



# **QUANTUM NUMBERS CORP.**

**Notice of Annual General Meeting**

**of Voting Shareholders to be held on September 6, 2017**

**and**

**Management Information Circular**

**Dated August 7, 2017**

## QUANTUM NUMBERS CORP.

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

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NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL MEETING (the “**Meeting**”) of the holders of common shares (“**Common Shares**”) of Quantum Numbers Corp. (formerly Active Growth Capital Inc.) (the “**Corporation**”) will be held at the office of McMillan LLP at 1000 Sherbrooke Street West, Suite 2700, Montreal, Quebec H3A 3G4, on Wednesday, September 6, 2017 at 11:00 a.m. (Eastern Daylight Time) for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the financial year ended December 31, 2016 and the reports of the auditor thereon;
2. to set the number of directors of the Corporation at seven (7) for the ensuing year;
3. to elect the Board of Directors of the Corporation for the ensuing year;
4. to appoint the auditor of the Corporation for the ensuing year and to authorize the Board of Directors to fix the auditor’s remuneration;
5. to consider, and if thought fit, approve the ordinary resolution, as more particularly set forth in the accompanying Management Information Circular (the “**Information Circular**”) prepared for the purpose of the Meeting, relating to the approval of the stock option plan of the Corporation; and
6. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

**DATED** this 7<sup>th</sup> day of August, 2017.

#### BY ORDER OF THE BOARD OF DIRECTORS

*/s/ “Pierre C. Miron”*

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**Pierre C. Miron**  
**CFO and Director**

#### **NOTES:**

- (1) Only holders of common shares of the Corporation of record at the close of business on August 2, 2017 are entitled to receive notice of the Meeting and only those holders of the common shares of the Corporation of record at the close of business on August 2, 2017, or who subsequently become shareholders and comply with the provisions of the *Canada Business Corporations Act*, are entitled to vote at the Meeting.
- (2) It is desirable that as many shares as possible be represented at the Meeting. If you do not expect to attend the Meeting and would like your shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be received by Computershare Investor Services Inc., the transfer agent of the Corporation at Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or by fax within North America to 1-866-249-7775, and outside North America to (416) 263-9524 at least 48 hours prior to the Meeting (namely, by 11:00 a.m. (Eastern Daylight Time) on September 4, 2017) or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

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**QUANTUM NUMBERS CORP.**  
**INFORMATION CIRCULAR**

This information is given as of August 7, 2017, unless otherwise stated.

This information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Quantum Numbers Corp. (the “**Corporation**”) for use at the Annual General meeting (the “**Meeting**”) of the shareholders of the Corporation, 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 Corporation.** 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 Corporation. The Corporation 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 Corporation. None of the directors of the Corporation 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 accompanying instrument of proxy are directors or officers of the Corporation. **A shareholder has the right to appoint a person other than the persons named in the enclosed instrument of proxy to attend and act for him on his behalf at the Meeting. To exercise this right, a registered shareholder shall strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided, or complete another instrument of proxy. The completed instrument of proxy should be deposited with the Corporation's registrar and transfer agent, Computershare Trust Company of Canada at 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays and holidays.**

The instrument of proxy must be dated and be signed by the registered shareholder or by his attorney in writing, or, if the shareholder is a corporation, it must either be 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 shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution will do so in accordance with such direction.

**In the absence of any direction in the instrument of proxy, it is intended that such shares will be voted in favour of the 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 Corporation other than for those persons named in this information circular. At the time of printing of this information circular, the management of the Corporation 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 of the Corporation entitled to receive notice of, and to vote at, the Meeting is August 2, 2017 (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 Corporation 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).

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as “**NOBO’s**”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as “**OBO’s**”. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has elected to send the notice of meeting, this information circular and the proxy (collectively, the “**Meeting Materials**”) directly to the NOBO’s, and indirectly through Intermediaries to the OBO’s. 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.

