



H-SOURCE HOLDINGS LTD.
Suite 1980 – 1075 West Georgia Street
Vancouver, BC V6E 3C9
Telephone: 604-688-9588 Facsimile: 778-329-9361
<http://h-source.com>

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

The annual general and special meeting (the “**Meeting**”) of Shareholders of H-Source Holdings Ltd. (the “**Company**”) will be held at Suite 1980 – 1075 West Georgia Street, Vancouver, British Columbia, on Friday, September 30, 2016 at 9:00 a.m. (Pacific Standard Time), for the following purposes:

1. To receive the consolidated financial statements for the fiscal period of the Company from incorporation on November 11, 2014 to December 31, 2014 and for the Company’s financial year from January 1, 2015 and ended December 31, 2015, together with the report of the auditor of the Company thereon and the related management discussion and analysis;
2. To set the number of directors of the Board of the Company at six (6);
3. To elect directors of the Company for the ensuing year;
4. To appoint an auditor of the Company for the ensuing year;
5. To ratify and approve adoption of the Company’s 10% rolling Stock Option Plan, by the Board of Directors on August 31, 2015, as amended on August 25, 2016 as required by the TSX Venture Exchange; and to approve continuation of the Stock Option Plan, as amended, until the next annual general meeting of the Company;
6. To consider and, if deemed advisable, to approve an ordinary resolution to adopt the Restricted Share Unit Plan (the “**RSU Plan**”) as a treasury-based plan, the purpose of such RSU Plan being to reserve common shares of the Company from treasury under the RSU Plan; and to ratify any and all prior issuances of Restricted Share Units under the RSU Plan; and
7. To consider any permitted amendment to or variation of any matter identified in this Notice and to transact such other business as may properly come before the Meeting or any adjournment thereof. Management is not currently aware of any other matters that could come before the Meeting.

An Information Circular accompanies this Notice together with a form of proxy, voting instruction form and a supplemental mailing return card. The Information Circular contains details of matters to be considered at the Meeting.

Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy or complete another suitable form of proxy and deliver it by fax, by hand or by mail in accordance with the instructions set out in the form of proxy and in the Information Circular.

An unregistered shareholder who plans to attend the Meeting must follow the instructions set out in the form of proxy and in the Management Information Circular to ensure that their shares are voted at the Meeting. If you hold your shares in a brokerage account you are not a registered shareholder.

DATED at Vancouver, British Columbia, this 30th day of August, 2016.

BY ORDER OF THE BOARD

“John Kupice”

John Kupice
Chief Executive Officer



H-SOURCE HOLDINGS LTD.
1075 West Georgia Street, Suite 1980
Vancouver, BC, V6C 3E9
Telephone: 604 688 9588
Fax: 778 329 9361

INFORMATION CIRCULAR

This information is given as of August 17, 2016, unless otherwise stated.

This information circular is furnished in connection with the solicitation of proxies by the management of H-Source Holdings Ltd. (the “**Company**”) for use at the annual general and special meeting (the “**Meeting**”) of the holders of Class A Common Shares (“**common shares**”) of the Company, to be held at the time and place and for the purposes set forth in the accompanying notice of meeting and at any adjournment thereof.

PERSONS OR COMPANIES MAKING THE SOLICITATION

The enclosed instrument of proxy is solicited by management of the Company. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining from their principals authorization to execute forms of proxy. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by management as set forth in this information circular.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the Proxy (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 the 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 management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. A registered shareholder may submit a proxy using one of the following methods:

- (a) complete, date and sign the Proxy and return it to the Company’s transfer agent, Computershare Trust Company of Canada (“**Computershare**”), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or

- (b) use a touch-tone phone to transmit voting choices to the toll free number given in the proxy. Registered shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) log on to Computershare's website at, www.investorvote.com. Registered shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the holder's account number and the proxy access number.

In either case you must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company's board of directors ("**Board**") at its discretion without notice.

The instrument of proxy must be dated and signed by the registered shareholder or by his attorney in writing, or, if the shareholder is a corporation, it must either be signed under its common seal or signed by a duly authorized officer.

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

Only registered shareholders have the right to revoke a proxy. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

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

In the absence of any direction in the instrument of proxy, it is intended that such common shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this information circular. The instrument of proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting. The enclosed instrument of proxy does not confer authority to vote for the election of any person as a director of the Company other than for those persons named in this information circular. At the time of printing of this information circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

NON-REGISTERED HOLDERS

The record date for determination of the holders of common shares entitled to receive notice of, and to vote at, the Meeting is August 17, 2016 (the "**Record Date**"). Only shareholders whose names have been entered in the register of common shareholders at the close of business on the Record Date ("**Registered Shareholders**") will be entitled to receive notice of, and to vote at, the Meeting.

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the common shares

they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the common shares. More particularly, a person is not a Registered Shareholder in respect of common shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the common shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency of which the Intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks).

There are two kinds of Non-Registered Holders (also known as “Beneficial Owners”): Objecting Beneficial Owners (“**OBOs**”) object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners (“**NOBOs**”) who do not object to the issuers of the securities they own knowing who they are. The Company is taking advantage of the provisions of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) that permit the Company to deliver Meeting Materials directly to its NOBOs and indirectly through Intermediaries to the OBO’s. 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 Common Shares represented by the VIFs they receive.

These Meeting Materials are being sent to both registered and non-registered (beneficial) holders of securities of the Company. If you are a Non-Registered Holder, 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 Meeting 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.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them. The Company does not intend to pay for an Intermediary to deliver Meeting Materials to OBOs. Accordingly, OBOs will not receive the Meeting Materials unless their Intermediary assumes the cost of delivery. Non-Registered Holders who are OBOs should follow the instructions of their intermediary carefully to ensure that their common shares are voted at the Meeting.

Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a VIF **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions, which the Intermediary must follow. Typically, the VIF will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the VIF will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Holder must remove the

label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of common shares beneficially owned by the Non-Registered Holder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, a Non-Registered Holder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of holding the Meeting or adjournment thereof.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the common shares they beneficially own. Should a Non-Registered Holder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

All references to shareholders in the Meeting Materials are to Registered Shareholders unless specifically stated otherwise.

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 British Columbia, Canada and the 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 Company 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 Company is incorporated under the *Business Corporations Act* (British Columbia) (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.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company completed a merger as of August 31, 2015 and is authorized to issue an unlimited number of common shares without par value. At the close of business on August 17, 2016, 70,088,505 common shares without par value of the Company were issued and outstanding, each common share carrying the right to one vote. Of these common shares 7,389,124 are currently held in escrow. At a general meeting of the Company, on a show of hands, every Shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each common share of which he is the holder.

Only common shareholders of record on the close of business on August 17, 2016 who either personally attend the Meeting or who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her common shares voted at the Meeting or any adjournment thereof. 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.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the outstanding voting rights of the Company except as follows:

Name	Number of Common shares	Percentage of Issued and Outstanding Common Shares
Murray Walden	7,873,955	11.2%

(1) The above information was obtained from SEDI.

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

Other than as disclosed in this information circular, to the knowledge of management of the Company, no informed person of the Company, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's financial year ended December 31, 2015 and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Definition - Informed Person

For the purposes of this information circular, "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

STATEMENT OF EXECUTIVE COMPENSATION

All currency references in this Statement of Executive Compensation section are expressed in US Dollars unless otherwise specified.

Named Executive Officer

In this section "Named Executive Officer" means any individual who, during the Company's initial fiscal period ended December 31, 2014 and throughout its fiscal year ended December 31, 2015 was:

- (a) the chief executive officer ("CEO") (or an individual who acted in a similar capacity) of the Company;

- (b) the chief financial officer (“**CFO**”) (or an individual who acted in a similar capacity) of the Company;
- (c) each of the three other most highly compensated executive officers of the Company or any of its subsidiaries or the three most highly compensated individuals acting in a similar capacity (except those whose total salary and bonus does not exceed \$150,000); and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or any of its subsidiaries, nor acting in a similar capacity, at the end of the Company’s initial fiscal period ended December 31, 2014 and at its fiscal year end of December 31, 2015.

For purposes of this Information Circular, following are the Named Executive Officers of the Company: John Kupice, current CEO; Denise Lok, current CFO; Murray Walden, current President, all three of whom held these positions at the Company’s fiscal year end of December 31, 2015; and Nick Ayling, former CEO and former CFO, from August 3, 2015 until he retired as officer and director of the Company on August 31, 2015.

Compensation Discussion and Analysis

Compensation Review Process

The Board is responsible for the compensation policies and guidelines for the Company and for implementing and overseeing compensation policies.

On an annual basis the Board reviews the cash compensation, performance and overall compensation package of each executive office, including the Named Executive Officers. The Board makes decisions with respect to basic salary and participation in stock option compensation arrangements for each executive officer. In considering executive officers other than the CEO, the Board shall take into account the recommendation of the CEO.

The Company does not have a formal compensation program with set benchmarks, however, the Company does have an informal compensation program which seeks to reward an executive officer's current and future expected performance. Individual performance in connection with the achievement of corporate milestones and objectives is also reviewed for all Named Executive Officers.

Risk Management

The Board has not considered the implications of the risks associated with the Company’s compensation policies and practices.

The Company has not adopted a policy forbidding directors or officers from purchasing financial instruments designed to hedge or offset a decrease in market value of the Company’s securities granted as compensation or held, directly or indirectly, by directors or officers. The Company is not, however, aware of any of its directors or officers having entered into this type of transaction.

Elements of Executive Compensation Program

The Company’s compensation program consists of the following elements:

- (a) base salary or consulting fees;
- (b) bonus payments; and
- (c) equity participation through the Company’s stock option plan (defined below as “Option Plan”).

Base Salary or Consulting Fees

Base salary ranges for Named Executive Officers were initially determined upon review of salaries paid by other companies that are comparable in size to the Company.

In determining the base salary of a Named Executive Officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the same industry, which were similar in size and stage of development as the Company;
- (c) the experience level of the Named Executive Officer;
- (d) the amount of time and commitment which the Named Executive Officer devotes to the Company; and
- (e) the Named Executive Officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Bonus Payments

Each of the Named Executive Officers, as well as all employees, are eligible for an annual bonus, payable in cash or through option-based compensation. The amount paid is based on the Board's assessment of the Company's performance for the year. Factors considered in determining bonus amounts include individual performance, financial criteria (such as cash management and share price performance) and operational criteria (such as significant mineral property acquisitions, resource growth and the attainment of corporate milestones).

The Company did not award any bonuses during the initial fiscal period ended December 31, 2014 and during its financial year ended December 31, 2015.

Equity Participation

The Company offers equity participation in the Company through its Stock Option Plan (the "**Option Plan**") and, currently, also through its restricted stock unit plan (the "**RSU Plan**").

Incentive Option-based and Share-based Awards

The Company's long term incentives have traditionally been awarded through the Option Plan, however as of August 29, 2016 the Board has determined to augment the Option Plan with the RSU Plan (see "*Particulars of Other Matters to be Acted Upon*"). The Option Plan is designed to promote the long-term success of the Company by strengthening the ability of the Company to attract and retain highly competent employees and by promoting greater alignment of interests between executives and shareholders in the creation of long-term shareholder value. The purpose of granting stock options is to assist the Company in compensating, attracting, retaining and motivating its executive officers and to closely align the personal interests of such persons to that of the shareholders.

The Board has the authority either to grant options and award Restricted Stock Units ("**RSUs**"), or has the authority to delegate to its Compensation Committee (or any other Board committee appointed for the purpose of compensating the Company's directors, officers, employees and consultants) the ability to grant options and/or award RSUs to the Company's directors, management, employees and consultants.

Options are generally granted annually, and at other times of the year to individuals commencing employment with the Company. Option exercise prices are set in accordance with TSX Venture Exchange ("**TSXV**") policies.

In determining the number of options to be granted to the executive officers, the Board will consider a number of factors including the amount and term of options previously granted, base salary and annual

performance incentives awarded to the executives and commensurate with those offered by other companies in our industry; and the exercise price of any outstanding options to ensure that such grants are in accordance with TSXV policies. Options vest on terms established by the Board at the time of grant. See disclosure under “*Securities Authorized for Issuance under Equity Compensation Plans*” for material terms of the Option Plan.

For the current financial year projected to end December 31, 2016, Management proposes to retain its current Option Plan, but has determined to augment the Option Plan with the RSU Plan. Therefore, options granted under the Option Plan and RSUs awarded under the RSU Plan will both draw from the 10% pool of common shares available for reserve for exercise of stock options and RSUs. This type of plan share pool structure is sometimes referred to as an “evergreen”, or “rolling”, plan feature. The maximum number of common shares available for reserve under the Option Plan will be up to 7% of the current number of issued and outstanding common shares of the Company from time to time, and the maximum number of common shares available for reserve for the exercise of RSUs will be a maximum of 2% of the current issued and outstanding common shares, being 1,401,770 common shares. The purpose of awarding RSUs is to further assist the Company in compensating, attracting, retaining and motivating its executive officers, employees and consultants to closely align their personal interests to that of the shareholders. In determining the number of RSUs to be awarded, the Board takes into account the number of RSUs, if any, previously granted to each Eligible Person under the RSU Plan to ensure that a grant of such awards is in accordance with TSXV policies.

See “Incentive Plan Awards” below for details of the option-based awards outstanding as at December 31, 2015.

Compensation Governance

The Company does not have a compensation committee. The Board has not adopted any specific policies or practices to determine the compensation for the Company’s directors and executive officers other than as disclosed above.

Actions, Decisions, Policies made after the Company’s December 31, 2015 financial year end

January 1, 2016 – An aggregate of options to purchase 400,000 common shares were granted to two non-executive employees of the Company.

January 28, 2016 – An aggregate of options to purchase 200,000 common shares were granted to three consultants of the Company.

July 21, 2016 – The common shares of the Company were de-listed from the Canadian Securities Exchange and became listed on the TSXV.

