

CANTEX MINE DEVELOPMENT CORP.
203-1634 Harvey Avenue
Kelowna, BC V1Y 6G2
Telephone No.: (250) 860-8582 / Fax No.: (250) 860-1362

MANAGEMENT PROXY CIRCULAR
as at December 31, 2019 *(except as otherwise indicated)*

This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of Cantex Mine Development Corp. (the “Corporation”) for use at the annual meeting (the “Meeting”) of its shareholders to be held on January 30, 2020 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Management Proxy Circular, references to “the Corporation”, “we” and “our” refer to Cantex Mine Development Corp. “Common Shares” means common shares without par value in the capital of the Corporation. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

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

Voting by Proxyholder

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

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by one of the following methods:

- (a) by fax – complete, date and sign the enclosed form of Proxy and return it to the Corporation’s transfer agent, AST Trust Company (Canada) (“AST ”), at 1-866-781-3111 (Canada or US) or 1-416-368 – 2502 (outside North America);
- (b) by e-mail – complete, date and sign the enclosed form of Proxy and return it to AST at proxyvote@astfinancial.com;
- (c) by mail – complete, date and sign the enclosed form of Proxy and mail it to AST at , P.O. Box 721, Agincourt, ON, M1S 0A1;
- (d) by telephone – use a touch-tone phone to transmit voting choices to 1-888-489-5760 and follow the instructions of the voice response system. You will need to refer to the 13 digit control number located on the accompanying form of Proxy;
- (e) via the internet – go to www.ASTvotemyproxy.com and follow the instructions. You will need to refer to your 13 digit control number located on the accompanying form of Proxy.

Registered shareholders must ensure the Proxy is received by AST at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or any adjournment thereof.

Voting in Person

Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the Scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the Scrutineer before the Meeting and inform them that your previously submitted proxy is revoked and that you personally will vote your Common Shares at the Meeting.

Beneficial Shareholders

The information in this section 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 Corporation 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 Corporation. Such Common Shares will more likely be registered under the names of the shareholder’s broker or an agent of that broker (an “intermediary”). In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States of America (the “United States” or the “U.S.”), under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

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

If you are a Beneficial Shareholder:

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy that will be supplied by your broker will be similar to the Proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”) in Canada and in the United States. Broadridge mails a voting instruction form (a “VIF”) in lieu of the Proxy provided by the Corporation. The VIF will name the same persons as the Corporation’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 Corporation) other than 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 your desired representative (which may be you), 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 voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, you cannot use it to vote Common Shares directly at the Meeting - the VIF must be 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 and vote your Common Shares at the Meeting.**

If you wish to vote your Common Shares in person at the Meeting, please complete the enclosed VIF and insert your own name as the Appointee on the VIF. Be sure to send your completed and signed VIF to Broadridge well before Broadridge’s deadline. When you attend the Meeting, be sure to confirm with the Scrutineer before the start of the Meeting that you are appointed to vote your own Common Shares and that you will be voting those Common Shares in person at the Meeting.

Notice to Shareholders in the United States

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of Alberta, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the *United States Securities Exchange Act of 1934*, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Business Corporations Act* (Alberta) (the “BCA”), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to AST Trust Company, or to the Corporation’s office at 203-1634 Harvey Avenue, Kelowna, British Columbia,

VIY 6G2, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or

- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors of the Corporation (the "Board") has fixed December 24, 2019 as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting, except to the extent that:

- (a) the shareholder has transferred the ownership of any such share after the record date, and
- (b) the transferee produces a properly endorsed share certificate for or otherwise establishes ownership of any of the transferred Common Shares and makes a demand to AST Trust Company no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. The Preferred Shares are issuable in series. As of December 24, 2019, the Corporation had outstanding 48,014,086 fully-paid and non-assessable Common Shares without par value, each carrying the right to one vote. As of December 24, 2019, there were no Preferred Shares issued and outstanding. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares or the Preferred Shares.

