Committee meeting when senior executive salaries are discussed. *Timing: annually and as required.*
  4. reviewing the Company's issuance of Stock Options and Compensation Shares and recommending to the Board a prudent level for these instruments and any disbursements there from. *Timing: as required.*
  5. reviewing employment contracts for senior officers and employees and recommendation thereof and/or changes thereto to the Board. *Timing: on-going.*
  6. reviewing the compensation of the Company's Directors, based on work performed, responsibility assigned and liability incurred as assessed by the Chairman, Chief Executive Officer and the other Directors. *Timing: as required.*
- (d) In addition, the Board may refer to the Compensation Committee such matters and questions relating to compensation as the Board may from time to time see fit.
  - (e) Any member of the Compensation Committee may require experts to attend a meeting of the Compensation Committee.
  - (f) The Compensation Committee shall elect annually a chairman from among its outside director members.



- (g) The times of and the places where meetings of the committee shall be held and the calling of and procedure at such meetings shall be determined from time to time by the Compensation Committee.

## SCHEDULE F

### CORPORATE GOVERNANCE COMMITTEE MANDATE

This Charter has been adopted by the Board in order to more properly define the role of the Committee in the oversight of the strategic planning and corporate governance initiatives of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures as necessary.

- (a) The Board shall elect annually from among its members at the first meeting of the Board following the annual meeting of the shareholders, a committee to be known as the Corporate Governance Committee to be composed of three outside directors or such other number not less than three as the Board may from time to time determine. A majority of the Corporate Governance Committee shall constitute a quorum.
- (b) Any member of the Corporate Governance Committee may be removed or replaced at any time by the Board. Any member of the Corporate Governance Committee ceasing to be a director shall cease to be a member of the committee. Subject to the foregoing, each member of the Corporate Governance Committee shall hold office as such until the next annual appointment of members after his election. Any vacancy occurring in the Corporate Governance Committee shall be filled at the next meeting of the Board.
- (c) The Board of Directors assumes responsibility for the stewardship of the Corporation, and as part of this stewardship, through the committee, assumes responsibility for the following:

With respect to the general management of the Corporation, the Corporate Governance Committee will oversee:

- 1. the strategic planning process and the development of the strategic plan for the Corporation. *Timing: annually.*
- 2. the development of the Code of Conduct and related policies to ensure the organization has a consistent frame of reference for dealing with complex issues relating to compliance with the laws of all jurisdictions within which it operates, confidentiality, integrity and individual responsibility and provide for accountability if employees or members of senior management or the Board fail to meet the Code's standards. *Timing: annual review of policies and as required for compliance issues.*
- 3. the establishment of a succession plan for the Corporation including the appointing, training and assessment of employees, senior management and the Board. *Timing: annually and as required.*
- 4. the development of a communications policy to ensure that public disclosure of the Corporation is timely and complete. *Timing: as required.*
- 5. and support the senior management team and the Board in keeping abreast of changes occurring or proposed to regulatory and market requirements to ensure the Corporation's approach to corporate governance issues, including, among other things, the Corporation's response to the guidelines set out by the TSX Venture Exchange, as appended (and as may be modified from time to time), such that, the Corporation adopts "best in class" corporate governance policies and practices. *Timing: on-going.*

With respect to the Risk Management of the Corporation, the Corporate Governance Committee will conduct:

- 1. a review of the risks inherent in all of the business activities of the Corporation. *Timing: at the first meeting of the committee and thereafter on an on-going basis.*
- 2. an assessment of the integrity and adequacy of the internal control policies and procedures and information systems of the Corporation to ensure the corporation adequately mitigates the risks of its business activities. *Timing: at the first meeting of the committee and thereafter on an on-going basis.*

3. the development of the authorities of senior management and the board regarding the major business activities of the Corporation to ensure a common understanding of these key authorities, including which activities require pre-approval and post approval requirements. Timing: at the first meeting of the committee and thereafter on an on-going basis.
- (d) In addition, the Board may refer to the Corporate Governance Committee such matters and questions relating to the Corporation and its affiliates as the Board may from time to time see fit.
  - (e) Any member of the Corporate Governance Committee may require experts to attend a meeting of the Corporate Governance Committee.
  - (f) The committee shall elect annually a chairman from among its director members.
  - (g) The times of and the places where meetings of the Corporate Governance Committee shall be held and the calling of and procedure at such meetings shall be determined from time to time by the committee.
  - (h) All prior resolutions of the Board relating to the constitution and responsibilities of the Corporate Governance Committee are hereby repealed.