Meeting Materials sent to Non-Registered Holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “VIF”) instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIFs, whether provided by the Corporation or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the common shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting. **Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

The Meeting Materials are being sent to both Registered Shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent the Meeting Materials directly to you, your name and address and information about your holding of common shares of the Corporation have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send the Meeting Materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

**Non-Registered Holders will not be entitled to exercise Dissent Rights directly** (unless the Common Shares are re-registered in the Non-Registered Holder’s name). A Non-Registered Holder who wishes to exercise dissent rights should immediately contact the trustee, broker or intermediary who deals with his or her Common Shares and either: (i) instruct such intermediary to exercise the dissent rights on the Non-Registered Holder’s behalf; or (ii) instruct the intermediary to re-register the securities in the name of the Non-Registered Holder’s (which may not be possible in the case of Common Shares held in a registered plan), in which case the Non-Registered Holder would have to exercise the dissent rights directly through the trustee, broker or intermediary.

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

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

At the close of business on August 2, 2017, 53,650,838 common shares without par value of the Corporation were issued and outstanding, each share carrying the right to one vote. At a general meeting of the Corporation, 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 2, 2017 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 shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Corporation, 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 Corporation.

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

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

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

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

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

No informed person, no proposed director of the Corporation and no associate or affiliate of any such informed person or proposed director, has or has had any material interest, direct or indirect, in any transaction undertaken by the Corporation during its last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Corporation or any of its subsidiaries.

### **ELECTION OF DIRECTORS**

The mandates of Messrs. Ted Colivas, Pierre C. Miron, Marc Labrecque, Luc Paquet, Bertrand Reulet and Maxime Lemieux will expire at the Meeting of September 6, 2017. At the Meeting, the shareholders will be asked to set the number of directors at seven (7) and to elect the seven (7) nominees whose names are set forth below as directors of the Corporation. Each of the nominees named hereunder has advised the management of the Corporation that he or she will be willing to serve as a director if elected. Each nominee elected as a director will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless he ceases to hold office pursuant to the *Canada Business Corporations Act* or his office is earlier vacated pursuant to the By-laws of the Corporation.

The following table and the notes thereto state: i) the names of all persons proposed to be nominated for election as directors, ii) which are currently directors of the Corporation and have been for the periods

indicated, iii) all other positions and offices with the Corporation now held by them, iv) their principal occupations or employments and v) their periods of service as directors of the Corporation.

Name, Province or State and Country of Residence	Proposed Position(s) held with the Resulting Issuer	Principal Occupation	Year became a Director	Number of Shares Beneficially Owned or Directed <sup>(1)</sup>
Jean-Charles Phaneuf <sup>(2)</sup> Montréal, QC	President, CEO and Proposed Director	President of the Corporation	-	Nil
Pierre C. Miron <sup>(2)</sup> Sainte-Julie, QC	CFO and Director	CFO and Director of the Corporation	November 2016	1,200,000
Marc Labrecque <sup>(2)(3)</sup> Val d'Or, QC	Director	Vice President of Alame Labrex Inc.	July 8, 2011	1,196,750 <sup>(3)</sup>
Luc Paquet Sherbrooke, QC	Director	President and CEO of TransferTech Sherbrooke	November 23, 2016	Nil
Pascal Fortin, Montréal, QC	Proposed Director Director	CEO of GoSecure Inc.	-	Nil
Marc Rousseau, Montréal, QC	Proposed Director Director	President of LVR Capital Inc.	-	Nil
Pierre Paul Samson, Montréal, QC	Proposed Director Director	Global Head of Digital & R&D chez Sid Lee, Inc.	-	Nil

**Notes:**

- (1) The information as to the number of Common Shares expected to be beneficially owned, or controlled or directed, directly or indirectly, by the proposed nominee immediately following the Closing has been furnished to the Corporation by the respective nominees individually.
- (2) Proposed member of the Corporation's audit committee.
- (3) Of which 376,500 common shares are held by 9140-4665 Québec Inc., a private corporation wholly-owned by Marc Labrecque.

All nominees registered on the above list were appointed as directors of the Corporation at the last annual general meeting of shareholders, with the exception of Messrs. Jean-Charles Phaneuf, Pascal Fortin, Marc Rousseau and Pierre-Paul Samson.