To the knowledge of the directors and executive officers of the Corporation, only the following person beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as at December 24, 2019:

Shareholder Name⁽¹⁾	Number of Common Shares Held	Percentage of Issued Common Shares
Charles Fipke	19,578,468 ⁽²⁾	40.78%

Notes:

- (1) The above information was obtained from SEDI.
- (2) 473,188 Common Shares are held directly by Mr. Fipke, 15,575,637 of these Common Shares are held in the name of 0974052 B.C. Ltd., a company controlled by Mr. Fipke, 77,040 of these Common Shares are held in the name of CF Minerals Research Ltd., a company controlled by Mr. Fipke, 1,749,270 of these Common Shares are held in the name of

Kel-ex Development Ltd., a company controlled by Mr. Fipke, 1,700,000 of these Common Shares are held in the name of Charles E. Fipke Alter Ego Trust, a company controlled by Mr. Fipke, and 13,333 of these Common Shares are held in the Charles E. Fipke Foundation.

FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the fiscal year ended July 31, 2019, the report of the auditor thereon and the related management discussion and analysis will be placed before the Meeting. Additional information may be obtained upon request from the Secretary of the Corporation at 203 - 1634 Harvey Avenue, Kelowna, BC V1Y 6G2, telephone no. (250) 860-8582 or fax no.: (250) 860-1362. These documents and additional information are also available via the internet on www.sedar.com or by visiting www.cantex.ca.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Corporation'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 the 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.

ELECTION OF DIRECTORS

The Corporation's Articles of Incorporation provide that the number of directors of the Corporation will be a minimum of one and a maximum of nine. The directors have determined that in the Corporation's current state of operations, and going forward, the number of directors required to effectively administer the Corporation and perform the necessary executive functions is five. Therefore, at the Meeting, Shareholders will be asked to approve an ordinary resolution to set the number of directors to be elected to the Board at five (5) directors.

The term of office of each of the Corporation's four current directors will end at the conclusion of the Meeting. Unless a director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (Alberta), each director elected at the Meeting will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's five nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at December 24, 2019.

Nominee Position with the Corporation and Residence	Occupation, Business or Employment⁽¹⁾	Period as a Director of the Corporation	Common Shares Beneficially Owned or Controlled⁽¹⁾
Charles Fipke Director, Chairman of the Board British Columbia, Canada	Geologist	Since March 27, 1998	19,538,468 ⁽²⁾

Nominee Position with the Corporation and Residence	Occupation, Business or Employment⁽¹⁾	Period as a Director of the Corporation	Common Shares Beneficially Owned or Controlled⁽¹⁾
Chad Ulansky President, Chief Executive Officer (“CEO”) and Director British Columbia, Canada	President and CEO of the Corporation; President and Chief Executive Officer of Metalex Ventures Ltd.; President and Chief Executive Officer of Northern Uranium Corp.; Geologist	Since May 8, 2003	17,444 ⁽³⁾
Kathrine MacDonald Director British Columbia, Canada	Businesswoman	Since March 27, 1998	35,835 ⁽⁴⁾
Vernon Frolick Director British Columbia, Canada	Attorney, Businessman	Since May 8, 2003	60,740 ⁽⁵⁾
Thomas J. Obradovich Director Nominee Ontario, Canada	Sable Resources Ltd., Chairman, President and Chief Executive Officer and director (since, January 2017); Talisker Resources Ltd., Chairman (since April, 2019); Canadian Continental Exploration Corp., President and Chief Executive Officer (since January 2008); Advisor and lead director, Aurelian Resources (from May 2003 until October 2008); Barkerville Gold Mines Ltd., Director (January 2015 to November 2019) and former Chief Executive Officer (January 2015 to June 2016); ; Dalradian Resources, Inc., Lead independent Director (May 2011 to July 2018); President/CEO Young Davidson Mines Ltd., Director (January 2001 to August 2005).	N/A	10,000