July 25, 2016 – The common shares of the Company commenced trading on the TSXV.

August 9, 2016 – The Board appointed Richard J. Umbdenstock to the Board as of August 9, 2016 and granted Mr. Umbdenstock options to purchase 300,000 common shares at an exercise price of C\$0.15 each for a five year period from the date of grant, subject to TSXV approval.

August 25, 2016 – The Board adopted the RSU Plan.

Summary of Compensation

The following table sets forth all annual and long term compensation for services paid to or earned by the Named Executive Officers during the financial period ended December 31, 2014 and the financial year ended December 31, 2015.

Summary Compensation Table

Name and Principal Position	Year ⁽¹⁾	Salary (\$)	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			
John Kupice ⁽⁴⁾ CEO	2015	109,743	46,662	41,558	N/A	N/A	N/A	Nil	213,822
	2014	Nil	86,658 ⁽³⁾	Nil	N/A	N/A	N/A	34,000	120,658
Denise Lok ⁽⁴⁾ CFO	2015	Nil	Nil	13,299	N/A	N/A	N/A	68,395 ⁽⁵⁾	81,694
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Murray Walden ⁽⁴⁾ President	2015	128,390	33,330	41,558	N/A	N/A	N/A	Nil	203,278
	2014	N/A	66,660 ⁽³⁾	Nil	N/A	N/A	N/A	56,000	122,660
Nick Ayling ⁽⁴⁾ Former CEO & CFO	2015	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) The Company was incorporated on November 11, 2014.
- (2) The fair value of these options on the grant date has been calculated in accordance with IFRS 2 *Share-based Payment* (accounting fair value) using the Black-Scholes-Merton model.
- (3) Common shares were issued to John Kupice and Murray Walden for services rendered to the Company prior to the closing of the Company's initial public offering (the "IPO") on August 31, 2015. At the time of issuance these common shares were valued at US\$0.6666 per common share and the total value of settled upon for award of common shares awarded to John Kupice and Murray Walden prior to closing the IPO was \$133,320 and \$99,990, respectively. The total amounts were settled upon on March 31, 2015 and amounts settled upon are posted in this table as paid largely in the 2014 financial period with the remainder paid in the 2015 financial year.
- (4) On August 31, 2015 Mr. Kupice was appointed CEO, Ms. Lok was appointed CFO and Corporate Secretary and Mr. Walden was appointed President. From incorporation until he resigned on August 31, 2015 Nick Ayling was the sole officer and director of the Company.
- (5) This compensation was paid to Baron Global Financial Canada Ltd. ("Baron") pursuant to the consulting agreement between Baron and the Company. The Company entered into a consulting agreement with Baron on February 24, 2015 to retain Denise Lok to provide services to the Company and act as its Chief Financial Officer. Ms. Lok is a Senior Manager, Corporate Finance of Baron. The term of agreement was 12 months starting September 1, 2016 and the Company was charged a cash fee plus applicable taxes per month for the advisory services provided. The Company granted 160,000 stock options on August 31, 2015 at an exercise price per option of C\$0.15, expiring August 31, 2020 to Ms. Lok. The Company paid Baron consulting fees of C\$60,000 for the year ended December 31, 2015 and granted 300,000 stock options on August 31, 2015 at an exercise price per option of C\$0.15, expiring August 31, 2020.
- (6) The Company used an exchange rate of CAD\$1.386 to report in USD currency.

Incentive Plan Awards

Option-based Awards – Stock Option Plan

On August 31, 2015, the Board approved a 10% "rolling" stock option plan (the "Option Plan") for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and advancing interests of the Company by affording such person with the opportunity to acquire an equity interest in the Company through rights granted under the Option Plan to purchase common shares. The Board may, at the time an option is awarded or upon renegotiation of the same, attach restrictions relating to the exercise of the option, including but not limited to vesting provisions. Any such restrictions are indicated on the applicable option certificate. Notwithstanding the foregoing, options issued to

consultants performing investor relations activities must vest in stages over at least twelve months with not more than one-quarter of the options vesting in any three month period.

There were no re-pricings of stock options under the Option Plan or otherwise during the Company's financial year ended December 31, 2015. On August 31, 2015, the Company granted 2,149,020 stock options, all of which were outstanding as at December 31, 2015 with a weighted average exercise price of C\$0.15 each.

Share-based Awards – RSU Plan

On August 25, 2016, the Board approved adoption by the Company of a restricted stock unit plan (the “**RSU Plan**”). For the subsequent financial year ended December 31, 2016 Management proposes to retain its current Option Plan, but has determined to augment the Option Plan with the RSU Plan. Therefore, options granted under the Option Plan and restricted stock units (“**RSUs**”) awarded under the RSU Plan will both draw from the 10% pool of common shares available for reserve for exercise of stock options and RSUs. This type of plan share pool structure is sometimes referred to as an “evergreen”, or “rolling”, plan feature. The maximum number of common shares available for reserve under the Option Plan will be up to 10% of the current number of issued and outstanding common shares of the Company from time to time, **less** the fixed number of common shares under reserve for issuance upon exercise of RSUs. The maximum number of common shares available for reserve for the exercise of RSUs is a fixed maximum of 2% of the current 70,088,505 issued and outstanding common shares, being 1,401,770 common shares.

The following table discloses the particulars of the option-based awards granted to the Named Executive Officers under the Option Plan and of share-based awards outstanding as at December 31, 2015.

Outstanding Option-Based Awards and Share-Based Awards

Name	Option-Based Awards				Share-Based Award		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (C\$)	Option Expiration Date	Value of Unexercised In-the-Money ⁽¹⁾ Options (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
John Kupice	500,000	0.15	August 31, 2020	Nil	Nil	Nil	133,320
Denise Lok	160,000	0.15	August 31, 2020	Nil	Nil	Nil	Nil
Murray Walden	500,000	0.15	August 31, 2020	Nil	Nil	Nil	99,990
Nick Ayling	Nil	N/A	N/A	Nil	Nil	Nil	Nil

⁽¹⁾ “In-the-Money” options are calculated by subtracting the option exercise price from the market value of the Company's common shares at close of Market on December 31, 2015. Because the December 31, 2015 closing price of the Company's common shares on the Canadian Securities Exchange was C\$0.12, the options were not “In-the-Money” and accordingly a “Nil” value is represented.

The following table summarizes the value of each incentive plan award vested or earned by each Named Executive Officer during the financial year ended December 31, 2015.

Incentive Plan Awards - Value Vested or Earned During the Year

Name	Option-based awards – Value vested during the financial year⁽¹⁾ (\$)	Share-based awards – Value vested during the financial year⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the financial year (\$)
John Kupice	Nil	N/A	N/A
Denise Lok	Nil	N/A	N/A
Murray Walden	Nil	N/A	N/A
Nick Ayling	Nil	N/A	N/A

(1) Value vested is calculated as the dollar value that would have been realized had the option been exercised on the date it was vested less the related exercise price multiplied by the number of vesting shares.

(2) This amount is the dollar value realized calculated by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

Pension Plan Benefits

The Company does not have any pension or retirement plan.

Termination and Change of Control Benefits

The Company does not have any compensatory plans, contracts or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination, resignation, retirement, a change in control of the Company or a change in a Named Executive Officer's responsibilities.

Compensation of Directors

Compensation for any director that is also a Named Executive Officer has been disclosed in the "Summary Compensation Table" above. The Company does not pay its directors a fee for acting as such. From November 11, 2014 until August 31, 2015 Nick Ayling was the sole director of the Company and his compensation is reported in the Named Executive Officer compensation disclosure above.

Although the Company does not pay directors fees, the directors who are not Named Executive Offices are eligible to receive stock option grants. The following table discloses the particulars of the compensation provided to the directors of the Company (excluding the Named Executive Officers) for the financial year ended December 31, 2015.

Director Compensation Table

Director Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Savio Chiu	Nil	N/A	8,312	N/A	N/A	Nil	8,312
Ronald Overstreet	Nil	N/A	9,974	N/A	N/A	Nil	9,974

(1) The fair value of these options on the grant date has been calculated using the Black-Scholes-Merton model.

The Company has not issued any share-based compensation to any of the directors who are not also Named Executive Officers of the Company. Therefore, the following table discloses the particulars only of option-based awards granted to the directors (who were not Named Executive Officers) during the financial year ended December 31, 2015, and which remained outstanding under the Option Plan as at December 31, 2015.

Outstanding Option-Based Awards

Director Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (C\$)	Option Expiration Date	Value of Unexercised In-the-Money ⁽¹⁾ Options (\$)
Savio Chiu	100,000	0.15	Aug. 31, 2020	Nil
Ronald Overstreet	120,000	0.15	Aug. 31, 2020	Nil

(1) “In-the-Money” options are calculated by subtracting the option exercise price from the market value of the Company’s common shares at close of Market on December 31, 2015. Because the December 31, 2015 closing price of the common shares on the Canadian Securities Exchange was C\$0.12, the options were not “In-the-Money” and accordingly a “Nil” value is represented.

The following table summarizes the value of each incentive plan award vested or earned by each director (who is not a Named Executive Officer) under the Option Plan during the financial period ended December 31, 2015.

Incentive Plan Awards - Value Vested or Earned During the Year

Director Name	Option-based awards – Value vested during the financial period ⁽¹⁾ (\$)	Share-based awards – Value vested during the financial period ⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the financial period (\$)
Ronald Overstreet	Nil	N/A	N/A
Savio Chiu	Nil	N/A	N/A

(1) Value vested is calculated as the dollar value that would have been realized had the option been exercised on the date it was vested less the related exercise price multiplied by the number of vesting shares.

(2) This amount is the dollar value realized calculated by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

During the financial year ended December 31, 2015, the Option Plan (defined above), was the only equity compensation plan under which securities were authorized for issuance.

The following table sets forth information with respect to the Option Plan as at the December 31, 2015 financial year end.

Plan category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options in Canadian dollars (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Nil	N/A	Nil
Equity compensation plans not approved by securityholders	2,149,020	\$0.15	2,644,516 ⁽¹⁾
Total	2,149,020	\$0.15	2,644,516 ⁽¹⁾

(1) This figure is based on the total number of common shares authorized for issuance under the Option Plan, less the number of stock options granted and outstanding under the Option Plan as at December 31, 2015. As at December 31, 2015, the Company was authorized to issue options for the purchase of a total of 4,793,536 common shares of the Company.

Material Terms of Option Plan

On August 31, 2015 the Board approved the Option Plan, which is a “rolling” plan whereby a maximum of 10% of the issued common shares, from time to time, may be reserved for issuance pursuant to the exercise of options. As at August 17, 2016 there were 70,088,505 common shares outstanding. Accordingly a maximum of 7,008,850 common shares are available for reserve for exercise of options under the Option Plan and/or RSUs under the RSU Plan. There are currently options outstanding to purchase 2,149,010 common shares and 4,859,840 common shares remain available for reserve for exercise of incentive plan awards.

The material terms of the Option Plan are as follows:

1. Stock options may be granted to directors, consultants and employees (and any other person that the Board wishes to grant stock options to) of the Company or any of its subsidiaries, and employees of a person or company which provides management services to the Company or any of its subsidiaries (“**Management Company Employee(s)**”) shall be eligible for selection to participate in the Option Plan.
2. The term of any options granted under the Option Plan will be fixed by the Board at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
3. The exercise price of any options granted under the Option Plan will be determined by the Board, in its sole discretion, but shall not be less than the closing trading price of the Company’s common shares preceding the grant of such options, less any discount permitted by the regulatory authorities.
4. Unless otherwise imposed by the Board, or a committee of the Board, and subject to any vesting restrictions that may be imposed by the TSXV, no vesting requirements will apply to options granted under the Option Plan. A four month hold period, commencing from the date of grant of an Option, will apply to all common shares issued under an Option only if the exercise price of the stock option is based on less than market price.
5. All Options will be non-assignable and non-transferable.
6. The aggregate number of Options which may be granted to any one option holder under the Option Plan within any 12 month period must not exceed 5% of the number of issued and outstanding common shares of the Company (unless the Company has obtained disinterested shareholder approval).
7. If required by regulatory rules, disinterested shareholder approval is required to the grant to Insiders (as defined in the *Securities Act* RSBC 1996 c.418) (as a group), within a 12 month period, an aggregate number of Options which, when added to the number of outstanding incentive stock options granted to Insiders within the previous 12 months (calculated at the date an option is granted to an Insider), exceed 10% of the number of issued and outstanding common shares of the Company.
8. The aggregate number of options which may be granted to any one consultant within any 12 month period must not exceed 2% of the number of issued and outstanding common shares of the Company, calculated at the date an Option is granted to a consultant.
9. The aggregate number of options which may be granted within any 12 month period to employees or consultants engaged in investor relations activities must not exceed 1% (or such lower percentage as is required by regulatory rules) of the number of issued and outstanding common shares of the Company, calculated at the date an Option is granted to any such employee or consultant, and such options must vest in stages over a period of not less than 12 months with no more than 25% of the options vesting in any three month period.
10. If the Option holder ceases to be a director, employee or consultant of the Company, or ceases to be a Management Company Employee, as the case may be, as a result of having been dismissed from any such position for cause, all unexercised option rights of that Optionee under the Option Plan shall terminate immediately, notwithstanding the original term of the Option granted to such Optionee.