**Biographical Notes:**

*Jean-Charles Phaneuf, President, CEO and Proposed Director*

Mr. Phaneuf is a seasoned technology entrepreneur with significant M&A, and corporate finance experience in both the private and public sectors with over 25 years of experience in the technology industry. Prior to joining the Corporation, he was partner at Oaklins E. Canada, with a business focussed on conducting M&A and corporate finance for technology firms. Additionally, he founded Sobrema and sold the business to iScope. He assumed the CEO position with iScope which operation was later sold to Colet. He also co-founded UForce which specialized in VoIP and was acquired by 8x8 Inc., where he continued as SVP based in Santa Clara, CA. Prior to this, he was VP of Business Venturing at Innovitech, specialized technological consortium management, strategic planning and strategic alliances. He has extensive experience piloting growth, in various stages of technology companies from



inception through to maturity. Mr. Phaneuf is a graduate of the École Polytechnique de Montréal in Industrial Engineering with specialization in innovation management.

*Pascal Fortin, Proposed Director*

Mr. Fortin is the CEO of GoSecure Inc. He started his first IT Services consulting firm in 1997 at the age of 17 and went on to have a thriving career as a self-taught Information Technology expert and director at a multinational company. Mr. Fortin joined GoSecure in 2004 with the mandate to build a world-class engineering and consulting team, he became president of the company in 2008. Still very active in the field, he provides services as an Information Security and Risk Management Senior Advisor to clients of all business sectors. He has made recent contributions in various national speaking engagements for organizations such as the IIA, Government and private events like GoSec. Mr. Fortin completed an Executive MBA at the Université de Sherbrooke and he holds a Bachelor's Management / Finance from Université du Québec à Montréal.

*Marc Rousseau, Proposed Director*

Mr. Rousseau is the President of LVR Capital Inc. He began his professional career with Crédit Ford of Canada, where he acted as Director of Operations. In 2001, he joined the Business Development Bank of Canada as a Senior Business Development Manager, a position he held until LVR Capital was founded in September 2005. At the same time, he pursued a military career in 1981 to 2004 as an infantry officer with the Canadian Forces. He commanded the Mount Royal Fusilliers Regiment from 1996 to 1999 and served in Bosnia as a Plans and Policy Team Leader at NATO Headquarters in Sarajevo. He has been a member of the Board of Directors of L'Office National du Film since January 2008 and has chaired the Board of Directors of the Society for Disabled Children of Québec since June 2009. He also chairs the Corporate 1 section in Montréal, Networking group of Business Network International. He holds a Bachelor of Arts degree from Concordia University.

*Pierre Paul Samson, Proposed Director*

Mr. Samson serves as Chief Operating Officer, Head of R&D and Digital Production and Partner of Sid Lee, Inc. Mr. Samson also serves as Chief Technology Officer of Sourcevolution Inc. With Sid Lee since March 2015, he previously co-founded and led FreedomOne, a communications platform. He has 20-year career and has diverse technology experience. Mr. Samson has a remarkable ability to visualize a concept and find the appropriate solution, as well as to determine and strategize its market positioning. He has extensive research and participation in international conferences. He has a solid reputation by successfully carrying out major technology projects in both the private and government sectors. He has been a Director of Alphinat Inc. since 2015. He studied at recognized institutions in Canada and the United States, including Massachusetts Institute of Technology and the University of Ottawa.

**You can vote for the election of all the nominees described above, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. Unless otherwise instructed, the persons named in the accompanying form of proxy will vote FOR the election of each of the nominees described above as director of the Corporation. Management of the Corporation does not contemplate that any of the**

**nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed Proxy reserve the right to vote for another nominee in their discretion, unless the shareholder has specified in the form of proxy that such shareholder's shares are to be withheld from voting on the election of the initial nominee.**

***Cease Trade Orders and Bankruptcy***

Other than as disclosed below, no director or executive officer of the Corporation is, or was within 10 years before the date of this information circular, a director, CEO or CFO of any company (including the Corporation) that:

- (a) 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, CEO or CFO; or
- (b) 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, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

No director or executive officer of the Corporation, and no shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) 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 Corporation) 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
- (b) 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 director, executive officer or shareholder.