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) 473,188 Common Shares are held directly by Mr. Fipke, 15,575,637 of these Common Shares are held in the name of 0974052 B.C. Ltd., a company controlled by Mr. Fipke, 77,040 of these Common Shares are held in the name of CF Minerals Research Ltd., a company controlled by Mr. Fipke, 1,749,270 of these Common Shares are held in the name of Kel-ex Development Ltd., a company controlled by Mr. Fipke, 1,700,000 of these Common Shares are held in the name of Charles E. Fipke Alter Ego Trust, and 13,333 of these Common Shares are held in the Charles E. Fipke Foundation. Mr. Fipke also holds options to purchase up to 270,000 Common Shares, warrants to purchase up to 2,250,500 Common Shares held in the name of 0974052

B.C. Ltd., a company controlled by Mr. Fipke, and warrants to purchase up to 850,000 Common Shares held in the name of Charles E. Fipke Alter Ego Trust. See *Statement of Executive Compensation* below.

- (3) Mr. Ulansky holds options to purchase up to 995,000 Common Shares. See *Statement of Executive Compensation* below.
- (4) Ms. MacDonald holds options to purchase up to 264,000 Common Shares. See *Statement of Executive Compensation* below.
- (5) Mr. Frolick holds options to purchase up to 182,000 Common Shares and warrants to purchase up to 5,500 Common Shares. See *Statement of Executive Compensation* below.

None of the proposed nominees for election as a director of the Corporation are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and officers of the Corporation acting solely in such capacity.

Penalties, Sanctions and Cease Trade Orders

Within the last 10 years before the date of this management proxy circular no proposed nominee for election as a director of the Corporation was a director or executive officer of any company (including the Corporation in respect of which this management proxy circular is prepared) acted in that capacity for a company that was:

- a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Professional Accountants, 1200 – 609 Granville Street, Vancouver, British Columbia V7Y 1G6, will be nominated at the Meeting for appointment as auditor of the Corporation, at a remuneration to be fixed by the directors. Davidson & Company LLP, Chartered Professional Accountants were first appointed as auditor of the Corporation by the shareholders on January 22, 2016.

Unless otherwise directed, the persons named in the accompanying form of proxy intend to vote FOR the appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Corporation until the close of the next annual meeting of shareholders.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 – *Audit Committees* (“NI52-110”) of the Canadian Securities Administrators requires the Corporation, as a venture issuer, to disclose annually in its management proxy circular certain

information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

The Audit Committee's Charter

The audit committee has a charter. A copy of the audit committee charter is attached to the management proxy circular for the 2006 annual and special meeting and was filed on www.Sedar.com on December 23, 2005.

Composition of the Audit Committee

The current members of the audit committee are Vernon Frolick (Chairman), Chad Ulansky and Kathrine MacDonald. Vernon Frolick and Kathrine MacDonald are independent members of the audit committee as contemplated by NI52-110. Mr. Ulansky is not an independent member of the audit committee as he is an officer of the Corporation. All audit committee members are considered to be financially literate.

Relevant Education and Experience

Chad Ulansky, President, CEO and Director

Chad Ulansky holds a BSc. in Geology from the University of Capetown and commenced his career over 25 years ago working for Dia Met Minerals Ltd. on the project which yielded the Ekati diamond mine. Since then, he has led exploration programs in over 15 countries on four continents and is currently President, Chief Executive Officer and a director of Metalex Ventures Ltd. (TSXV) and Northern Uranium Corp. (NEX); he is also a director of Dunnedin Ventures Inc. (TSXV) and Solstice Gold Corp. (TSXV).

Kathrine MacDonald, Director

Kathrine MacDonald is a graduate of the University of British Columbia and has over 25 years' experience in the finance industry including investment banking and management, finance, and corporate relations for public mining companies.

Vernon Frolick, Director

Vernon Frolick is a graduate of the University of Windsor School of Law, Windsor, Ontario and was called to the Ontario Bar in 1976 and to the BC Bar in 1982. Mr. Frolick is also a director of Northern Uranium Corp., a NEX listed company.

Each member of the audit committee has adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with:

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- 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 individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than Davidson & Company LLP.