11. If the Option holder ceases to be a director, employee or consultant of the Company, or ceases to be a Management Company Employee, as the case may be, for a reason other than for cause, or as a result of the Optionee's death, such Optionee shall have the right for a period of 90 days (or until the normal expiry date of the option rights of such Optionee, if earlier) from the date of ceasing to be a director, employee or consultant of the Company, or a Management Company Employee, as the case may be, to exercise his option under the Option Plan to the extent that the Optionee was entitled to exercise it on the date of ceasing, subject to the terms and conditions set out in the Option Plan. Upon expiration of such 90 day period (or the normal expiry date of the Option rights, as applicable), all unexercised Option rights of that Optionee shall immediately become terminated and shall lapse, notwithstanding the original term of the Option granted to such Optionee under the Option Plan.
12. In the event of the death of any Optionee, the legal representatives of the deceased Optionee shall have the right for a period of one year (or until the normal expiry date of the Option rights of such Optionee, if earlier) from the date of death of the deceased Optionee to exercise the deceased Optionee's Option under the Option Plan and pursuant to such Optionee's option agreement to the extent that it was exercisable on the date of death. Upon expiration of such period all unexercised Option rights of the deceased Optionee shall immediately become terminated and shall lapse, notwithstanding the original term of the Option granted to such Optionee under the Option Plan.
13. If an Optionee engaged in providing Investor Relations Activities to the Company ceases to be employed in providing such Investor Relations Activities, such Optionee shall have the right for a period of 30 days (or until the normal expiry date of the Option rights of such Optionee, if earlier) from the date of ceasing to provide such Investor Relations Activities to exercise his Option under the Option Plan to the extent that the Optionee was entitled to exercise it on the date of ceasing. Upon expiration of such 30 day period (or the normal expiry date of the Option rights, as applicable), all unexercised Option rights of that Optionee shall immediately become terminated and shall lapse, notwithstanding the original term of the Option granted to such Optionee under the Option Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or executive officer of the Company, nor any proposed nominees for election as director, or associates of any of them, is or has been indebted to the Company or any of the Company's subsidiaries at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of signature of this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of these persons, has had, nor currently has any material interest, direct or indirect, in any transaction since the commencement of our last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of the Company's subsidiaries, other than as disclosed under the headings "*Statement of Executive Compensation*" above, and "*Particulars of Matters to be Acted upon*" below.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board, the members of which are elected by and accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Instrument 58-101 ("**NI 58-101**") *Disclosure of Corporate Governance Practices* establishes the

information required to be disclosed by the Company in its information circular prepared for a general meeting where an election of directors is held. National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices and feels that the Company’s corporate governance practices are appropriate and effective for the Company given its current size.

The Company’s corporate governance practices are summarized below.

A. Board of Directors

The Board is currently composed of John Kupice, Murray Walden, Savio Chiu, Ronald Overstreet and Richard J. Umbdenstock. All of the proposed nominees for election as directors are currently directors of the Company.

NP 58-201 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NP 58-201 suggests that a board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. Of the proposed director nominees, Savio Chiu, Ronald Overstreet and Richard J. Umbdenstock are considered by the Board to be “independent” within the meaning of NP 58-201. John Kupice and Murray Walden are executive officers of the Company, and accordingly, they are considered to be “non-independent”.

The Board meets formally on an as needed basis to review and discuss the Company’s business activities, and to consider, and if thought fit, to approve matters presented to the Board for approval, and to provide guidance to management. In addition, management informally provides updates to the Board at least once per quarter between formal meetings. In general, management consults with the Board when deemed appropriate to keep it informed regarding the Company’s affairs.

The Board facilitates the exercise of independent supervision over management through these various meetings. At present, the Board does not have any formal committees other than its audit committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs and, as a result, these directors are able to provide significant and valuable independent supervision over management.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will, in accordance with corporate law and in accordance with his fiduciary obligations as a director of the Company, disclose the nature and extent of his interest to the meeting and abstain from voting on the resolution concerning the approval of such participation.

Directorships

The current director of the Company named in the table below is a director of other reporting issuers as follows:

Name of Director	Name of Other Reporting Issuer
Savio Chiu	Jayden Resources Inc. Crownia Holdings Ltd. Helius Medical Technologies Inc.

B. Orientation and Continuing Education

At present, the Company does not provide a formal orientation and education program for new directors. Prior to joining the Board, potential members are encouraged to meet with management and inform themselves regarding management and the Company's affairs. After joining the Board, management and the Board chair provide orientation both at the outset and on an ongoing basis. The Company currently has no specific policy regarding continuing education for directors, and requests for education are encouraged, and dealt with on an ad hoc basis.

C. Ethical Business Conduct

The Board does not currently have a written code of ethics, but views good corporate governance as an integral component to the success of the Company. The Company's audit committee has established a "whistleblower" policy to encourage employees to raise concerns about business conduct.

D. Nomination of Directors

The Board does not have a nominating committee. Once a decision has been made to add or replace a director, the task of identifying new candidates will fall on the Board and management. If a candidate looks promising, the Board and management will conduct due diligence on the candidate and interview the candidate and if the results are satisfactory, the candidate is invited to join the Board.

E. Compensation

Details regarding the compensation of Named Executive Officers and directors are discussed under "Statement of Executive Compensation – Compensation Discussion and Analysis" and "Statement of Executive Compensation – Compensation of Directors".

F. Other Board Committees

The Company has no committees other than the audit committee. The Board has not determined that additional committees are necessary at this stage of the Company's development.

G. Assessments

At present, the Board does not have a formal process for assessing the effectiveness of the Board, the Board committees and whether individual directors are performing effectively. These matters are dealt with by the Board on a case by case basis. The Board is of the view that the Company's shareholders are the most important assessors of Board performance and that they provide the most effective, objective assessment of the Board's performance.

AUDIT COMMITTEE DISCLOSURE

Pursuant to the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company or an affiliate of the Company.

A. Audit Committee Charter

The Company must, pursuant to National Instrument 52-110 Audit Committees ("NI 52-110"), have a written charter which sets out the duties and responsibilities of its audit committee. The Company's audit committee charter is substantially reproduced below.

1. *Mission*

Senior management, as overseen by the board of directors, has primary responsibility for the Company's financial reporting, accounting systems and internal controls. The audit committee is a standing

committee of the board of directors established to assist the board of directors in fulfilling its responsibilities in this regard.

2. Responsibilities

The audit committee shall:

(a) Financial Information

- (i) review the annual financial statements and related matters and recommend their approval to the board of directors, after discussing matters such as the selection of accounting policies, major accounting judgements, accruals and estimates with management;
- (ii) review the annual information form, if applicable;
- (iii) be responsible for reviewing the results of the external audit, including:
 - A. the auditor's engagement letter;
 - B. the reasonableness of the estimated audit fees;
 - C. the scope of the audit, including materiality, locations to be visited, audit reports required, areas of audit risk, timetable, deadlines and coordination with internal audit;
 - D. the post-audit management letter together with management's response;
 - E. the form of the audit report;
 - F. any other related audit engagements (e.g. audit of the company pension plan);
 - G. non-audit services performed by the auditor;
 - H. assessing the auditor's performance;
 - I. recommending the auditor for appointment by the board of directors; and
 - J. meeting with the auditors to discuss pertinent matters, including the quality of accounting personnel;
- (iv) ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements (except for disclosure required to be reviewed by the audit committee), and must periodically assess the adequacy of those procedures;
- (v) establish procedures for:
 - A. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - B. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (vi) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

(b) Interim Financial Statements

- (vii) obtain reasonable assurance on the process for preparing reliable quarterly interim financial statements from discussions with management and, where appropriate, reports from the external and internal auditors;

- (viii) review and approve the interim financial statements of the Company and management's discussion and analysis related thereto unless the same are approved by the board of directors;
- (ix) obtain reasonable assurance from management about the process for ensuring the reliability of other public disclosure documents that contain audited and unaudited financial information;

(c) Accounting System and Internal Controls

- (x) obtain reasonable assurance from discussions with and(or) reports from management, and reports from external and internal auditors that the Company's accounting systems are reliable and that the prescribed internal controls are operating effectively;
- (xi) direct the auditors' examinations to particular areas;
- (xii) request the auditors to undertake special examinations (e.g., review compliance with conflict of interest policies);
- (xiii) review control weaknesses identified by the external and internal auditors, together with management's response;
- (xiv) review the appointments of the chief financial officer and key financial executives;
- (xv) review accounting and financial human resources and succession planning within the corporation.

(d) Reporting

- (xvi) report to the board of directors following each meeting on the major discussions and decisions made by the audit committee; and
- (xvii) review the audit committee's terms of reference periodically and propose recommended changes to the board of directors.

3. Composition and Regulations

- (a) The audit committee shall be composed of at least three directors. The members and the chairperson of the audit committee shall be appointed by the board of directors from time to time.
- (b) The chairperson of the audit committee shall, in consultation with management and the auditors, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to members with sufficient time for study prior to the meeting.
- (c) The audit committee shall have the power, authority and discretion delegated to it by the board of directors which shall not include the power to change the membership of or fill vacancies in the audit committee.
- (d) The audit committee shall conform to the regulations which may from time to time be imposed upon it by the board of directors. The board of directors shall have the power at any time to revoke or override the authority given to or acts done by the audit committee except as to acts done before such revocation or act of overriding and to terminate the appointment or change the membership of the audit committee or fill vacancies in it as it shall see fit.
- (e) The audit committee may meet and adjourn, as they think proper. A majority of the members of the audit committee shall constitute a quorum thereof. Questions arising shall be determined by a majority of votes of the members of the audit committee present, and in the case of an equality of votes, the chairperson shall not have a second or casting vote.
- (f) A resolution approved in writing by all of the members of the audit committee shall be valid and effective as if it had been passed at a duly called meeting. Such resolution shall be filed with the minutes of the proceedings of the audit committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.

- (g) The audit committee shall keep regular minutes of its meetings and record all material matters and shall cause such minutes to be recorded in the books kept for that purpose and shall distribute such minutes to the board of directors.
- (h) The audit committee shall have unrestricted and unfettered access to all Company personnel and documents and shall be provided with the resources necessary to carry out its responsibilities.

B. Composition of the Audit Committee

The following are the members of the audit committee:

Savio Chiu	Independent ¹	Financially literate ¹
John Kupice	Not Independent ^{1,2}	Financially literate ¹
Ronald Overstreet	Independent ¹	Financially literate ¹

¹ Within the meaning of NI 52-110.

² John Kupice is an executive officer of the Company, and therefore he is considered under NI 52-110 to be non-independent. The Company's audit committee does, however, meet the requirements applicable to a "venture issuer" (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) and the requirements of the Exchange.

C. Relevant Education and Experience

Each of the current members 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:

- o 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;
- o 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
- o an understanding of internal controls and procedures for financial reporting.

In addition to each member's general business experience, the education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member is as follows:

John Kupice has over 25 years experience in the Enterprise Resource Planning (ERP) and technology implementations in health care organizations. He has developed financial, regulatory and management reporting systems, financial modeling and budgeting, financial analysis and key performance indicators for several large healthcare and service organizations. He was responsible for program management on the McGraw Hill global implementation of all the Lawson ERP modules for finance and human resources. He was also the quality review partner for Ernest & Young, LLP in implementing Lawson for several large Catholic Health networks. During his tenure with Ernest & Young he won the Lawson Partner of the Year award.

Mr. Kupice graduated from the University of West Florida – College of Business.

Savio Chiu is currently the Senior Manager, Corporate Finance of V Baron Global Financial Canada Ltd. Previously he was a senior associate with Deloitte & Touche LLP where he gained experience leading large teams for audits under IFRS. He is currently an officer of Confederation Minerals Ltd. (TSXV: CFM), director of Crownia Holdings Ltd. (TSXV: CNH), Jayden Resources Inc. (TSXV: JDN) and Helius Medical Technologies. (CSE: HSE). Mr. Chiu has previously held various management and directorship positions with other public companies.

Mr. Chiu is a Chartered Professional Accountant and holds a Bachelor of Commerce degree in Accounting from the University of British Columbia.

Ronald Overstreet is an experienced executive in marketing and development of B2B software and services companies. His functional experience includes e-commerce, email marketing, digital advertising, marketing automation, channel solutions and IT development tools. Mr. Overstreet is the current Senior Vice-President of Business and Corporate Development for Magnetic, Inc. (MYBUYS was acquired by Magnetic, Inc. in May 2015), the market leader in personalization for retailers. He was previously the VP of Marketing & Business Development at Blue Martini Software (NASDAQ: BLUE), a software manufacturer and professional services provider, President and CEO of Encover, Inc., an automated services provider (acquired by Synnex, Inc. in November 2010), and President and CEO at RTIME, Inc., a provider of products and services that support real-time interactivity (acquired by Sony Computer Entertainment America in August 2000).

Mr. Overstreet has a BA in Economics from Stanford University.

D. Audit Committee Oversight

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

E. Reliance on Certain Exemptions

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 NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

F. Pre-Approval Policies and Procedures

The audit committee is required to approve the engagement of the Company's external auditors in respect of non-audit services.

G. External Auditor Service Fees (by category)

Initially the auditor for the Company was Morgan & Company LLP, Chartered Professional Accountants from incorporation until August 31, 2015. Therefore Morgan & Company LLP, Chartered Professional Accountants prepared the financial statements for the Company's first financial period ended December 31, 2014, which were approved by the sole director of the Company on August 4, 2015.

Subsequent to closing of the merger agreement and reverse take-over of the Company on August 31, 2015, the Company's auditor became the auditor of the resulting issuer, H-Source Holdings Ltd. (the "resulting issuer"), who were BDO, USA LLP.

On November 3, 2015 the Board resolved to change the Company's auditor from BDO, USA LLP to Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, which change of auditor was effected on December 16, 2015. Accordingly, Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants are the current auditors of the Company and the Company will ask the shareholders to approve a resolution to appoint them as auditor of the Company for the ensuing year. Accordingly, Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, prepared the Company's December 31, 2015 year-end financial statements, which were SEDAR filed on April 25, 2016.

The audit committee has reviewed the nature and amount of the non-audit services provided by each of Morgan & Company LLP, Chartered Professional Accountants to the Company (fiscal period ended December 31, 2014) and by Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants (fiscal year ended December 31, 2015) to ensure auditor independence.

Fees incurred with each of Morgan & Company LLP, Chartered Professional Accountants (fiscal period ended December 31, 2014) and Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants (fiscal year ended December 31, 2015) for audit and non-audit services in the last two fiscal years are outlined in the following table.