## SCHEDULE G

### SANATANA RESOURCES INC. (the "Company")

#### SHARE OPTION PLAN

Dated for Reference April 5, 2011

### ARTICLE 1 PURPOSE AND INTERPRETATION

#### Purpose

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Exchange Policies (or, if applicable, NEX Policies) and any inconsistencies between this Plan and TSX Venture Policies (or, if applicable, NEX Policies) will be resolved in favour of the latter.

#### Definitions

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Associate** has the meaning set out in the Securities Act;
- (c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);
- (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
  - (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,
  - (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary,

any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

(f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture (or, NEX, as the case may be);

(g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;

(h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:

(i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and

(iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;

(i) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

(j) **Directors** means the directors of the Company as may be elected from time to time;

(k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

(l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;

(m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;

(n) **Effective Date** for an Option means the date of grant thereof by the Board;

(o) **Employee** means:

(i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details

and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;

- (p) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (q) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (r) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (s) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (t) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- (u) **NEX** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- (v) **NEX Issuer** means a company listed on NEX;
- (w) **NEX Policies** means the rules and policies of NEX as amended from time to time;
- (x) **Officer** means a Board appointed officer of the Company;
- (y) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;
- (z) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (aa) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (bb) **Optionee** means the recipient of an Option hereunder;
- (cc) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (dd) **Participant** means a Service Provider that becomes an Optionee;
- (ee) **Person** includes a company, any unincorporated entity, or an individual;
- (ff) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;
- (gg) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (hh) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (ii) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;

(jj) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

(kk) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;

(ll) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;

(mm) **Take Over Bid** means a take over bid as defined in subsection 92(1) of the *Securities Act* (British Columbia) or the analogous provisions of securities legislation applicable to the Company;

(nn) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and

(oo) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

### **Other Words and Phrases**

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, NEX Policies).

### **Gender**

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

## **ARTICLE 2 SHARE OPTION PLAN**

### **Establishment of Share Option Plan**

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

### **Maximum Plan Shares**

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies (and, if applicable, NEX Policies).

### **Eligibility**

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

### **Options Granted Under the Plan**

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

### **Limitations on Issue**

2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
- (b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and
- (c) the aggregate number of Options granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

### **Options Not Exercised**

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

### **Powers of the Board**

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.



### **Amendment of the Plan by the Board of Directors**

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

### **Amendments Requiring Disinterested Shareholder Approval**

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
  - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;
  - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or,
  - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or
- (b) any reduction in the Exercise Price of an Option previously granted to an Insider.

### **Options Granted Under the Company's Previous Share Option Plans**

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

### **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

#### **Exercise Price**

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

#### **Term of Option**

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

#### **Option Amendment**

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

#### **Vesting of Options**

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

#### **Vesting of Options Granted to Consultants Conducting Investor Relations Activities**

3.7 Notwithstanding §3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

#### **Effect of Take Over Bid**

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval

of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies.

### **Extension of Options Expiring During Blackout Period**

3.9 Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding §2.8, the tenth Business Day period referred to in this §3.9 may not be extended by the Board.

### **Optionee Ceasing to be Director, Employee or Service Provider**

3.10 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

### **Non Assignable**

3.11 Subject to §3.10, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

### **Adjustment of the Number of Optioned Shares**

3.12 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.12;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.12, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.12, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

#### **ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES**

##### **Option Commitment**

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

##### **Manner of Exercise**

4.2 An Optionee who wishes to exercise his Option may do so by delivering

(a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and

(b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired.