Reliance on Certain Exemptions

The Corporation's auditor has not provided any material non-audit services.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by the auditor of the Corporation, Davidson & Company, LLP during the financial years ended July 31, 2019 and July 31, 2018. Fees incurred with Davidson & Company, LLP for audit and non-audit services in the two most recent fiscal years, are outlined in the following table:

Nature of Services	Fees Paid to Davidson & Company, LLP in Year Ended July 31, 2019.	Fees Paid to Davidson & Company, LLP in Year Ended July 31, 2018.
Audit Fees ⁽¹⁾	\$19,380	\$20,400
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	\$7,000	\$6,500
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$26,380	\$26,900

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Corporation is a "venture issuer" as defined in NI 52-110 and relies on the exemptions in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment or which is deemed to be a material relationship under NI 52-110.

The independent directors of the Corporation are Vernon Frolick and Kathrine MacDonald. The non-independent directors are Charles Fipke and Chad Ulansky. Mr. Fipke is a controlling shareholder who holds approximately 40.78% of the Common Shares of the Corporation. Mr. Ulansky is President and CEO of the Corporation.

Directorships

The following directors currently serve on boards of other reporting companies (or equivalent) as set out below:

Name of Director	Name of Reporting Issuer	Exchange Listed
Charles Fipke	Metalex Ventures Ltd.	TSXV
Chad Ulansky	Metalex Ventures Ltd. Northern Uranium Corp. Dunedin Ventures Inc. Solstice Gold Corp.	TSXV NEX TSXV TSXV
Vernon Frolick	Northern Uranium Corp.	NEX
Thomas J. Obradovich	Sable Resources Ltd. Talisker Resources Ltd.	TSXV CSE

Orientation and Continuing Education

When new directors are appointed, they receive orientation commensurate with their previous experience on the Corporation's properties and on the responsibilities of directors.

Board meetings may also include presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

Compensation

The directors of the Corporation are not paid an annual director's fee nor are they paid a fee to attend Board meetings. Directors are compensated only for time spent directly on the Corporation's business. The rate of compensation is determined by all Board members excluding those with a conflict of interest.

Other Board Committees

The Board has no committees other than the audit committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its audit committee.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officer

In this section, “Named Executive Officer” (“NEO”) means each of the following individuals:

- a) a Chief Executive Officer (“CEO”);
- b) a Chief Financial Officer (“CFO”);
- c) the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the Corporation’s most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the July 31, 2019 financial year-end.

Chad Ulansky, CEO, Jennifer Irons, CFO, and Keiven Bauer, COO are each an “NEO” of the Corporation for purposes of the following disclosure.

Compensation Discussion and Analysis

Element 29 Ventures Ltd. (“Element 29”), a company wholly owned by Chad Ulansky, CEO of the Corporation, provides the Corporation with the services of the Chief Executive Officer and invoices the Corporation accordingly. Kel-Ex Developments Ltd. (“Kel-Ex”), a company wholly owned by Dr. Charles Fipke, Chairman of the Corporation, provides the Corporation with the services of the Chief Financial Officer and Chief Operating Officer and invoices the Corporation accordingly. Element 29 and Kel-Ex provide these services to other public companies operating out of a shared space and operated by the same management team. This sharing of costs allows the Corporation access to high quality executives on an as-needed basis, and is more efficient and economical than trying to hire executives on a full-time basis.

The Board has not appointed a compensation committee so the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Corporation’s base compensation structure and equity-based compensation programs, recommending compensation of the Corporation’s officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board has not considered the implications of the risks associated with the Corporation’s compensation program.

Philosophy and Objectives

To determine executive compensation, the Corporation relies solely on Board discussion without any formal objectives, criteria and analysis.

Equity Participation

The Corporation 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 Corporation’s share option plan. Share 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 Board.

The Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

Option-Based Awards

The Corporation has established a share option plan dated for reference December 19, 2008, which was initially approved by the shareholders on January 29, 2009, and the shareholders approved amendments to the share option plan on January 27, 2012 (the "Plan"). The grant of options under the Plan provides incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. Management proposes option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. The Board administers the Plan and all grants require Board approval. The Plan also provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation.