Financial Period Ending	Audit Fees	Audit Related Fees⁽¹⁾	Tax Fees⁽²⁾	All Other Fees⁽³⁾
December 31, 2015	\$21,710	\$16,594	\$6,600	Nil
December 31, 2014	\$74,200	Nil	\$11,112	Nil

(1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column.

H. Venture Issuer Exemption

The Company is a Venture Issuer as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*).

PARTICULARS OF MATTERS TO BE ACTED UPON

The following are the matters to be acted upon at the Meeting.

A. Presentation of the Financial Statements

The consolidated financial statements of the Company for its initial financial period ended December 31, 2014 as well as the annual audited financial statements for the year ended December 31, 2015, the report of the auditor thereon and the related management discussion and analysis, which were mailed to Registered Shareholders who requested a copy of same, will be placed before the Meeting. The Company's annual audited financial statements for the year ended December 31, 2015, the report of the auditor thereon and the related management discussion and analysis are also available under the Company's SEDAR profile at www.sedar.com.

B. Election of Directors

The persons named in the enclosed instrument of proxy intend to vote in favour of fixing the number of directors at six.

Each director of the Company is elected annually and holds office until the next annual general meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary the shares represented by proxy will be voted for the nominees listed herein.

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES LISTED HEREIN, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY THE PERSON NAMED IN THE PROXY AS NOMINEE TO VOTE THE SHARES REPRESENTED BY PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS NOMINATED AS DIRECTORS.

Management proposes that the number of directors for the Company be determined at six for the ensuing year subject to such increases as may be permitted by the Articles of the Company. The table below lists the management nominees for election as directors and certain information concerning them, as furnished by each nominee.

Name, Jurisdiction of Residence and Position	Principal Occupation or Employment (Past Five Years if Not Previously Elected by Shareholders)	Date Appointed As a Director	Holdings in Voting Securities of the Company and its Subsidiaries
John Kupice ⁽¹⁾ <i>Washington, U.S.A.</i> <i>CEO and Director</i>	Chief Executive Officer of H-Source, Inc. August 2013 to present. Prior Vice-President of Technology/ Development for TruCare Solutions Inc. Sept. 2011 to August 2013. Prior President of Legend Physical Therapy from Dec 2010 to August 2011. Prior Chief Executive Officer for Pneumex Inc. June 2009 to August 2011.	August 31, 2015	1,826,500 common shares
Murray Walden <i>Washington, U.S.A.</i> <i>President and Director</i>	President and founder of H Source Inc. October 2011 to present. Prior Laparoscopic Conversion Manager for Applied Medical from Sept. 2007 to October 2011.	August 31, 2015	7,873,955 common shares
Ronald Overstreet ⁽¹⁾ <i>Washington, U.S.A.</i> <i>Director</i>	Currently Senior Vice President of Business and Corporate Development for Magnetic, Inc. (MYBUYS was acquired by Magnetic, Inc. in May, 2015), April 2009 to present. Vice President of Business Development for Affirm, Inc. from April 4, 2016 to present.	August 31, 2015	151,711 common shares
Savio Chiu ⁽¹⁾ <i>British Columbia, Canada</i> <i>Director</i>	Senior Manager of V Baron Global Financial Canada, a firm providing financial advisory services to private and public companies.	August 31, 2015	Nil common shares
Richard J. Umbdenstock <i>Washington, U.S.A.</i> <i>Director (New Nominee)</i>	President and CEO of American Hospital Association from January, 2007 to August, 2015; Past President of AHA September 2015 to November 2015; President Emeritus since December 2015.	August 9, 2016	150,000 common shares
Martin Hubbes <i>Ontario, Canada</i> <i>New Director Nominee</i>	Executive Vice President and Chief Investment Officer of AGF Investments Inc. from July 2005 to February 2014.	N/A	826,712 common shares

(1) Member of the Company's audit committee.

Biographical Information for new Director Nominees

Richard J. Umbdenstock

Mr. Umbdenstock is the President Emeritus of the American Hospital Association (“**AHA**”). He served as the President and Chief Executive Officer of AHA from 2007 to 2015. Previously, he was the elected AHA Board Chair. AHA leads, represents and serves more than 5,000 member hospitals, health systems and other health care organizations with over 43,000 individual members.

Mr. Umbdenstock’s career includes experience in hospital administration; health system governance, management and integration; association governance and management; HMO (Health Maintenance Organization) and GPO (Group Purchasing Organization) governance; and health care governance consulting. He has written books and articles for the health care board audience and has authored national survey reports for AHA, Health Research & Educational Trust (HRET) and American College of Healthcare Executives (ACHE).

He received a B.A. degree in Politics from Fairfield University (CT), and a Masters in Health Services Administration from SUNY- Stony Brook. He is a Fellow of ACHE.

As AHA president, Mr. Umbdenstock served as Vice Chair of the National Quality Forum, on the Board of Enroll America, and co-chaired the Affordable Quality Healthcare Provider Council. He also served on the National Priorities Partnership. He was elected this year to the board of the Coalition to Transform Advanced Care. His Honors include the B’nai B’rith International 2014 National Healthcare Award; the American College of Healthcare Executives 2015 Gold Medal Award; the American Organization of Nurse Executives 2015 Honorary Member Award; the Federation of American Hospitals Inaugural Health Care Leadership Award; the National Center for Healthcare Leadership 2015 Gail L. Warden Leadership Excellence Award; the Seattle Business magazine 2016 Health Care Lifetime Achievement Award; and, AHA’s establishment of the Richard J. Umbdenstock—Institute for Diversity in Health Management Executive Fellowship and the title of President Emeritus upon his retirement from AHA in 2015.

Martin Hubbes

Mr. Hubbes, MBA, CFA served as the Chief Investment Officer and Executive Vice President of Investments at AGF Investments Inc. from July 2005 to February 2014. Mr. Hubbes oversaw all of investment management operations including offices in Toronto, Singapore, Dublin and London, Ontario. He also served as Chief Investment Officer and Executive Vice President of Investments at AGF Investments America Inc. Previously, Mr. Hubbes served as the Chief Investment Officer, Executive Vice President of Investments, and Portfolio Manager of Investments at AGF from September, 1996 to July, 2005. He has extensive direct investment management and mutual fund experience, managing AGF Canadian Stock Fund, AGF Canada Class, IG AGF Canadian Growth, Symmetry Canadian Growth Class, Primerica Asset Builder Fund and co-managing the AGF Health Sciences Class. He was a Managing Director at AGF Management (Deutschland) GmbH based in Berlin Germany from January, 1993 to January, 1995. He served as a Director of AGF Investments Inc., from September 2005 to January 2011. He served as Director of various AGF Funds. Mr. Hubbes is a member of the Toronto CFA Society. He holds the CFA designation. Mr. Hubbes holds an I.M.B.A. degree from the Schulich School of Business at York University and a M.Sc. and B.Sc. degree in Biochemistry from the University of Toronto.

Cease Trade Orders and Bankruptcy

No proposed director:

- (a) is, or was within 10 years before the date of this information circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this information circular, or has been within the 10 years before the date of this information circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within 10 years before the date of this information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointee to hold the assets of the proposed director.

In addition, no proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

C. Appointment of Auditor

The persons named in the enclosed instrument of proxy will vote for the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants of Suite 1500, 1140 West Pender St., Vancouver, British Columbia V6E 4G1, as auditor of the Company for the ensuing year, until the close of the next annual general meeting of the shareholders. Dale Matheson Carr-Hilton Labonte LLP was first appointed to the position of auditor of the Company on December 16, 2015.

D. Ratification and Approval of Stock Option Plan, as amended

On August 31, 2015 the Board approved the Option Plan (defined above). The Option Plan is a rolling plan under which options totaling a maximum of 10% of the common shares outstanding from time to time are available for grant.

As the Company changed its exchange listing on July 25, 2016 to the TSXV, the Option Plan is now subject to TSXV Policies. To comply with TSXV policies covering “rolling” option plans, the Option Plan as adopted by the Board must be ratified and approved by the shareholders; and continued grants under the Option Plan must be approved annually by the shareholders of the Company at each successive annual general meeting. The Option Plan must also be amended to comply with s. 3.8(g) of TSXV Policy 4.4 to include a provision stating that the Company must obtain disinterested shareholder approval in order to decrease the price of any Insider options. Shareholders will be asked to approve the following amendments to the Option Plan:

1. to amend the 1st line of Article 2.3 to replace the word “may” with the word “shall” so that the paragraph reads as follows:

“Each option to purchase Shares (an “**Option**”) granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Optionee (as defined herein), in such form as the Board shall approve, and each such agreement shall recite that it is subject to the provisions of this Plan (each such agreement being an “**option agreement**”).”

2. to amend the third line of Article 7 – Exercise Price at paragraph 7.1(b) to add disinterested shareholder approval so that the paragraph reads as follows:

“Once the exercise price has been determined by the Board and accepted by the Exchange and the Option has been granted, the exercise price of an Option may be reduced upon receipt of Board approval, and upon approval of the disinterested shareholders of the Corporation, in compliance with the rules and policies of the Exchange and other Applicable Laws.”

3. to amend Article 18 – Amendment and Termination of Plan to add paragraph 18.2 as follows:

“Terms or Amendments Requiring Disinterested Shareholder Approval

18.2 The Corporation 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 Corporation’s other 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.”

At the Meeting shareholders will be asked to approve an ordinary resolution which will:

- a) ratify and approve the Board’s adoption of the Option Plan on August 31, 2015;
- b) ratify and approve amendment of the Option Plan to comply with s. 3.8(g) of TSXV Policy 4.4; and
- c) approve continuation of the Option Plan, as amended, until the Company’s next annual general meeting.

As at August 17, 2016 there were 70,088,505 common shares issued and outstanding. Accordingly, under the Option Plan the Company has the authority to grant options to purchase up to a total of 7,008,850 common shares. At the date of this Information Circular, options to purchase an aggregate of 2,149,010 common shares are granted and outstanding under the Option Plan, representing approximately 3.07% of the outstanding common shares, and 4,859,840 common shares, representing approximately 6.9% of the outstanding common shares, remain available for reserve for exercise of incentive plan awards.

Following the Meeting, Management proposes to retain its current Option Plan, as amended; however the Board has determined to augment the Option Plan with the RSU Plan defined above and described in more detail below. Therefore, incentive plan awards, being options granted under the Option Plan as well as RSUs awarded under the RSU Plan, will draw from the 10% rolling maximum pool of common shares available for reserve for exercise of stock option and RSU awards.

The Option Plan is designed to promote the long-term success of the Company by strengthening the ability of the Company to attract and retain highly competent employees and to promote greater alignment of interests between executives and shareholders in the creation of long-term shareholder value.

The Board has the authority to grant stock options to directors, management, employees and consultants of the Company. Options are generally granted annually, and at other times of the year to individuals commencing employment with the Company. Option exercise prices are set in accordance with TSXV policies.

When granting stock options the Board takes a number of factors into account, including the amount and term of options previously granted, base salary and annual performance incentives awarded to the Company’s directors, officers, employees and consultants, and commensurate with those offered by other companies in our industry. Options vest on terms established by the Board at the time of grant. Similar considerations as outlined above will apply in the granting of RSUs. The material terms of the current Option Plan are set out above under “*Securities Authorized for Issuance under Equity Compensation Plans.*”

Reference should be made to the full text of the Option Plan, as amended, a copy of which is attached hereto as Schedule A hereto. A copy of the Option Plan, as amended, will also be made available at the Meeting.

At the Meeting shareholders will be asked to approve the following ordinary resolution, with or without variation:

“The Stock Option Plan approved by the Board of Directors of the Company on August 31, 2015, as amended on August 25, 2016, a copy of which is attached as Schedule A to the Information Circular prepared for the Company’s annual general and special meeting held September 30, 2016, be and is hereby ratified, confirmed and approved for continuation until the next annual general meeting of the Company.”

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

The Board recommends that shareholders vote in favour of the resolution to ratify, confirm and approve adoption and continuation of the Option Plan, as amended. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the resolution.

A copy of the Option Plan, as amended, may also be obtained by contacting the Company by telephone: (604) 688-9588 or fax: (778) 329-9361.

E. Ratification and Approval of Restricted Stock Unit Plan

On August 25, 2016, the Board approved the adoption by the Company of a restricted stock unit plan (the “**RSU Plan**”). The RSU Plan is designed to provide certain directors, officers, employees and consultants of the Company and its related entities with the opportunity to acquire restricted stock units (“**RSUs**”) of the Company in order to enable them to participate in the long-term success of the Company. The purpose of the RSU Plan is to further promote a greater alignment of the interests of directors, officers, employees and consultants of the Company with the interests of the Shareholders. The Board (or the Compensation Committee, or such other committee the Board may appoint) is responsible for administering the RSU Plan.

RSUs will vest on terms established by the Board, or any Board committee appointed for such purpose.

Maximum Number of Common Shares Issuable under RSU Plan

Under the RSU Plan, the fixed maximum number of common shares reserved and available for issuance from treasury is 2% of the current number of issued and outstanding common shares (on a non-diluted basis). As of August 17, 2016 there were 70,088,505 common shares issued and outstanding, 2% of which is equal to 1,401,770 common shares. The RSU Plan allows the Company to grant RSUs, under and subject to the terms and conditions of the RSU Plan, which may be exercised to purchase up to a fixed maximum number of 1,401,770 common shares.