No director or executive officer of the Corporation, and no shareholder holding sufficient number of securities of the Corporation to affect materially the control of the Corporation 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 security holder in deciding whether to vote for a proposed director.

## APPOINTMENT OF AUDITOR

The auditors of the Corporation have been, since inception Smythe LLP, Chartered Professional Accountants (“**Smythe**”), of 7th Floor, Marine Building, 355 Burrard Street, Vancouver, BC V6C 2G8.

The management proposes that Smythe be appointed as auditors of the Corporation for the financial year ending December 31, 2017, and that the board of directors of the Corporation (the “**Board**”) be authorized to fix the remuneration of the auditors.

**The persons designated in the accompanying form of proxy will vote IN FAVOUR of the appointment of Smythe as auditors of the Corporation and IN FAVOUR of the authorization given to the Board to fix their remuneration, unless the shareholder specifies in the form of proxy to withhold from voting in this regard.**

## STATEMENT OF EXECUTIVE COMPENSATION

In this section “Named Executive Officer” (“**NEO**”) means any individual who, during the financial year ended December 31, 2016, was:

- (a) the chief executive officer (or an individual who acted in a similar capacity) of the Corporation;
- (b) the chief financial officer (or an individual who acted in a similar capacity) of the Corporation; and
- (c) one of the three other most highly compensated executive officers of the Corporation 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).

The Corporation had three Named Executive Officers during the financial year ended December 31, 2016, namely Pierre C. Miron, CFO and former President and CEO, Marc Labrecque, former President and CEO, and Patrick J. Power, former CFO.

*All currency references herein are expressed in Canadian Dollars unless otherwise specified.*

### **Compensation Discussion and Analysis**

The Corporation's process for determining executive compensation is very simple. In particular, the Corporation relies solely on discussions of the Board without any formal objectives, criteria and analysis.

The compensation of the Corporation's NEOs has been established with a view to attracting and retaining executives critical to the Corporation's short and long-term success and to continuing to provide executives with compensation that is in accordance with existing market standards generally and competitive within the mining industry, in particular.

Compensation of the Corporation's NEOs is comprised of the grant of options to purchase common shares under the Corporation's stock option plan (as more particularly described below).

## Option-based Awards

The Corporation has a “rolling” stock option plan. The purpose of granting stock options is to assist the Corporation in compensating, attracting, retaining and motivating its executive officers and to closely align the personal interests of such persons to that of the shareholders. In determining the number of options to be granted to the executive officers, the Board will take into account the number of options, if any, previously granted to each executive officer and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the “TSXV”).

See “Incentive Plan Awards” below for details of the option-based awards outstanding as at December 31, 2016.

## Compensation Governance

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

## Summary of Compensation

The following table sets forth information concerning the annual and long term compensation for services rendered to the Corporation for the financial period of the Corporation ended December 31, 2016 in respect of the individuals who were (or who acted in a similar capacity as) as of December 31, 2016 or at any time during the financial year, the Chief Executive Officer and the Chief Financial Officer, and the other NEOs. There were no other NEOs of the Corporation, or any of its subsidiaries, whose total compensation during such period exceeded \$150,000.

Name and Principal Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation <sup>(1)</sup> (\$)	Total Compensation (\$)
<b>Marc Labrecque</b> <sup>(2)</sup> Secretary Former President, and CEO	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
<b>Patrick J. Power</b> <sup>(3)</sup> Former CFO	2016	6,000	Nil	Nil	Nil	Nil	6,000
	2015	7,683.34	Nil	Nil	Nil	Nil	7,683.34
<b>Pierre C. Miron</b> <sup>(5)</sup> CFO and former President and CEO	2016	12,000	Nil	Nil	Nil	Nil	12,000
	2015	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

(1) The Corporation does not maintain any defined benefit plans.

- (2) Mr. Labrecque resigned as President and CEO effective November 23, 2016.
- (3) Mr. Power resigned as Chief Financial Officer effective November 23, 2016.
- (4) The Corporation has granted 200,000 stock options respectively to Mr. Labrecque and Mr. Power on November 23, 2016, of which the exercise price at the date of grant is \$0.10 per share. The options granted will expire on November 23, 2021.
- (5) Mr. Miron was appointed as President and CEO effective November 23, 2016.