Material Terms of the Plan

The following is a brief description of the Corporation's Share Option Plan:

- (a) Persons who are Service Providers to the Corporation or its affiliates, or who are providing services to the Corporation or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Options granted under the Plan are non-assignable, and non-transferable for a period of up to 10 years;
- (c) For options granted to Service Providers, the Corporation must ensure that the proposed Optionee is a bona fide Service Provider of the Corporation or its affiliates;
- (d) An option granted to any Service Provider will expire within one year (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 Corporation, but 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 Corporation;
- (e) If an Optionee dies, any vested option held by him or her 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;
- (f) 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;
- (g) The exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) Vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Corporation or 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 Corporation or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Corporation or its affiliates during the vesting period; and
- (i) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

For the purposes of this disclosure, the definitions of “Exchange Hold Period”, “Market Price” and “Discounted Market Price” are set out in TSX Venture Exchange (“TSXV”) Policy 1.1 *Interpretation*.

A “disinterested shareholder” means a shareholder that is not an Insider and any associates of such Insider.

An “Insider” is a director or senior officer of the issuer, a director or senior officer of a company that is an insider or a subsidiary of the issuer, or a person that beneficially owns or controls, directly or indirectly, voting Common Shares carrying more than 10% of the voting rights attached to all outstanding voting Common Shares of the issuer or the issuer itself if it holds any of its own securities.

On December 16, 2019, the Board made some “housekeeping” amendments of an administrative nature to the Plan. Please refer to “*Particulars of Matters to be Acted upon – Ratification and Approval of 5% “Rolling” Share Option Plan, as Amended*” below.

No Hedging Restrictions

The Corporation has not adopted a policy restricting its NEOs or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Corporation, none of the NEOs or directors has purchased any such financial instruments.

Summary Compensation Table

The compensation paid to the NEOs during the Corporation’s three most recently completed financial years of July 31, 2019, 2018 and 2017 is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and principal position	Year	Salary ⁽¹⁾ (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Chad Ulansky CEO ⁽³⁾	2019	1,130 ⁽⁴⁾	Nil	2,424,726	Nil	Nil	Nil	362,861 ⁽⁶⁾	2,788,717
	2018	5,085 ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	129,371 ⁽⁶⁾	134,456
	2017	2,543 ⁽⁴⁾	Nil	35,090	Nil	Nil	Nil	127,881 ⁽⁶⁾	165,514
Jennifer Irons CFO ⁽⁵⁾	2019	47,137 ⁽⁷⁾	Nil	307,157	Nil	Nil	Nil	Nil	354,294
	2018	37,836 ⁽⁷⁾	Nil	Nil	Nil	Nil	Nil	Nil	37,836
	2017	18,849 ⁽⁷⁾	Nil	16,596	Nil	Nil	Nil	Nil	35,445
Keiven Bauer COO ⁽⁸⁾	2019	3,036 ⁽⁷⁾	Nil	307,157	Nil	Nil	Nil	Nil	310,193
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Represents amounts billed to the Corporation by Element 29 for the services to the Corporation of the Chief Executive Officer and amounts billed by Kel-Ex Developments Ltd. for the services to the Corporation of the Chief Financial Officer and Chief Operating Officer. See “*Management Contracts*” for further information.
- (2) Represents the fair value of compensatory options granted as estimated on the date of grant using the Black-Scholes option pricing model with the assumptions disclosed in the July 31, 2019 year-end financial statements.
- (3) Chad Ulansky is also a director of the Corporation.
- (4) Represents amounts billed to the Corporation by Element 29 for services of the CEO.
- (5) Jennifer Irons was appointed CFO on October 25, 2013.
- (6) Represents amounts billed to the Corporation by Element 29 for geological consulting services.
- (7) Represents amounts billed to the Corporation by Kel-Ex.
- (8) Keiven Bauer was appointed COO of the Corporation on January 29, 2009 and retired from the Corporation on September 17, 2019.