The RSU Plan provides that the maximum number of common shares issuable pursuant to the RSU Plan, together with any common shares issuable pursuant to any other Security Based Compensation Arrangement outside of the RSU Plan (namely the Option Plan described above), will not exceed an aggregate of 10% of the total number of issued and outstanding common shares at any time. In addition, the maximum number of common shares issued to Insiders under the RSU Plan and all other Security Based Compensation within any one year period, will not exceed 2% of the total number of issued and outstanding common shares taken at the beginning of the year. Pursuant to TSXV policies RSUs to a maximum of 1% of the issued and outstanding common shares of the Company may be granted to any one Eligible Person under the RSU Plan; and, in aggregate, a maximum of 2% of the issued and outstanding common shares of the Company may be granted to any one Eligible Person in any 12 month period.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to ratify and approve the adoption of the RSU Plan. A copy of the RSU Plan is attached as Schedule B to this Circular.

In the event that the RSU Plan is not ratified and approved by the Shareholders at the Meeting, the Company will consider the provision of comparable compensation to its directors, officers, employees and consultants in the form of cash or by other appropriate arrangements (which may include grants under the Option Plan – refer to *D. Ratification and Approval of Stock Option Plan* above).

The following summary assumes that the RSU Plan will be ratified and approved by the Shareholders at the Meeting and is subject to the specific provisions of the RSU Plan. **Capitalized terms used but not defined in this section of the Circular shall have the meanings ascribed thereto in the RSU Plan attached hereto as Schedule B.**

Benefits of the RSU Plan

The RSU Plan is designed to be a long term incentive for the directors, officers, employees and consultants of the Company. RSUs provide the Board (or a Board committee) with an additional compensation tool which can be used to help retain and attract highly qualified directors, officers and employees and further align the interests of directors, officers, employees and consultants of the Company with the interest of the Shareholders. It is intended to promote a greater alignment of interests between the Shareholders of the Company and the directors, officers, employees and consultants of the Company by providing an opportunity to participate in any increases to the value of the Company.

The Board may engage such consultants and advisors as it considers appropriate, including compensation or human resources consultants or advisors, to provide advice and assistance in determining the amounts to be paid under this Plan and other amounts and values to be determined hereunder or in respect of this Plan including, without limitation, those related to a particular Fair Market Value.

Nature and Administration of the RSU Plan

All Directors, Officers, Employees and Consultants (as defined in the RSU Plan) of the Company and its related entities ("**Eligible Persons**") are eligible to participate in the RSU Plan (as "**RSU Plan Recipients**"), though the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation in the RSU Plan at any time. Eligibility to participate in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board (or a Committee delegated by the Board), may, from time to time, award RSUs to Eligible Persons. All RSUs awarded will be credited to an account maintained for each RSU Plan Recipient on the books of the Company as of each award date. The number of RSUs to be credited to each RSU Plan Recipient's account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

Each award of RSUs vests on the date(s) (each a "**Vesting Date**") that is the later of the Trigger Date (defined below) and the date upon which the relevant performance condition or other vesting condition set out in the award has been satisfied, subject to the requirements of the RSU Plan.. Rights and obligations under the RSU Plan can be assigned by the Company to a successor in the business of the Company, any company resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company, or any corporation acquiring all or substantially all of the assets or business of the Company.

Payment of RSUs

Under the RSU Plan, the Company, in its discretion and as may be determined by the Board, will pay out vested RSU's by paying or issuing (net of any applicable withholding taxes) to a RSU Plan Recipient, on or subsequent to the Trigger Date and before the Expiry Date (as defined below) an award payout of either: (a) one Share for each whole vested RSU; and (b) a cash amount equal the fair market value of one Share (as determined in accordance with the RSU Plan) as at the Trigger Date (the "**Vesting Date Value**") of each whole vested RSU.

Fractional Shares will not be issued pursuant to the RSU Plan, and where a RSU Plan Recipient would be entitled to receive a fractional Share in respect of a fractional vested RSU, the Company shall pay to such RSU Plan Recipient, in lieu of such fractional Share, cash value equal to the Vesting Date Value of such fractional Share.

Credit for Dividends

An RSU Plan Recipient's account will be credited with additional RSUs as of each dividend payment date in respect of which cash dividends are paid on common shares. The number of additional RSUs to be credited to an RSU Plan Recipient's account is computed by multiplying the amount of the dividend per common share by the aggregate number of RSUs that were credited to the RSU Plan Recipient's account as of the record date for payment of the dividend, and dividing that number by the Fair Market Value (as defined in the RSU Plan). Note that the Company is not obligated to pay dividends on common shares.

Resignation, Termination, Leave of Absence or Death

Generally, if an RSU Plan Recipient's employment or service is terminated, or if the RSU Plan Recipient resigns from employment with the Company, then any RSUs credited to him or her under the RSU Plan which have not vested on or before the separation date for the RSU Plan Recipient are forfeited, cancelled and terminated without payment.

In the event an RSU Plan Recipient is terminated without cause, all unvested RSUs credited to such terminated RSU Plan Recipient will immediately vest on the date of termination. If an RSU Plan Recipient's employment or service is terminated (otherwise than without cause), or the RSU Plan Recipient enters Retirement (as defined in the RSU Plan), dies, or suffers Total Disability (as defined in the RSU Plan), all unvested RSUs will automatically be cancelled without compensation.

The number of common shares available for reserve under the RSU Plan is a fixed number, therefore when RSUs are terminated or cancelled under the Plan, the common shares reserved for the exercise of such RSUs are also terminated and cancelled and no longer available for reserve under the RSU Plan.

Change of Control

In the event of a Change of Control (as defined in the RSU Plan), all RSUs credited to an RSU Plan Recipient vest on the date on which the Change of Control occurs. Within thirty (30) days after the date on which the Change of Control Occurs, the RSU Plan Recipient must receive a payment equal to the number of RSUs that vested on the date of the Change of Control, multiplied by the Fair Market Value on that date.

Adjustments

In the event of any dividend paid in common shares, any subdivision of the common shares, any combination or exchange of the common shares, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting the common shares, the Board will make adjustments with respect to the number of RSUs outstanding and any proportional adjustments as the Board, in its discretion, considers appropriate to reflect the change.

Vesting

The Board has the discretion to grant RSUs to Eligible Persons as the Board determines is appropriate, and can impose conditions on vesting as it sees fit in addition to the Performance Conditions (as defined in the RSU Plan) if any. RSUs vest on the date that is the later of (a) the date set by the Board at the time of the grant or if no date is set then December 1 of the third calendar year following the date of the grant (the “**Trigger Date**”), and (b) the date upon which the relevant Performance Condition or other vesting condition has been satisfied, subject to the limitations of the RSU Plan.

RSUs only vest on the Trigger Date to the extent that the Performance Conditions have been satisfied on or before the Trigger Date, and no RSU will remain outstanding for any period which exceeds the expiry date (which shall be December 31 of the third calendar year after the date of grant, or such earlier date as may be established by the Board (the “**Expiry Date**”).

The Board may accelerate the Trigger Date of any RSU at its election.

Limitations under the RSU Plan

Unless disinterested Shareholder Approval is obtained, or unless permitted otherwise by the policies of the TSXV:

- (a) the maximum number of common shares which may be reserved for issuance to Insiders, as a group, under the RSU Plan together with any other Share Compensation Arrangement (as defined in the RSU Plan), may not exceed 10% of the issued common shares;
- (b) the maximum number of RSUs that may be granted to Insiders, as a group, under the Plan together with any other Share Compensation Arrangement, within a 12-month period, cannot exceed 10% of the issued common shares calculated on the date of the grant of the RSUs;
- (c) the maximum number of RSUs that can be granted to any one Eligible Person under the Plan, together with any other Share Compensation Arrangement, within a 12-month period, cannot exceed 5% of the issued common shares calculated on the date of the grant of the RSUs; and
- (d) the maximum number of RSUs that may be granted to any one Consultant, within a 12-month period, may not result in a number of RSUs exceeding 2% of the number of issued and outstanding common shares at the Grant Date, together with any other Share Compensation Arrangement, without the prior consent of the TSXV.

On August 31, 2015 the Board adopted a stock option plan (defined above as the “Option Plan”) under which convertible securities can be issued as an additional mechanism to encourage equity participation in the Company by directors, officers, employees and consultants, which for the purposes of the RSU Plan is considered a Share Compensation Arrangement. Any grants under the Option Plan would be considered in the limitations under the RSU Plan listed hereunder. For additional information regarding the Option Plan, please see the heading *D. Ratification and Approval of Stock Option Plan* above.

Amendment or Termination of RSU Plan

Subject to the requirements of applicable laws, the Board may amend or terminate the RSU Plan at any time, but the consent of the RSU Plan Recipient is required for any such amendment that adversely affects the rights of the RSU Plan Recipient, unless the amendment or termination is required by law. A termination of the RSU Plan will not accelerate the vesting of RSUs or the time in which a RSU Plan Recipient would otherwise be entitled to receive payment in respect of the RSUs.

Approval Requirements

Approval of the RSU Plan must be confirmed by a simple majority of the votes cast by the disinterested Shareholders of the Company voting in person or by proxy at the Meeting. As such, the votes of any persons eligible to receive grants of RSUs, and their affiliates and associates, will not be counted on this resolution and will be excluded from the vote. **The Board recommends that the disinterested Shareholders vote FOR the resolution to ratify and approve adoption of the RSU Plan.**

Approval of the RSU Plan

At the Meeting, the Company will ask its disinterested shareholders (defined below) to consider and, if deemed advisable, to approve the following ordinary resolution, with or without variation, to ratify and approve adoption of the RSU Plan:

“Be it RESOLVED that:

1. the Restricted Stock Unit Plan (the “**RSU Plan**”), in the form attached as Schedule B to the Company’s Information Circular dated August 29, 2016, reviewed by the Company’s board of directors (the “**Board**”), be and is hereby ratified and approved for adoption;
2. the effective date of the RSU Plan shall be August 25, 2016;
3. subject to all required regulatory approvals, including approval of the TSX Venture Exchange and shareholder approval, the RSU Plan be and is hereby approved, and the RSU Plan be forthwith adopted and implemented by the Company, with such further deletions, additions and other amendments as are required by any securities regulatory authority or which are not substantive in nature and the Chief Executive Officer or the President of the Company deems necessary or desirable;
4. the Board (or any Board committee appointed for such purpose) be and is hereby appointed to be the Administrator under the RSU Plan, such appointment to be effective until revoked by resolution of the Board;
5. the Company be and is hereby authorized to grant restricted stock units (“**RSUs**”) under and subject to the terms and conditions of the RSU Plan, which may be exercised to purchase up to a fixed maximum of 1,401,770 common shares;
6. the maximum number of common shares issuable to Insiders of the Company under security-based compensation arrangements, including both the Company’s Stock Option Plan and the RSU Plan, at any time, cannot exceed 10% of the issued and outstanding common shares of the Company, unless prior approval of the disinterested shareholders of the Company is obtained;
7. the Board (or such committee as the Board may appoint) be and is hereby authorized and directed to execute on behalf of the Company, the form of restricted stock unit agreement attached as a Schedule “A” to the RSU Plan, providing for the grant of RSUs to Eligible Persons under the RSU Plan;
8. the Company be and is hereby authorized to allot and issue as fully paid and non-assessable that number of common shares specified in the restricted stock unit agreement, of RSUs granted to Eligible Persons; AND THAT any two authorized persons of the Company be and are hereby authorized to execute such treasury order, or treasury orders, as may be necessary to effect the said issuance of common shares; and
9. any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents as may be required to give effect to this resolution.”

A “*disinterested shareholder*” means a shareholder that is not an Insider to whom the issuance of RSUs may be granted, nor are they an associate of any such Insider. The votes attaching to the securities beneficially owned by the following Insiders: John Kupice, Murray Walden, Ronald Overstreet, Richard J. Umbdenstock, Savio Chu, Martin Hubbes, Denise Lok, Kim Cronen and Chris Martin; as well as any associates or affiliates of these Insiders, will not be counted on this ordinary resolution.

An *ordinary resolution* is a resolution presented at a general meeting of the Company and must be passed by a simple majority of the votes cast in person or by proxy on the resolution.

The Board has concluded that adoption of the RSU Plan is in the best interests of the Company and its Shareholders. Accordingly, the Board unanimously recommends that Shareholders ratify, confirm and approve the adoption of the RSU Plan by voting FOR the Restricted Stock Unit Plan Resolution at the Meeting.

A copy of the RSU Plan will also be available for inspection at the Meeting.

Proxies received in favour of management will be voted in favour of the RSU Plan Disinterested Shareholder Resolution unless the Shareholder has specified in the Proxy that his or her common shares are to be voted against such resolution.

ADDITIONAL INFORMATION

Additional information concerning the Company is available under its profile on the SEDAR website at www.sedar.com. Financial information is provided in the Company’s comparative financial statements and management’s discussion and analysis for its most recently completed financial period which are filed on SEDAR.

Shareholders wishing to obtain a copy of the Company’s financial statements and management’s discussion and analysis may contact the Company as follows:

H-Source Holdings Ltd.
1075 West Georgia Street, Suite 1980
Vancouver, BC, V6C 3E9
Telephone: 604 688 9588
Fax: 778 329 9361

OTHER MATTERS

Management knows of no other matters to come before the Meeting other than those referred to in the accompanying Notice of Annual General and Special Meeting. Should any other matters properly come before the Meeting, the common shares represented by the instrument of proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy provided that such authority is granted to the proxyholder by the proxy.

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

DATED at Vancouver, British Columbia, the 30th day of August, 2016.

BY ORDER OF THE BOARD

“John Kupice”

John Kupice
Chief Executive Officer

Schedule A

STOCK OPTION PLAN, AMENDED AUGUST 25, 2016

STOCK OPTION PLAN

H-SOURCE HOLDINGS LTD.