### **Incentive Plan Awards**

The Corporation does not have any share-based awards.

The Corporation has a 10% “rolling” stock option plan (the “**Current SOP**”) for the purpose of attracting and motivating directors, officers, employees and consultants of the Corporation and advancing interests of the Corporation by affording such person with the opportunity to acquire an equity interest in the Corporation through rights granted under the Current SOP to purchase shares of the Corporation. 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 stock option plan or otherwise during the Corporation’s financial year ended December 31, 2016.

#### ***Incentive Plan Awards – Outstanding Option-Based Awards***

The following table discloses the particulars of the option-based awards granted to the NEOs and directors under the Corporation’s stock option plan which were outstanding as at December 31, 2016.

<b>Name</b>	<b>Number of securities underlying unexercised options (#)</b>	<b>Option Exercise Price (\$)</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised In-the-Money<sup>(1)</sup> Options (\$)</b>
Marc Labrecque	130,000	\$0.125	September 30, 2019	Nil
	200,000	\$0.10	November 23, 2021	Nil
Patrick J. Power	200,000	\$0.10	November 23, 2021	Nil
Pierre C. Miron	200,000	\$0.10	November 23, 2021	Nil

**Notes:**

- (1) Unexercised “In-the-Money” options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option. The closing price of the Corporation’s common shares on the TSXV on December 31, 2016 was \$0.10.

### *Incentive Plan Awards - Value Vested or Earned During the Year*

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended December 31, 2016.

<b>Name</b>	<b>Option-based awards – Value vested <sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested <sup>(2)</sup> (\$)</b>	<b>Non-equity incentive plan compensation – Value earned (\$)</b>
Marc Labrecque	Nil	Nil	Nil
Patrick J. Power	Nil	Nil	Nil
Pierre C. Miron	Nil	Nil	Nil

**Notes:**

- <sup>(1)</sup> 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.
- <sup>(2)</sup> 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.

#### **Management Contracts**

The Corporation has not entered into any management contract during the most recently completed financial year and no prior agreement of similar nature were still in force.

#### **Pension Plan Benefits**

The Corporation does not have a defined benefit plan or defined contribution plan.

#### **Termination and Change of Control Benefits**

As at December 31, 2016, the Corporation did not have any compensatory plans, Officer's 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 Corporation or a change in the Named Executive responsibilities.

#### **Compensation of Directors**

Compensation for the Named Executive Officers has been disclosed in the "Summary Compensation Table" above. The Corporation does not pay its directors a fee for acting as such. They are, however, eligible to receive stock option grants.

During the most recently completed financial year ended December 31, 2016, the Corporation had three directors who were not also NEOs, namely Bertrand Reulet, Luc Paquet and Maxime Lemieux.

The Corporation has a stock option plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining and motivating the directors of the Corporation and to closely align the personal interests of such persons to that of the shareholders. See "Incentive Plan Awards" above.

The following table discloses the particulars of the compensation provided to the directors of the Corporation (excluding the Named Executive Officers) for the financial year ended December 31, 2016.

Name and Principal Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation <sup>(1)</sup> (\$)	Total Compensation (\$)
Bertrand Reulet	2016	Nil	Nil	Nil	Nil	Nil	Nil
Luc Paquet	2016	Nil	Nil	Nil	Nil	Nil	Nil
Maxime Lemieux	2016	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

(1) The Corporation does not maintain any defined benefit plans.

***Incentive Plan Awards – Outstanding Option-Based Awards***

The Corporation does not have any share-based awards. The following table discloses the particulars of the option-based awards granted to the directors (who are not Named Executive Officers) under the Corporation's stock option plan which were outstanding as of December 31, 2016.

Name	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money <sup>(1)</sup> Options (\$)
Bertrand Reulet	150,000	\$0.10	November 23, 2021	Nil
Luc Paquet	150,000	\$0.10	November 23, 2021	Nil
Maxime Lemieux	150,000	\$0.10	November 23, 2021	Nil

***Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year***

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each director (who are not Named Executive Officers) under the Corporation's stock option plan which were outstanding as of December 31, 2016.