Incentive Plan Awards

The following table sets out all option-based awards and share-based awards outstanding as at July 31, 2019, for each NEO.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of Common Shares or units of Common Shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Chad Ulansky	110,000	0.70	Mar 31/23	482,900	Nil	Nil
	135,000	1.00	Dec 28/24	552,150	Nil	Nil
	750,000	3.60	Jun 4/25	1,117,500	Nil	Nil
Jennifer Irons	85,000	3.60	Jun 4/25	126,650	Nil	Nil
Keiven Bauer	85,000	3.60	Jun 4/25	126,650	Nil	Nil

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Corporation’s Common Shares on July 31, 2019 over the exercise price of the options. As at July 31, 2019, the Common Shares were trading at \$5.09 per Common Share.

Incentive Plan Awards – Value Vested or Earned During the Year

There was no value vested or earned under incentive plans during the Corporation’s fiscal year ended July 31, 2019 by any NEO.

See “*Securities Authorized under Equity Compensation Plans*” for further information on the Corporation’s share option plan.

Termination and Change of Control Benefits

There are no compensatory plan(s) or arrangement(s), with respect to any NEO resulting from the resignation, retirement or any other termination of the officer’s employment or from a change of any NEO’s responsibilities following a change in control.

Director Compensation

Other than as set out herein, no compensation was provided to the directors, excluding a director who is included in the disclosure as an NEO, for the Corporation’s most recently completed financial year ended July 31, 2019.

The following table sets out all option-based awards and share-based awards outstanding as at July 31, 2019, for each director, excluding a director who is already set out in disclosure for an NEO for the Corporation:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Common Shares or units of Common Shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Charles Fipke	135,000	0.70	Mar 31/23	592,650	Nil	Nil
	135,000	1.00	Dec 28/24	552,150	Nil	Nil

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Common Shares or units of Common Shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Vernon Frolick	82,000	0.70	Mar 31/23	359,980	Nil	Nil
	82,000	1.00	Dec 28/24	335,380	Nil	Nil
	100,000	3.60	Jun 4/25	149,000	Nil	Nil
Kathrine MacDonald	82,000	0.70	Mar 31/23	359,980	Nil	Nil
	82,000	1.00	Dec 28/24	335,380	Nil	Nil
	100,000	3.60	Jun 4/25	149,000	Nil	Nil

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Corporation’s Common Shares on July 31, 2019 over the exercise price of the options. As at July 31, 2019, the Common Shares were trading at \$5.09 per Common Share.

Incentive Plan Awards – Value Vested or Earned During the Year

There was no value vested or earned under incentive plans during the Corporation’s fiscal year ended July 31, 2019 by any director who was not indicated as being an NEO.

See “*Securities Authorized under Equity Compensation Plans*” for further information on the Corporation’s share option plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has a share option plan in place dated for reference December 19, 2008, which was approved by shareholders on January 29, 2009 and was amended by shareholder approval on January 27, 2012 (the “Plan”). The Board has further amended the Plan effective as of December 16, 2019 and such amendments to the Plan are detailed below. The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Plan is administered by the Board and provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants and other key personnel of the Corporation or a subsidiary of the Corporation. Under the Plan a maximum of 5% of the issued and outstanding Common Shares of the Corporation, at any time, are reserved for issuance on the exercise of stock options. The options have no vesting period, except as determined by the Board. All options expire on a date not later than 10 years after the issuance of such option.

The following table sets out equity compensation plan information as at the July 31, 2019 financial year-end.

Equity Compensation Plan Information

Plan	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans.
Equity compensation plans approved by securityholders - the Plan	1,963,000	\$2.42	437,704
Equity Compensation plans not approved by securityholders.	Nil	Nil	Nil
Total	1,963,000	\$2.42	437,704

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the end most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who, generally speaking, is a director or executive officer or a 10% shareholder of the Corporation. To the knowledge of management of the Corporation, no informed person or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the year ended July 31, 2019, or has any interest in any material transaction in the current year other than as set out herein and in a document previously disclosed to the public.