ARTICLE 1 PURPOSE OF PLAN

1.1 The purpose of this stock option plan (the “**Plan**”) of H-SOURCE HOLDINGS LTD. (the “**Corporation**”), a corporation incorporated under the *Business Corporations Act* (British Columbia), is to advance the interests of the Corporation by encouraging the directors, employees and consultants of the Corporation and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through options, to acquire Class A common shares in the share capital of the Corporation (the “**Shares**”), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

ARTICLE 2 ADMINISTRATION OF PLAN

2.1 The Plan shall be administered by the board of directors of the Corporation or by a special committee of the directors appointed from time to time by the board of directors of the Corporation pursuant to rules of procedure fixed by the board of directors (such committee or, if no such committee is appointed, the board of directors of the Corporation is hereinafter referred to as the “**Board**”). A majority of the Board shall constitute a quorum and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously by consent in writing, shall be the acts of the directors.

2.2 Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all Optionees (as defined herein) under the Plan and on their legal personal representatives and beneficiaries.

2.3 Each option to purchase Shares (an “**Option**”) granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Optionee (as defined herein), in such form as the Board shall approve, and each such agreement shall recite that it is subject to the provisions of this Plan (each such agreement being an “**option agreement**”).

ARTICLE 3 STOCK EXCHANGE RULES

3.1 All Options granted pursuant to this Plan shall be subject to rules and policies of the Canadian Securities Exchange (the “**Exchange**”), applicable corporate and securities laws, and rules and policies of any stock exchange or exchanges (other than the Exchange) on which the Shares may be listed on in the future, and any other regulatory body having jurisdiction hereinafter (collectively, “**Applicable Laws**”).

**ARTICLE 4
SHARES SUBJECT TO PLAN**

4.1 Subject to adjustment as provided in Article 16 hereof, the Shares to be offered under the Plan shall consist of authorized but unissued Shares of the Corporation. The aggregate number of Shares issuable upon the exercise of all Options granted under the Plan shall not exceed 10% of the issued and outstanding Shares of the Corporation from time to time. If any Option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the Shares subject to such unexercised Option shall again be available for the purpose of this Plan.

**ARTICLE 5
MAINTENANCE OF SUFFICIENT CAPITAL**

5.1 The Corporation shall at all times during the term of the Plan keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

**ARTICLE 6
ELIGIBILITY AND PARTICIPATION**

6.1 Directors, consultants and employees (and any other person that the Board wishes to grant stock options to) of the Corporation or any of its subsidiaries, and employees of a person or company which provides management services to the Corporation or any of its subsidiaries (“**Management Company Employee(s)**”) shall be eligible for selection to participate in the Plan (collectively, the “**Optionees**” and individually, an “**Optionee**”). Subject to compliance with Applicable Laws, Optionees may elect to hold Options granted to them in an incorporated entity wholly-owned by them and such entity shall be bound by the Plan in the same manner as if the Options were held by the Optionee.

6.2 Subject to the terms hereof, the Board shall determine to whom Options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such Options shall be granted and vested, and the number of Shares to be subject to each option.

6.3 The Corporation represents that, in the event that the Corporation wishes to grant Options under the Plan to any director, employee, consultant, or Management Company Employees, it will only grant such Options to Optionees who are bona fide directors, employees, consultants, or Management Company Employees, as the case may be.

6.4 An Optionee who has been granted an Option may, if such Optionee is otherwise eligible, and if permitted under Applicable Laws, be granted an additional Option or Options if the Board shall so determine.

**ARTICLE 7
EXERCISE PRICE**

7.1 (a) The exercise price of the Shares shall be determined by the Board, subject to applicable Exchange approval, at the time any Option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.

(b) Once the exercise price has been determined by the Board and accepted by the Exchange and the Option has been granted, the exercise price of an Option may be reduced upon receipt of

Board approval and upon approval of the disinterested shareholders of the Corporation, in compliance with the rules and policies of the Exchange and other Applicable Laws.

**ARTICLE 8
NUMBER OF OPTIONED SHARES**

- 8.1 (a) The number of Shares subject to an option granted to any one Optionee shall be determined by the Board, but no one Optionee shall be granted an Option which exceeds the maximum number permitted by the Exchange.
- (b) No single Optionee may be granted Options to purchase a number of Shares equaling more than 5% of the issued Shares of the Corporation in any twelve-month period, unless the Corporation meets requirements under Applicable Laws including applicable Exchange requirements.
- (c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares of the Corporation in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries).
- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 1% of the issued Shares of the Corporation in any twelve-month period to employees conducting Investor Relations Activities (as such term is defined in the policies of the Exchange). Options granted to persons performing Investor Relations Activities will contain vesting provisions such that vesting occurs over at least twelve months with no more than 1/4 of the Options vesting in any three-month period.

**ARTICLE 9
DURATION OF OPTION**

- 9.1 Each Option and all rights thereunder shall be expressed to expire on the date set out in the option agreement for each Optionee and shall be subject to earlier termination as provided in Articles 11 and 12 hereof, provided that in no circumstances shall the duration of an Option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the Exchange, the maximum term may not exceed ten (10) years from the date of grant.

**ARTICLE 10
OPTION PERIOD, CONSIDERATION AND PAYMENT**

- 10.1 (a) The Option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the Option period shall be reduced with respect to any Option as provided in Articles 11 and 12 covering cessation as a director, consultant, employee, or Management Company Employee of the Corporation or any of its subsidiaries or death of the Optionee.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, Options may be exercised in whole or in part at any time and from time to time during the Option period.

(d) Except as set forth in Articles 11 and 12, no Option may be exercised unless the Optionee is at the time of such exercise a director, consultant, or employee of the Corporation or any of its subsidiaries or a Management Company Employee of the Corporation or any of its subsidiaries.

(e) The exercise of any Option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, addressed to the chief financial officer of the Corporation, specifying the number of Shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the Option is exercised. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment. Neither the Optionee nor his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares of the Corporation unless and until the certificates for the Shares issuable pursuant to Options under the Plan are issued to him or them under the terms of the Plan and the related option agreement.

(f) Notwithstanding any of the provisions contained in this Plan or in any option agreement, any and all obligations of the Corporation whatsoever to issue Shares to an Optionee pursuant to the exercise of an Option and/or this Plan shall at all times be subject to:

(i) completion of such registration or other qualification of such Shares, and obtaining approval of such governmental authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;

(ii) the Corporation being satisfied that the issuance of such Shares shall not (whether with notice or the passage of time or both) breach, violate or be contrary to any of its constating documents, partnership agreements, applicable laws, regulations, stock exchange rules and policies, and other agreements to which it is a party;

(iii) the admission of such Shares to listing on any stock exchange on which the Shares may then be listed: and

(iv) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction and Applicable Laws.

In connection therewith, the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange on which the Shares are then listed.

ARTICLE 11 CEASING TO BE A DIRECTOR, OFFICER, CONSULTANT OR EMPLOYEE

11.1 Subject to Section 11.2, if an Optionee ceases to be a director, employee, consultant, or Management Company Employee of the Corporation or any of its subsidiaries as a result of having been dismissed from any such position for cause, all unexercised Option rights of that Optionee under the Plan shall immediately become terminated and shall lapse, notwithstanding the original term of the Option granted to such Optionee under the Plan and under that Optionee's option agreement.

11.2 If an Optionee ceases to be either a director, employee, consultant, or Management Company Employee of the Corporation or any of its subsidiaries for any reason other than as a result of having been dismissed for cause as provided in Section 11.1 or as a result of the Optionee's death, such Optionee shall have the right for a period of ninety (90) days (or until the normal expiry date of the Option rights of such Optionee if earlier) from the date of ceasing to be either a director, employee, consultant, or Management Company Employee to exercise his Option under the Plan to the extent that the Optionee was entitled to exercise it on the date of ceasing to be either a director, employee, consultant, or Management Company Employee. Upon the expiration of such ninety (90) day period all unexercised Option rights of that Optionee shall immediately become terminated and shall lapse, notwithstanding the original term of the Option granted to such Optionee under the Plan and under that Optionee's option agreement.

11.3 If an Optionee engaged in providing Investor Relations Activities to the Corporation ceases to be employed in providing such Investor Relations Activities, such Optionee shall have the right for a period of thirty (30) days (or until the normal expiry date of the Option rights of such Optionee if earlier) from the date of ceasing to provide such Investor Relations Activities to exercise his Option under the Plan to the extent that the Optionee was entitled to exercise it on the date of ceasing to provide such Investor Relations Activities. Upon the expiration of such thirty (30) day period (or the normal expiry date of the Option rights, as applicable) all unexercised Option rights of that Optionee shall immediately become terminated and shall lapse, notwithstanding the original term of the Option granted to such Optionee under the Plan and under that Optionee's option agreement.

11.4 Nothing contained in the Plan, nor in any Option granted pursuant to the Plan in an option agreement, shall as such confer upon any Optionee any right with respect to continuance as a director, consultant, employee, or Management Company Employee of the Corporation or of any of its subsidiaries.

11.5 Options granted to an individual who is a director, employee, consultant, or Management Company Employee of the Corporation shall not be affected by any change of employment of that individual where the change immediately results in the individual becoming a director, employee, consultant, or Management Company Employee of the Corporation.

ARTICLE 12 DEATH OF OPTIONEE

12.1 In the event of the death of any Optionee, the legal representatives of the deceased Optionee shall have the right for a period of one year (or until the normal expiry date of the Option rights of such Optionee if earlier) from the date of death of the deceased Optionee to exercise the deceased Optionee's Option under the Plan and pursuant to such Optionee's option agreement to the extent that it was exercisable on the date of death. Upon the expiration of such period all unexercised Option rights of the deceased Optionee shall immediately become terminated and shall lapse, notwithstanding the original term of the Option granted to the deceased Optionee under the Plan and option agreement.

ARTICLE 13 RIGHTS OF OPTIONEE

13.1 No person entitled to exercise any Option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until certificates representing such Shares shall have been issued and delivered by the Corporation to such person or such person's representative, as applicable.

**ARTICLE 14
HOLD PERIOD**

14.1 If required by Applicable Laws or by the Exchange any Shares issued upon the exercise of an Option shall be subject to a hold period, and may not be traded for a period of four (4) months plus a day from the date of grant (and/or any other applicable hold period(s)).

**ARTICLE 15
PROCEEDS FROM SALE OF SHARES**

15.1 The proceeds from the sale of Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

**ARTICLE 16
ADJUSTMENTS**

16.1 If the outstanding Shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through reorganization, merger, re-capitalization, re-classification, stock dividend, subdivision, or consolidation, or other similar transaction, an appropriate and proportionate adjustment shall be made by the Board in its discretion in the number or kind of Shares optioned and the exercise price per Share, as regards previously granted and unexercised Options or portions thereof, and as regards Options which may be granted subsequent to any such change in the Corporation's capital.

Adjustments under this Article shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional shares shall be required to be issued under the Plan on any such adjustment.

16.2 Upon the liquidation or dissolution of the Corporation, the Plan shall terminate, and any Options granted hereunder shall terminate. In the event of a re-organization, merger or consolidation of the Corporation with one or more corporations as a result of which the Corporation is not the surviving corporation. or upon the sale of substantially all of the property or more than eighty (80%) percent of the then outstanding Shares of the Corporation to another corporation (a "**Change of Control**") all Options granted which have not yet vested shall immediately vest without consideration as to time or any other vesting provision set forth in the Plan or stock option agreement governing such Options provided that such vesting is not in violation of the then current policies of the Exchange, if applicable, and all Optionees then entitled to exercise Options then outstanding shall have the right at such time immediately prior to consummation of the Change of Control to exercise their Options to the full extent not theretofore exercised. Upon consummation of the Change of Control, the Plan shall terminate and any Options theretofore granted hereunder that remain unexercised upon termination shall also terminate.

**ARTICLE 17
TRANSFERABILITY**

17.1 All benefits, rights and Options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or to the extent, if any, permitted by the Exchange. During the lifetime of an Optionee any benefits, rights and Options may only be exercised by the Optionee.

**ARTICLE 18
AMENDMENT AND TERMINATION OF PLAN**

18.1 Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan, provided that no such amendment or revision shall alter the terms of any Options theretofore granted under the Plan, unless allowed under and pursuant to Applicable Laws.

Terms or Amendments Requiring Disinterested Shareholder Approval

18.2 The Corporation 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 Corporation's other 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.

**ARTICLE 19
NECESSARY APPROVALS**

19.1 The ability of an Optionee to exercise Options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation and subject to Applicable Laws. If any Shares cannot be issued to any Optionee for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any Option exercise price paid to the Corporation will be returned to the Optionee.

**ARTICLE 20
EFFECTIVE DATE OF PLAN**

20.1 The Plan has been adopted by the Board subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

**ARTICLE 21
INTERPRETATION**

21.1 The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia and the applicable Federal laws of Canada therein.

21.2 Nothing in this Plan or in any Option shall confer upon any director, employee, consultant, or Management Company Employee any right to continue in the employ of the Corporation or any of its subsidiaries or affect in any way the right of the Corporation or any of its subsidiaries to terminate his employment at any time. Nor shall anything in this Plan or in any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any of its subsidiaries to extend the employment of any Optionee beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any of its subsidiaries or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any of its subsidiaries.

21.3 Nothing in this Plan or any Option shall confer on any Optionee any right to continue providing ongoing services to the Corporation or any of its subsidiaries, or affect in any way the right of the Corporation or any of its subsidiaries to terminate his, her or its contract at any time. Nor shall anything in this Plan, any Option, or option agreement be deemed or construed as an agreement, or an expression of intent, on the part of the Corporation or any of its subsidiaries to extend the time for the performance of the ongoing services beyond the time specified in the contract with any such entity.

21.4 References herein to any gender include all genders.

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Schedule B

RESTRICTED STOCK UNIT PLAN

Dated as of August 25, 2016

H-SOURCE HOLDINGS LTD.

RESTRICTED STOCK UNIT PLAN

PART 1

GENERAL PROVISIONS

Establishment and Purpose

1.1 The Company hereby establishes a restricted stock unit plan known as the “H-Source Restricted Stock Unit Plan”.

1.2 The purpose of this Plan (defined below) is to allow for certain discretionary bonuses and similar awards as an incentive and reward for selected Eligible Persons related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in shareholder value. This Plan is intended to promote a greater alignment of interests between the shareholders of the Company and the selected Eligible Persons by providing an opportunity to participate in increases in the value of the Company.