Name	Option-based awards – Value vested <sup>(1)</sup> (\$)	Share-based awards – Value vested <sup>(2)</sup> (\$)	Non-equity incentive plan compensation – Value earned (\$)
Bertrand Reulet	Nil	Nil	Nil
Luc Paquet	Nil	Nil	Nil
Maxime Lemieux	Nil	Nil	Nil

**Notes:**

(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, 2016, the Corporation's stock option plan was the only equity compensation plan under which securities were authorized for issuance. The following table sets forth information with respect to the Corporation's stock option plan as at the financial year ended December 31, 2016.

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (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 security holders	1,430,000		2,906,933
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>1,430,000</b>		<b>2,906,933</b>

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers or senior officers of the Corporation, persons who served as directors, executive officers or senior officers at any time during the most recently completed financial year, and their respective associates, were at any time during the year, excluding routine indebtedness, indebted to the Corporation or its subsidiaries, either in connection with the purchase of the Corporation securities or otherwise.

### CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board, the members of which are elected by and are 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 Corporation. National Policy 58-201 *Corporate Governance Guidelines* 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 Corporation's corporate governance practices are appropriate and effective for the Corporation given its current size.



The Corporation's corporate governance practices are summarized below.

**A. Board of Directors**

The Board is currently composed of Ted Colivas, Marc Labrecque, Luc Paquet, Bertrand Reulet, Pierre C. Miron, and Maxime Lemieux.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) 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, NI 58-101 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 mentioned above under the heading “Election of Directors”, Messrs. Luc Paquet, Pascal Fortin, Pierre Paul Samson Marc Rousseau, directors of the Corporation, are “independent” in that they have no direct or indirect material relationship with the corporation. Messrs. Jean-Charles Phaneuf, Pierre C. Miron and Marc Labrecque are respectively are not independent in light of their respective role of officer, or former officer of the Corporation.

The Board meets formally on an as needed basis to review and discuss the Corporation'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 Corporation'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 Corporation, disclose the nature and extent of his interest to the meeting and abstain from voting on or against the approval of such participation.

## ***Directorships***

The current directors of the Corporation named in the table below are directors of other reporting issuers as shown.

<b>Name</b>	<b>Name of Reporting Issuer</b>	<b>Exchange</b>	<b>Position</b>	<b>Term From - To</b>
Maxime Lemieux	Lamêlée Iron Ore Ltd.	TSXV	Director	June 2016 to Present
	Jourdan Resources Inc.	TSXV	Director	June 2014 to Present
	Kintavar Exploration Inc.	TSXV	Director	March 2017 to Present

### **B. Orientation and Continuing Education**

The Board of Directors of the Corporation briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

### **C. Ethical Business Conduct**

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

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Corporation or an affiliate of the Corporation, (ii) is for indemnity or insurance for the benefit of the director in connection with the Corporation, or (iii) is with an affiliate of the Corporation. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Corporation at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Corporation for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Corporation and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

#### **D. Nomination of Directors**

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, shown support for the Corporation's mission and strategic objectives, and a willingness to serve.

#### **E. Compensation**

The Board of Directors conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

#### **F. Other Board Committees**

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

#### **G. Assessments**

The Board of Directors monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees.

### **AUDIT COMMITTEE DISCLOSURE**

#### **A. Audit Committee Charter**

The Corporation 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 Corporation's audit committee charter is substantially reproduced below.

##### *Mandate*

The primary function of the audit committee (the “**Committee**”) is to assist the Corporation's board of directors (the “**Board**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements;
- review and appraise the performance of the Corporation's external auditors; and
- provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board.

### *Composition*

The Committee shall be comprised of:

- (1) a minimum three directors as determined by the Board;
- (2) at least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment; and
- (3) at least one (1) member of the Committee shall have accounting or related financial management expertise.

If the Corporation ceases to be a “**venture issuer**” (as that term is defined in NI 52-110), all of the members of the Committee shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Corporation ceases to be a “venture issuer” (as that term is defined in National Instrument 52-110), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Corporation's Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

### *Meetings*

The Committee shall meet at least once annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the chief financial officer and the external auditors in separate sessions.

### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review
  - (a) review and update this Audit Committee Charter annually; and
  - (b) review the Corporation's financial statements, MD&A and any annual and interim earnings press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

## 2. External Auditors

- (a) review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation;
- (b) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation, consistent with Independence Standards Board Standard 1;
- (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (d) take, or recommend that the Board take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- (f) recommend to the Board the compensation to be paid to the external auditors;
- (g) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- (h) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
- (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided,
  - (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services, and
  - (iii) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

### 3. Financial Reporting Processes

- (a) in consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

### 4. Others

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.

## B. Composition of the Audit Committee

The following are the members of the audit committee:

Marc Labrecque	Not Independent <sup>1</sup>	Financially literate <sup>1</sup>
Maxime Lemieux	Independent <sup>1</sup>	Financially literate <sup>1</sup>
Luc Paquet	Independent <sup>1,2</sup>	Financially literate <sup>1</sup>

<sup>1</sup> As defined in NI 52-110.

## C. Relevant Education and Experience

The Instrument provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

All of the members of the Corporation's audit committee are financially literate as that term is defined in the Instrument.

The Chairman of the Audit Committee, Marc Labrecque sat on audit committees of other public issuers. All members have an understanding of the accounting principles used by the Issuer to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting.

## D. Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Smythe LLP, Chartered Professional Accountants) not adopted by the Board.

## E. Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year, has the Corporation 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

Subject to the requirements of the Instrument, the engagement of non-audit services is considered by the Corporation's Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

## G. External Auditor Service Fees (by category)

The aggregate fees billed by the Corporation's external auditors in each of the last two financial years for audit fees are as follows:

Financial Year Ended	Audit Fees	Audit Related Fees <sup>(1)</sup>	Tax Fees <sup>(2)</sup>	All Other Fees <sup>(3)</sup>	Total
2016	\$15,000	\$300	\$765	Nil	\$16,065
2015	\$13,800	\$240	\$1,800	Nil	\$15,840

<sup>(1)</sup> Disbursement incurred by the external auditor in respect to the Canadian Public Accountability Board.

<sup>(2)</sup> These fees are for preparation and filing of the Corporation's tax return.

<sup>(3)</sup> These fees are for various IFRS matters.

## **H. Venture Issuers Exemption**

In respect of the most recently completed financial year, the Corporation is relying on the exemption set out 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 audited consolidated financial statements of the Corporation for the financial year ended December 31, 2016 and the report of the auditor thereon will be placed before the Meeting. The audited financial statements and the report of the auditor thereon were mailed to Registered Shareholders who requested the same. Copies will be available at the Meeting and are also available through the internet on SEDAR, which can be accessed at [www.sedar.com](http://www.sedar.com).

#### **B. Approval of Stock Option Plan**

Management proposes to re-approve the “rolling” stock option plan (the “SOP”), whereby a maximum of 10% of the issued common shares of the Corporation from time to time may be reserved for issuance pursuant to the exercise of options. The SOP was approved by the shareholders of the Corporation at the last annual meeting of the Corporation held on November 1, 2016.

The SOP is subject to the following restrictions:

1. the Corporation must not grant an Option to a directors, officers, employees, management company employees or consultants in any 12 month period that exceeds 5% of the outstanding Common Shares, unless the Corporation has obtained by a majority votes cast by the Shareholders eligible to vote at a Shareholders’ meeting, excluding votes attaching to Common Shares beneficially owned by insiders and their associates;
2. the aggregate number of Options granted to directors, officers, employees, management company employees or consultants conducting Investor Relations Activities (as defined therein) in any 12 month period must not exceed 2% of the outstanding Common Shares calculated at the date of the grant, without the prior consent of the Exchange;
3. the aggregate number of Options granted to any one consultant in any 12 month period cannot exceed 2% of the outstanding Common Shares, calculated at the time of grant, without the prior consent of the Exchange;
4. the aggregate number of Common Shares reserved for issuance under Options granted to insiders must not exceed 10% of the outstanding shares (in the event that the New Stock Option Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Corporation has obtained by a majority of votes casted by the Shareholders eligible to vote at a Shareholders’ meeting, excluding votes attaching to shares beneficially owned by insiders and their associates; and
5. the number of optioned shares issued to insiders in any 12 month period must not exceed 10% of the outstanding Common Shares in the event that the New Stock Option Plan is amended to



reserve for issuance more than 10% of the outstanding Common Shares, unless the Corporation has obtained by a majority of votes casted by the Shareholders eligible to vote at a Shareholders' meeting, excluding votes attaching to shares beneficially owned by insiders and their associates.