### **Tax Withholding and Procedures**

4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in 4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

### **Delivery of Optioned Shares and Hold Periods**

4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Exercise Price is set below the then current market price of the Common Shares on the TSX Venture at the time of grant, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month TSX Venture hold period commencing the date of the Option Commitment.

## **ARTICLE 5 GENERAL**

### **Employment and Services**

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

### **No Representation or Warranty**

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

### **Interpretation**

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

### **Continuation of Plan**

5.4 The Plan will become effective from and after April 5, 2011, and will remain effective provided that the Plan, or any amended version thereof receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to April 5, 2011.

**Amendment of the Plan**

The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

**SCHEDULE A**

**SHARE OPTION PLAN**

**OPTION COMMITMENT**

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "Effective Date")  
**SANATANA RESOURCES INC.** (the "Company") has granted to  
\_\_\_\_\_ (the "Optionee"), an Option to acquire \_\_\_\_\_  
Common Shares ("Optioned Shares") up to 5:00 p.m. Vancouver Time on the \_\_\_\_\_ day of  
\_\_\_\_\_, \_\_\_\_\_ (the "Expiry Date") at an Exercise Price of Cdn\$ \_\_\_\_\_ per share.

Optioned Shares are to vest immediately.

**OR**

Optioned Shares will vest [INSERT VESTING SCHEDULE AND TERMS]

The Option shall expire \_\_\_\_\_ days after the Optionee ceases to be employed by or provide services to the Company.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price. A certificate or written notice in the case of uncertificated shares for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a minimum four month non-transferability legend from the date of this Option Commitment, the text of which is as follows. *[Note: A Company may grant stock options without a hold period, provided the exercise price of the options is set at or above the market price of the Company's shares. If a four month hold period is applicable, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.]*

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 12:00 A.M. (MIDNIGHT) ON [insert date 4 months from the date of grant]".

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture (or the NEX, as the case may be) as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture (or the NEX, as the case may be) on the date of this Option Commitment.

**SANATANA RESOURCES INC.**

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Authorized Signatory

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*[insert name of optionee]*

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*Signature of Optionee*



## CORPORATE INFORMATION

<b>Directors</b>	<b>Shareholders' Information</b>
<p><b>Peter Miles</b> <sup>(1)(3)</sup>                      Chief Executive Officer and Director                      Vancouver, British Columbia, Canada</p>	<p><b>Stock Exchange Listing</b>                      TSX Venture Exchange                      Symbol: STA</p>
<p><b>Buddy Doyle</b>                      Vice President Exploration and Non-executive Director                      Vancouver, British Columbia, Canada</p>	<p><b>Executive Offices</b>                      Suite 1910 - 925 West Georgia Street                      Vancouver, British Columbia, V6C 3L2</p> <p>Telephone: (604) 408-6680                      Fax: (604) 608-9500</p>
<p><b>Darcy Will</b> <sup>(1)(2)(3)</sup>                      Non-executive Director                      Red Deer, Alberta, Canada</p>	
<p><b>Timothy Barry</b> <sup>(1)(2)</sup>                      Non-executive Director                      Vancouver, British Columbia, Canada</p>	<p><b>Registrar and Transfer Agent</b>                      Computershare Investor Services Inc.                      Vancouver, British Columbia</p>
	<p><b>Auditors</b>                      BDO Canada LLP Chartered Accountants                      Vancouver, British Columbia</p>
	<p><b>Legal Counsel</b>                      McMillan LLP                      Lawyers – Patent &amp; Trade Mark Agents                      Vancouver, British Columbia</p>
<p><b>Legend:</b>  <sup>(1)</sup> Member of the Audit Committee  <sup>(2)</sup> Member of the Compensation Committee  <sup>(3)</sup> Member of the Corporate Governance Committee</p>	<p><b>Annual General Meeting</b>                      The annual general meeting of shareholders will be held at: 10:00 a.m. on Tuesday, January 22, 2019 at:                      Suite 1910, 925 West Georgia Street,                      Vancouver, British Columbia, V6C 3L2</p>