Definitions

1.3 In this Plan:

- (a) **Affiliate** of any Person means a Person who would be an affiliated entity of such first mentioned Person for purposes of National Instrument 45-106 *Prospectus Exemptions* as of the date of this H-Source Restricted Stock Unit Plan;
- (b) **Applicable Withholding Tax** has the meaning set forth in §3.7;
- (c) **Award** means an agreement evidencing the grant of a Restricted Stock Unit;
- (d) **Award Payout** means the applicable Stock issuance or cash payment in respect of a vested Restricted Stock Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;
- (e) **Blackout Period** means the period of time when, pursuant to any policies of the Corporation or any resolution of the Board, any Shares may not be traded by certain persons as designated by the Company, including a holder of any Restricted Stock Unit;
- (f) **Board** means the Board of Directors of the Company;
- (g) **Change of Control** means:
 - (i) any Merger and Acquisition Transaction in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are to be transferred to a Person or Persons (other than any of its Affiliates) different from the Persons holding those securities

immediately prior to such transaction and the composition of the Board following such transaction is to be such that such directors prior to the transaction constitute less than fifty percent (50%) of the directors of the Company following the transaction;

(ii) any Merger or Acquisition Transaction, directly or indirectly, by any Person or related group of Persons (other than the Company or a Person that directly or indirectly controls, is controlled by, or is under common control with, the Company and other than by any or its Affiliates) involving a change in the beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities;

(iii) any acquisition, directly or indirectly, by a Person or related group of Persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company (other than any or its Affiliates);

(iv) any Merger or Acquisition Transaction involving the disposition of all or substantially all of the assets of the Company; and

(v) a complete liquidation or dissolution of the Company;

provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results solely from the issuance, in connection with a *bona fide* financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities;

(h) **Committee** means the Compensation Committee of the Board, consisting of not less than three directors, to whom the authority of the Board is delegated in accordance with §1.5;

(i) **Company** means H-Source Holdings Ltd., and includes any successor company thereto;

(j) **Consultant** means, in relation to the Company, an individual or Consultant Company, other than an employee of the Company, that:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution of securities;

(ii) provides the services under a written contract between the Company or the 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 affairs and business of the Company or an Affiliate of the Company; and

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

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

- (l) **Director** means a member of the Board or of the board of directors of a Related Entity;
- (m) **Eligible Person** means any person who is a Director, Employee, Officer or Consultant;
- (n) **Employee** means an employee of the Company or of a Related Entity;
- (o) **Expiry Date** means December 31 of the third calendar year after the Grant Date, or such earlier date as may be established by the Board in respect of an Award at the time of grant of the Award;
- (p) **Fair Market Value** means, as at a particular date, for the purpose of calculating the applicable Vesting Date Value and Award Payout,
 - (i) if the Shares are listed on the TSXV, the greater of: (i) the weighted average of the trading price per Share on the TSXV for the last five trading days ending on that date; and (ii) the closing price of the Shares on the day before that date,
 - (ii) if the Shares are listed on the TSX, the volume weighted average price per Share traded on the TSX over the last five trading days preceding that date,
 - (iii) if the Shares are not listed on the TSX or the TSXV, the value established by the Board based on the volume weighted average price per Share traded on any other public exchange on which the Shares are listed over the same period, or
 - (iv) if the Shares are not listed on any public exchange, the value per Share established by the Board based on its determination of the fair value of a Share;
- (q) **Grant Date** means the date of grant of any Restricted Stock Unit;
- (r) **IFRS** means the International Financial Reporting Standards as adopted by the Accounting Standards Board of Canada;
- (s) **Insider** means: (i) a Director or Officer of the Company; (ii) a Director or Officer of a company that is an Insider or Related Entity of the Company; (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company; and (iv) the Company itself if it holds any of its own securities;
- (t) **Merger and Acquisition Transaction** means:
 - (i) any merger or consolidation;
 - (ii) any acquisition;
 - (iii) any amalgamation;
 - (iv) any offer for Shares which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
 - (v) any arrangement or other scheme of reorganization;

- (u) **Officer** means an individual who is an officer of the Company or of a Related Entity as an appointee of the Board or the board of directors of the Related Entity, as the case may be;
- (v) **Person** means an individual, body corporate, partnership, joint venture, limited liability company or trust and the heirs, beneficiaries, executors, legal representatives or administrators of an individual;
- (w) **Plan** means this H-Source Restricted Stock Unit Plan, as amended from time to time;
- (x) **Recipient** means an Eligible Person who may be granted Restricted Stock Units from time to time under this Plan;
- (y) **Related Entity** means a person that is controlled by the Company. For the purposes of this Plan, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
 - (i) ownership of or direction over voting securities in the second person,
 - (ii) a written agreement or indenture,
 - (iii) being the general partner or controlling the general partner of the second person, or
 - (iv) being a trustee of the second person;
- (z) **Required Approvals** has the meaning contained in §1.7;
- (aa) **Restricted Period** means the period of time: (i) during a Black Out Period; and (ii) within five Business Days following the end of a Black Out Period;
- (bb) **Restricted Stock Unit** means a right granted under this Plan to receive the Award Payout on the terms contained in this Plan as more particularly described in §3.1;
- (cc) **Retirement** means, with respect to a Recipient, the early or normal retirement of the Recipient within the meaning of the pension plan of the Company for salaried employees, whether or not such Recipient is a member of that pension plan, or, if the Company does not have such a plan, the date on which the Recipient reaches age 65;
- (dd) **Securities Act** means the *Securities Act*, R.S.B.C. 1996, c. 418, as amended from time to time;
- (ee) **Share** means a Class A Common share in the capital of the Company as from time to time constituted;
- (ff) **Share Compensation Arrangement** means any share option, share option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, Officers or Employees of the Company;
- (gg) **Shareholder Approval** means approval by the shareholders of the Company shareholders in accordance with the rules of the Stock Exchange;

- (hh) **Stock Exchange** means the TSX, the TSXV, or any other stock exchange on which the Shares are then listed for trading, as applicable;
- (ii) **Termination** means, with respect to a Recipient, that the Recipient has ceased to be an Eligible Person, other than as a result of Retirement, and has ceased to fulfill any other role as employee or officer of the Company or any Related Entity, including as a result of termination of employment, resignation from employment, removal as an officer, death or Total Disability;
- (jj) **Total Disability** means, with respect to a Recipient, that, solely because of disease or injury, within the meaning of the long-term disability plan of the Company, the Recipient is deemed by a qualified physician selected by the Company to be unable to work at any occupation which the Recipient is reasonably qualified to perform;
- (kk) **Trigger Date** means, with respect to a Restricted Stock Unit, the date set by the Board at the time of grant, and if no date is set by the Board, then December 1 of the third calendar year following the Grant Date of the Restricted Stock Unit, as such may be amended in accordance with §2.6;
- (ll) **TSX** means The Toronto Stock Exchange;
- (mm) **TSXV** means the TSX Venture Exchange; and
- (nn) **Vesting Date Value** means the notional value, as at a particular date, of the Fair Market Value of one Share.

Administration

- 1.4 The Board will, in its sole and absolute discretion, but taking into account relevant corporate, securities and tax laws,
- (a) interpret and administer this Plan,
 - (b) establish, amend and rescind any rules and regulations relating to this Plan, and
 - (c) make any other determinations that the Board deems necessary or appropriate for the administration of this Plan.

The Board may correct any defect or any omission or reconcile any inconsistency in this Plan in the manner and to the extent the Board deems, in its sole and absolute discretion, necessary or appropriate. Any decision of the Board in the interpretation and administration of this Plan will be final, conclusive and binding on all parties concerned. All expenses of administration of this Plan will be borne by the Company.

Delegation to Committee

- 1.5 All of the powers exercisable hereunder by the Board may, to the extent permitted by law and as determined by a resolution of the Board, be delegated to a Committee including, without limiting the generality of the foregoing, those referred to under §1.4.

Incorporation of Terms of Plan

1.6 Subject to specific variations approved by the Board all terms and conditions set out herein will be incorporated into and form part of each Restricted Stock Unit granted under this Plan.

Effective Date

1.7 This Plan will be effective on August 25, 2016. The Board may, in its discretion, at any time, and from time to time, issue Restricted Stock Units to Eligible Persons as it determines appropriate under this Plan. However, any such issued Restricted Stock Units may not be paid out in Shares in any event until receipt of the necessary Shareholder Approval of the Company, the TSX or TSXV, and any other regulatory bodies (the “**Required Approvals**”).

Shares Reserved

1.8 The aggregate number of Shares available for issuance from treasury under this Plan, subject to adjustment pursuant to §2.9, shall be 1,401,770 Shares. Any Share which was reserved for issuance pursuant to a Restricted Stock Unit, which Restricted Stock Unit has been cancelled or terminated in accordance with the terms of the Plan without being paid out as provided for in Part 3 shall also be terminated or cancelled and will no longer be available under the Plan.

Limitations on Restricted Stock Units to any One Person and to Insiders

1.9 Unless disinterested Shareholder Approval is obtained (or unless permitted otherwise by the rules of the Stock Exchange):

- (a) the maximum number of Shares which may be reserved for issuance to Insiders (as a group) under the Plan, together with any other Share Compensation Arrangement, may not exceed 10% of the issued Shares;
- (b) the maximum number of Restricted Stock Units that may be granted to Insiders (as a group) under the Plan, together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 10% of the issued Shares calculated on the Grant Date;
- (c) subject to §1.9(e), the maximum number of Restricted Stock Units that may be granted to any one Eligible Person under the Plan, together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 5% of the issued Shares calculated on the Grant Date;
- (d) subject to §1.9(e), the maximum number of Restricted Stock Units that may be granted to a Consultant, within a 12-month period, may not result in a number of Restricted Stock Units exceeding 2% of the number of Shares outstanding at the Grant Date, together with any other Share Compensation Arrangement, without the prior consent of the TSXV; and
- (e) grants of Restricted Stock Units under the Plan to any one Eligible Person may not exceed 1% of the issued Shares at the Grant Date and may not, in aggregate, exceed 2% of the issued Shares at the Grant Date in any 12 month period.

PART 2

AWARDS UNDER THIS PLAN

Recipients

2.1 Only Eligible Persons are eligible to participate in this Plan and receive one or more Restricted Stock Units. Restricted Stock Units that may be granted hereunder to a particular Eligible Person in a calendar year will (subject to any applicable terms and conditions) represent a right to a bonus or similar award to be received for services rendered by such Eligible Person to the Company or a Related Entity, as the case may be, in the Company's or the Related Entity's fiscal year ending in, or coincident with, such calendar year, as determined by the Board in its discretion.

Grant

2.2 The Board may, in its discretion, at any time, and from time to time, grant Restricted Stock Units to Eligible Persons as it determines is appropriate, subject to the limitations set out in this Plan. In making such grants the Board may, in its sole discretion but subject to §2.4(b)(ii), in addition to Performance Conditions set out below, impose such conditions on the vesting of the Awards as it sees fit, including imposing a vesting period on grants of Restricted Stock Units.

Performance Conditions

2.3 At the time a grant of a Restricted Stock Unit is made, the Board may, in its sole discretion, establish such performance conditions for the vesting of Restricted Stock Units as may be specified by the Committee in the Award (the "**Performance Conditions**"). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions, and may exercise its discretion to reduce the amounts payable under any Award subject to Performance Conditions. The Board may determine that an Award shall vest in whole or in part upon achievement of any one performance condition or that two or more Performance Conditions must be achieved prior to the vesting of an Award. Performance Conditions may differ for Awards granted to any one Grantee or to different Grantees.

Vesting

2.4 Except as provided in this Plan, Restricted Stock Units issued under this Plan will vest on the date (the "**Vesting Date**") that is the later of:

- (a) the Trigger Date; and
- (b) the date upon which the relevant Performance Condition or other vesting condition set out in the Award has been satisfied,

provided that

- (i) Restricted Stock Units shall only vest on the Trigger Date to the extent that the Performance Conditions or other vesting conditions set out in an Award have been satisfied on or before the Trigger Date;

- (ii) if the date in §2.4(a) or §2.4(b) occurs during a Restricted Period, the Vesting Date shall be extended to a date which is the earlier of: (i) one business day following the end of such Restricted Period; and (ii) the Expiry Date; and
- (iii) no Restricted Stock Unit will remain outstanding for any period which exceeds the Expiry Date of such Restricted Stock Unit.

Forfeiture and Cancellation upon Expiry Date

2.5 Restricted Stock Units which do not vest on or before the Expiry Date of such Restricted Stock Unit will be automatically cancelled, without further act or formality and without compensation.

Amendment of Trigger Date

2.6 The Board of Directors may, at any time after a grant of a Restricted Stock Unit, accelerate the Trigger Date of such Restricted Stock Unit.

Account

2.7 Restricted Stock Units issued pursuant to this Plan (including fractional Restricted Stock Units, computed to three digits) will be credited to a notional account maintained for each Recipient by the Company for the purposes of facilitating the determination of amounts that may become payable hereunder. A written confirmation of the balance in each Recipient's account will be sent by the Company to the Recipient upon request of the Recipient.

Dividend Equivalents

2.8 On any date on which a cash dividend is paid on Shares, a Recipient's account will be credited with the number and type of Restricted Stock Units (including fractional Restricted Stock Units, computed to three digits) calculated by

- (a) multiplying the amount of the dividend per Share by the aggregate number of Restricted Stock Units that were credited to the Eligible Person's account as of the record date for payment of the dividend, and
- (b) dividing the amount obtained in §2.8(a) by the Fair Market Value on the date on which the dividend is paid.