The material terms of the SOP are as follows:

1. Persons who are director, officer, employee, management company employee, consultant or consultant company to the Corporation or its affiliates are eligible to receive grants of Options under the New Stock Option Plan;
2. Options granted under the New Stock Option Plan are non-assignable and non-transferable and are issuable for a period of up to 10 years;
3. For Options granted to a director, officer, employee, management company employee, consultant or consultant company, the Corporation must ensure that the proposed optionee is a bona fide director, officer, employee, management company employee, consultant, or consultant company;
4. Options expire within 30 days (or such other time not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the optionee at any time prior to expiry of the Option) after the date the optionee ceases to be employed by or provide services to the Corporation, and only to the extent that such option was vested at the date the Optionee ceased to be so employed by or to provide services to the Corporation;
5. If an optionee dies, any vested Option held by him at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such Option;
6. In the case of an optionee being dismissed from employment or service for cause, such optionee's Option, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
7. The exercise price of each Option will be set by the Board on the effective date of the Option and will not be less than the Discounted Market Price, as defined in the New Stock Option Plan;
8. Vesting of the Options shall be at the discretion of the Board, and will generally be subject to (i) the director, officer, management company employee, employee, consultant, or consultant company remaining employed by or continuing to provide services to the Corporation or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Corporation or any of its affiliates during the vesting period; and
9. Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the New Stock Option Plan with respect to all New Stock Option Plan shares in respect of Options which have not yet been granted under the New Stock Option Plan.

## Ordinary Resolution

Shareholders will be asked at the Meeting to consider, and if deemed advisable, to pass an ordinary resolution re-approving the SOP in its current form, such resolution substantially in the following form:

**“WHEREAS:**

- A. the shareholders of the Corporation last ratified and adopted the stock option plan of the Corporation (the “SOP”) as described in the management information circular of the Corporation dated October 7, 2016, by a majority of votes cast, on November 1, 2016; and
- B. the rules of the TXV Venture Exchange provide that all unallocated options, rights or other entitlements under a security-based compensation arrangement that does not have a fixed number of maximum securities issuable be approved by the shareholders of the Corporation every year.

**BE IT RESOLVED** as an ordinary resolution of the shareholders of the Corporation that:

1. the current SOP of the Corporation is hereby approved; and
2. any director or officer of the Corporation is hereby authorized to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the true intent of these resolutions.”

The resolutions must be approved by a simple majority approval of the votes cast by the Shareholders at the Meeting, excluding any admissible persons under the Option Plan. If the Option Plan is not approved by the Shareholders, the Corporation will have to consider other methods of compensating and providing incentives to directors, officers, employees and consultants.

**Management recommends that Shareholders vote FOR the adoption of the ordinary resolution approving the Option Plan.**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE STOCK OPTION PLAN UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH ORDINARY RESOLUTION.**

### ADDITIONAL INFORMATION

Additional information concerning the Corporation is available under its profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation’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 Corporation’s financial statements and management’s discussion and analysis may contact the Corporation as follows:

**Quantum Numbers Corp.**  
3755 E Blvd. Matte, Suite 201  
Brossard, Quebec J4Y 3P4  
Telephone: 438.858.8873  
Email: [info@quantumnumberscorp.com](mailto:info@quantumnumberscorp.com)

**Management knows of no other matters to come before the Meeting other than those referred to in the notice of meeting. Should any other matters properly come before the Meeting, the shares represented by the 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 proxy-holder by the proxy.**

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

**DATED** the 7<sup>th</sup> day of August, 2017.

**BY ORDER OF THE BOARD OF DIRECTORS**

*/s/ "Pierre C. Miron"*

**Pierre C. Miron  
CFO & Director**