During the fiscal year ended July 31, 2019 the Corporation closed a private placement for a total of \$15,000,000 from the sale of 3,500,000 Common Shares and 11,500,000 units; 5,750,000 warrants were issued as part of the private placement. Each whole warrant is exercisable at \$1.50 for a period of three years; the warrants carry an acceleration option, whereby at any time following four months from closing where the stock close at or above \$2.50 for 20 consecutive trading days, management has the option to call the warrants. Charles Fipke, a director of the Corporation, purchased 1,700,000 units through the Charles E Fipke Alter Ego Trust and 4,500,000 units through 0974052 BC Ltd., a wholly owned company.

See also heading "*Management Contracts*".

MANAGEMENT CONTRACTS

Kel-ex Development Ltd. ("Kel-ex"), a company wholly owned by Charles Fipke, a director of the Corporation, shares certain employees and management with the Corporation and has charged office and administrative costs of \$72,062 (2018: \$54,276), geological consulting fees of \$76,466 (2018: \$12,975) and \$789,116 (2018: \$69,159) for shared field expenditures during fiscal 2019. The Corporation also charged Kelex \$1,270 in shared office and administrative costs (2018: \$Nil).

CF Mineral Research Ltd. ("CF Minerals"), a company also wholly owned by Charles Fipke, charged \$154,102 (2018: \$104,427) for laboratory and mineralogical analysis costs and shared field expenditures during fiscal 2019.

Chad Ulansky, President and Chief Executive Officer of the Corporation, also invoiced the Corporation for services rendered on a time-spent basis for geological consulting services. During the fiscal year ended July 31, 2019, the sum of \$362,861 (2018: \$78,888) was paid for Mr. Ulansky's geological consulting services to Element 29 Ventures, a company controlled by Chad Ulansky; Element 29 also charged \$674,783 (2018: \$50,483) in field expenditures during fiscal 2019. The Corporation also charged Element 29 \$Nil (2018: \$3,530) in shared field expenditures.

Metalex Ventures Ltd. ("Metalex") is a company for which both Messrs. Fipke and Ulansky are directors, and for which Mr. Ulansky is an officer. Keiven Bauer, the Chief Operating Officer (the "COO") of the Corporation and Jennifer Irons, the Chief Financial Officer (the "CFO") are also the COO and CFO of Metalex, respectively. Metalex shares administrative and field expenditure charges with the Corporation. Accordingly in the financial year ended July 31, 2019 Metalex charged the Corporation \$9,610 (2018: \$4,868) for office and administrative costs and \$34,145 (2018: \$17,912) for shared field expenditure charges.

Northern Uranium Corp. ("Northern") is a company for which Charles Fipke is a controlling shareholder. Chad Ulansky and Jennifer Irons are directors and officers, and Keiven Bauer, the COO of the Corporation, is an officer. Northern shares administrative and field expenditure charges with the Corporation.

Accordingly in the financial year ended July 31, 2019, the Corporation charged Northern \$Nil (2018: \$766) for shared field expenditure charges.

Except as set out herein, there are no management functions of the Corporation which are to any substantial degree performed by a person or company other than the directors or senior officers of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Ratification and Approval of 5% “Rolling” Share Option Plan, as Amended

Effective December 16, 2019 the Board amended the Corporation’s Plan to make it fully compliant with current TSXV Policies, in accordance with the TSXV policy on “housekeeping” amendments of an administrative nature, as follows:

Amended Definitions as follows:

“**Outstanding Shares**” means at the relevant time, the number of issued and outstanding ~~shares~~ Common Shares of the Company from time to time;

“**Take Over Bid**” means a take over bid as defined in Multilateral-National Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company.

Amended section “Amendments Requiring Disinterested Shareholder Approval” as follows:

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.

Amended section “Acceleration of Vesting on Change of Control” as follows:

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, ~~subject to approval of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies excluding Options granted to a Person engaged in Investor Relations Activities.~~

Amended section “Delivery of Optioned Shares and Hold Periods” as follows:

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~~ An Exchange Hold Period will be applied from the date of grant for all Options granted to:

- (a) Insiders of the Company; or
- (b) where Options are granted to any Service Provider, including Insiders, where the Exercise Price is below the current market price of the Common Shares on the TSX Venture at the time of grant, or if otherwise required pursuant at a discount to the Market Price.