Adjustments and Reorganizations

2.9 In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting Shares, the Board, in its sole and absolute discretion, will make, with respect to the number of Restricted Stock Units outstanding under this Plan, any proportionate adjustments as it considers appropriate to reflect that change.

Notice and Acknowledgement

2.10 No certificates will be issued with respect to the Restricted Stock Units issued under this Plan. Each Eligible Person will, prior to being granted any Restricted Stock Units, deliver to the Company a signed acknowledgement substantially in the form of Schedule "A" to this Plan.

PART 3

PAYMENTS UNDER THIS PLAN

Payment of Restricted Stock Units

3.1 Subject to the terms of this Plan and, in particular, §3.7 of this Plan, the Company, in its discretion and as may be determined by the Board of Directors, will pay out vested Restricted Stock Units issued under this Plan and credited to the account of a Recipient by paying or issuing (net of any Applicable Withholding Tax) to such Recipient, on or subsequent to the Trigger Date but no later than the Expiry Date of such Vested Restricted Stock Unit, an Award Payout of either:

- (a) subject to receipt of the Required Approvals, one Share for such whole vested Restricted Stock Unit. Fractional Shares shall not be issued and where a Recipient would be entitled to receive a fractional Share in respect of any fractional vested Restricted Stock Unit, the Company shall pay to such Recipient, in lieu of such fractional Share, cash equal to the Vesting Date Value as at the Trigger Date of such fractional Share. Each Share issued by the Company pursuant to this Plan shall be issued as fully paid and non-assessable, or
- (b) a cash amount equal to the Vesting Date Value as at the Trigger Date of such vested Restricted Stock Unit.

Limitation on Issuance of Shares to Insiders

3.2 Notwithstanding anything in this Plan, the Company shall not issue Shares under this Plan to any Eligible Person who is an Insider of the Company where such issuance would result in:

- (a) the total number of Shares issuable at any time under this Plan to Insiders, or when combined with all other Shares issuable to Insiders under any other equity compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non-diluted basis; and
- (b) the total number of Shares that may be issued to Insiders during any one year period under this Plan, or when combined with all other Shares issued to Insiders under any other equity compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non diluted basis.

Where the Company is precluded by this §3.2 from issuing Shares to an Insider of the Company, the Company will pay to the relevant Insider a cash Award Payout in an amount equal to the Vesting Date Value as at the Trigger Date of the Restricted Stock Unit.

Experts and Advisors

3.3 The Board may engage such experts (“**Experts**”) and advisors as it considers appropriate, including compensation or human resources experts or advisors, to provide advice and assistance in determining the amounts to be paid under this Plan and other amounts and values to be determined hereunder or in respect of this Plan including, without limitation, those related to a particular Fair Market Value.

Cancellation on Termination for Cause, Retirement or Voluntary Resignation

3.4 Unless the Board at any time otherwise determines, all unvested Restricted Stock Units held by any Recipient and all rights in respect thereof will be automatically cancelled, without further act or formality and without compensation, immediately in the event of a Termination arising from the termination of employment or removal from service by the Company or a Related Entity for cause, Retirement of the Recipient or the voluntary resignation by the Recipient. In situations where the Board exercises its discretion under this §3.4, in no case shall the Restricted Stock Units, subject to such discretion, be valid beyond one year from the date of Termination.

Total Disability, Death and Termination without Cause

3.5 Unless the Board at any time otherwise determines, if a Recipient ceases to be an Eligible Person for any of the following reasons, unvested Restricted Stock Units will immediately vest on the date the Recipient ceases to be an Eligible Person:

- (a) death or Total Disability of a Recipient;
- (b) the Termination of employment or removal from service by the Company or a Related Entity without cause; and
- (c) the Termination of employment by the Recipient other than by way of Retirement of the Recipient or voluntary resignation by the Recipient.

In situations where the Board exercises its discretion under this §3.5, in no case shall the Restricted Stock Units, subject to such discretion, be valid beyond one year from the date of Termination.

Change of Control

3.6 In the event of a Change of Control, all Restricted Stock Units credited to an account of a Recipient that have not otherwise previously been cancelled pursuant to the terms of the Plan shall vest on the date on which the Change of Control occurs (the “**Change of Control Date**”). Within thirty (30) days after the Change of Control Date, but in no event later than the Expiry Date, the Participant shall receive a cash payment equal in amount to: (a) the number of Restricted Stock Units that vested on the Change of Control Date; multiplied by (b) the Fair Market Value on the Change of Control Date, net of any withholding taxes and other source deductions required by law to be withheld by the Company.

Tax Matters and Applicable Withholding Tax

3.7 The Company does not assume any responsibility for or in respect of the tax consequences of the receipt by Recipients of Restricted Stock Units, or payments received by Recipients pursuant to this Plan. The Company or relevant Related Entity, as applicable, is authorized to deduct such taxes and other amounts as it may be required or permitted by law to withhold (“**Applicable Withholding Tax**”), in such manner (including, without limitation, by selling Shares otherwise issuable to Recipients, on such terms as the Company determines) as it determines so as to ensure that it will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, or the remittance of tax or other obligations. The Company or relevant Related Entity, as applicable, may require Recipients, as a condition of receiving amounts to be paid to them under this Plan, to deliver undertakings to, or indemnities in favour of, the Company or Related Entity, as applicable, respecting the payment by such Recipients of applicable income or other taxes.

PART 4

MISCELLANEOUS

Compliance with Applicable Laws

4.1 The issuance by the Company of any Restricted Stock Units and its obligation to make any payments hereunder is subject to compliance with all applicable laws. As a condition of participating in this Plan, each Recipient agrees to comply with all such applicable laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such applicable laws. The Company will have no obligation under this Plan, or otherwise, to grant any Restricted Stock Unit or make any payment under this Plan in violation of any applicable laws.

Awards to Insiders

4.2 All Awards issued to Insiders will include a legend stipulating that the Award is subject to a four-month hold period commencing the Grant Date, as required by the TSXV.

Non-Transferability

4.3 Restricted Stock Units and all other rights, benefits or interests in this Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Recipient dies the legal representatives of the Recipient will be entitled to receive the amount of any payment otherwise payable to the Recipient hereunder in accordance with the provisions hereof.

No Right to Service

4.4 Neither participation in this Plan nor any action under this Plan will be construed to give any Eligible Person or Recipient a right to be retained in the service or to continue in the employment of the Company or any Related Entity, or affect in any way the right of the Company or any Related Entity to terminate his or her employment at any time.

Successors and Assigns

4.5 This Plan will enure to the benefit of and be binding upon the respective legal representatives of the Eligible Person.

Plan Amendment

4.6 Subject to all necessary approvals of the TSXV, the Board may amend this Plan as it deems necessary or appropriate, subject to the requirements of applicable laws, but no amendment will, without the consent of the Recipient or unless required by law, adversely affect the rights of a Recipient with respect to Restricted Stock Units to which the Recipient is then entitled under this Plan.

Plan Termination

4.7 The Board may terminate this Plan at any time, but no termination will, without the consent of the Recipient or unless required by law, adversely affect the rights of a Recipient with respect to Restricted Stock Units to which the Recipient is then entitled under this Plan. In no event will a

termination of this Plan accelerate the vesting of Restricted Stock Units or the time at which a Recipient would otherwise be entitled to receive any payment in respect of Restricted Stock Units hereunder.

Governing Law

4.8 This Plan and all matters to which reference is made in this Plan will be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein.

Reorganization of the Company

4.9 The existence of this Plan or Restricted Stock Units will not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, Shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

No Shareholder Rights

4.10 Restricted Stock Units are not considered to be Shares or securities of the Company, and a Recipient who is issued Restricted Stock Units will not, as such, be entitled to receive notice of or to attend any shareholders' meeting of the Company, nor entitled to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, and will not be considered the owner of Shares by virtue of such issuance of Restricted Stock Units.

No Other Benefit

4.11 No amount will be paid to, or in respect of, a Recipient under this Plan to compensate for a downward fluctuation in the Fair Market Value or price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Recipient for such purpose.

Unfunded Plan

4.12 For greater certainty, this Plan will be an unfunded plan, including for tax purposes and for purposes of the *Employee Retirement Income Security Act* (United States). Any Recipient to which Restricted Stock Units are credited to his or her account or holding Restricted Stock Units or related accruals under this Plan will have the status of a general unsecured creditor of the Company with respect to any relevant rights that may arise thereunder.

SCHEDULE "A"

FORM OF RESTRICTED STOCK UNIT AGREEMENT

H-Source Holdings Ltd. (the "**Company**") hereby confirms the grant to the undersigned Recipient of Restricted Stock Units ("**Units**") described in the table below pursuant to the Company's Restricted Stock Unit Plan (the "**Plan**"), a copy of which Plan has been provided to the undersigned Recipient.

No. of Units	Trigger Date	Expiry Date

[include any specific/additional vesting period or Performance Conditions]

The Company and the undersigned Recipient hereby confirm that the undersigned Recipient is a bona fide Employee or Consultant as the case may be.

DATED _____, 20____.

H-SOURCE HOLDINGS LTD.

Per: _____
Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Recipient under the Plan, agrees to be bound by the provisions thereof and agrees that the Plan will be effective as an agreement between the Company and the undersigned with respect to the Units granted or otherwise issued to it.

DATED _____, 20____.

Witness (Signature)

Name (please print)

Address

City, Province

Occupation

Recipient's Signature

Name of Recipient (print)

SCHEDULE C

CHANGE OF AUDITOR REPORTING PACKAGE

1. Notice of Change of Auditor
2. Letter from Former Auditor, BDO USA, LLP
3. Letter from Successor Auditor, Dale Matheson Carr-Hilton Labonte LLP

H-Source Holdings Ltd.
(the “Company”)

**NOTICE OF CHANGE OF AUDITOR OF A REPORTING ISSUER
GIVEN PURSUANT TO NATIONAL INSTRUMENT 51-102**

TO: British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
Canadian Securities Exchange

NOTICE IS HEREBY GIVEN that the Company has dismissed BDO USA LLP, Chartered Accountants, of Spokane, Washington, USA, as auditor of the Company effective December 16, 2015, and Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, of Vancouver, BC, Canada, were appointed as auditor for the Company in their place, to hold office for the ensuing year, effective December 16, 2015.

There have been no reservations in the auditors’ report for the most recently completed fiscal year ended December 31, 2014 and the subsequent interim period through the date of dismissal nor have there been any reportable events, an adverse opinion or disclaimer of opinion or were qualified or modified as to uncertainty, audit scope or accounting principles.

The decision to change auditors and the appointment of Dale Matheson Carr-Hilton Labonte LLP, to the position of auditor was approved by the audit committee and the board of directors of the Company.

The Reporting Package, consisting of a copy of this Notice and copies of the letters from the former Auditor and the successor Auditor indicating their agreement with the information contained in this Notice, has been reviewed by the Directors of the Company and the Audit Committee.

DATED at Vancouver, British Columbia, this 16th day of December, 2015.

By Order of the Board of Directors of
H-Source Holdings Ltd.

“Denise Lok”

Denise Lok
Chief Financial Officer



Tel: 509-747-8095
Fax: 509-747-0415
www.bdo.com

601 West Riverside Avenue
Suite 900
Spokane, WA 99201

December 17, 2015

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, B.C. V7Y 1L2

Alberta Securities Commission
4th Floor, 300 - 5th Avenue S.W.
Calgary, Alberta T2P 3C4

Ontario Securities Commission
20 Queen Street West, Suite 1903
2700 -650 West Georgia Street
Vancouver, BC V6B 4N9

Canadian Securities Exchange
220 Bay St., 9th floor
Toronto, ON M5H 2W4

Dear Sirs:

Re: Change of Auditor of H-Source Holdings Ltd. (the "Company")

We acknowledge receipt of a Notice of Change of Auditor (the "Notice") dated December 16, 2015, given by the Company to ourselves and Dale Matheson Carr-Hilton Labonte LLP.

Based on our information as of this date, we agree with the statements set out in the Notice except for the following:

BDO USA did not perform reviews of financial information for any interim periods ending after March 31, 2015 and make no statements thereon.

Yours truly,

BDO USA, LLP



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

VANCOUVER
1500 – 1140 W. Pender Street
Vancouver, BC V6E 4G1
TEL 604.687.4747 | FAX 604.689.2778

TRI-CITIES
700 – 2755 Lougheed Hwy.
Port Coquitlam, BC V3B 5Y9
TEL 604.941.8266 | FAX 604.941.0971

WHITE ROCK
301 – 1656 Martin Drive
White Rock, BC V4A 6E7
TEL 604.531.1154 | FAX 604.538.2613

WWW.DMCL.CA

December 17, 2015

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
9TH Floor – 701 West Georgia Street
Vancouver, B.C. V7Y 1L2

Canadian Securities Commission

4th Floor, 300 – 5th Avenue S.W.
Calgary, Alberta T2P 3C4

Alberta Securities Commission

Suite 600, 250 – 5th Street S.W.
Calgary, Alberta T2P 0R4

Ontario Securities Commission

20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

Dear Sirs:

Re: H-Source Holdings Ltd. (the "Company")
Notice Pursuant to National Instrument 51-102 - Change of Auditor

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated December 16, 2015 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

A handwritten signature in black ink that reads "DMCL".

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS & BUSINESS ADVISORS

PARTNERSHIP OF:

VANCOUVER Robert J. Burkart, Inc. Kenneth P. Chong Inc. Alvin F. Dale Ltd. Donald L. Furney, Ltd. David J. Goertz, Inc. Matthew G. Gosden, Inc. Barry S. Hartley, Inc. Reginald J. LaBonte Ltd. Robert J. Matheson, Inc. Rakesh I. Patel Inc. Lorraine W. Rinfret, Inc. Brad A. Robin Inc.
WHITE ROCK Michael K. Braun Inc. Peter J. Donaldson, Inc. Harjit S. Sandhu, Inc. **TRI-CITIES** Fraser G. Ross, Ltd. Brian A. Shaw Inc.