4.5 Pursuant to TSX Venture Policies, where the Exchange Hold Period is applicable, the certificate representing the Optioned Shares or written notice in the case of uncertificated Common Shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

The Board is of the view that the Plan, as amended on December 16, 2019, provides the Corporation with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. The amendments to the Plan do not require shareholder approval as these amendments are of an administrative nature that do not affect the rights of the Corporation’s securityholders.

See “*Statement of Executive Compensation – Option-Based Awards*” above for more information concerning the Plan, as it was amended January 27, 2012 including its material terms.

Resolution for Shareholder Approval of the Amended Plan

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution to approve the Plan, as amended by the Board on December 16, 2019.

“RESOLVED that the Corporation’s 5% “rolling” share option plan, dated for reference December 19, 2008, as amended January 27, 2012 and December 16, 2019, be and is hereby ratified and approved until the next annual general meeting of the Corporation”.

An “*ordinary resolution*” is a resolution passed by the shareholders of the Corporation at a general meeting by a simple majority of the votes cast on the resolution, in person or by proxy.

A copy of the Plan, as amended, will be available for review by any shareholder at the Meeting. A shareholder may also obtain a copy of the Plan, as amended December 16, 2019, by contacting the Corporation at Tel: 250-860-8582 or Fax: 250-860-1362.

The Board recommends that shareholders vote in favour of the resolution to ratify and approve the Plan, as amended December 16, 2019, for continuation.

B. Alternative Resolution to Ratify and Approve Current Plan

If the ordinary resolution to ratify and approve the Plan in the form amended by the Board on December 16, 2019 is defeated by shareholders at the Meeting, the Corporation will then ask shareholders to ratify and approve its the form of the Plan, as amended January 27, 2012 for continuation. The form of the Plan, as amended January 27, 2012 (described in more detail under “*Statement of Executive Compensation – Share*

Option Plan”) was approved by shareholders of the Corporation on January 27, 2012 and each following year, and was last approved for continuation on January 25, 2019.

Alternative Shareholder Approval

Subject to defeat of the above ordinary resolution to ratify and approve the Plan, as amended December 16, 2019, in the alternative, the Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution:

“RESOLVED that the Corporation’s 5% “rolling” share option plan, dated for reference December 19, 2008, as amended January 27, 2012, be and is hereby ratified and approved until the next annual general meeting of the Corporation”.

A copy of the Plan, as amended January 27, 2012 will be available for review by any shareholder at the Meeting. A shareholder may also obtain a copy of the Plan as amended January 27, 2012 by contacting the Corporation at Tel: 250-860-8582 or Fax: 250-860-1362.

If the ordinary resolution to ratify and approve the Plan, as amended December 16, 2019 is passed, this alternative resolution will not be presented to the shareholders.

The Board recommends that shareholders vote in favour of the resolution to ratify and approve the Plan, as amended January 27, 2012, for continuation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is included in the audited financial statements for the year ended July 31, 2019, the auditor’s report and related management discussion and analysis, a copy of which is filed on www.Sedar.com. Copies of the Corporation’s most current interim financial statements and the accompanying management discussion and analysis may be obtained from www.Sedar.com. A copy of the financial statements material is also available on www.cantex.ca or upon request from the Corporation’s Secretary at the office of the Corporation, telephone number: (250) 860-8582, fax number: (250) 860-1362.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this management proxy circular.

SHAREHOLDER PROPOSALS

Pursuant to Alberta law, shareholder proposals to be considered for inclusion in the management proxy circular for the 2020 annual meeting of the Corporation (expected to be held in January 2021) must be received by the Secretary of the Corporation on or before the close of business on September 30, 2020.

DIRECTORS’ APPROVAL

The contents of this management proxy circular and its distribution to shareholders have been approved by the Board of Directors of the Corporation.

DATED at Kelowna, British Columbia, January 2, 2020.

THE BOARD OF DIRECTORS

“Chad Ulansky”

Chad Ulansky
President and Chief Executive Officer