



## **INFORMATION CIRCULAR** **as at February 21, 2018**

This Information Circular is furnished in connection with the solicitation of proxies by the management of Focus Ventures Ltd. (the "Company") for use at the Annual and Special Meeting of the holders of common shares ("**Common Shares**") of the Company to be held on Wednesday, April 4, 2018 (the "**Meeting**") and any adjournment thereof, at the time and place and for the purposes set forth in the accompanying notice of the Meeting (the "**Notice of the Meeting**").

In this Information Circular, references to "**Non-Registered Holders**" means shareholders who do not hold Common Shares in their own name and "Intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Holders.

### **PROXIES**

#### **Notice-and-Access Process**

The Company has elected to use the notice-and-access provisions ("**Notice-and-Access**") of National Instrument 54-101 for distribution of this Information Circular, form of proxy ("**Proxy**") and other meeting materials (the "**Meeting Materials**") to registered shareholders and Non-Registered Holders of the Company.

Under Notice-and-Access, rather than the Company mailing paper copies of the Meeting Materials to shareholders, the Meeting Materials can be accessed online on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) or on the Company's website at <http://www.focusventuresltd.com/s/Agm.asp>. The Company has adopted this alternative means of delivery for the Meeting Materials in order to reduce paper use and the printing and mailing costs.

Shareholders will receive a "notice package" (the "**Notice-and-Access Notification**") by prepaid mail, with details regarding the Meeting date, location and purpose, and information on how to access the Meeting Materials online or request a paper copy.

Shareholders will not receive a paper copy of the Meeting Materials unless they contact the Company at the toll free number as set out in the Notice of the Meeting. Provided the request is made prior to the Meeting, the Company will mail the requested materials within three business days. **Requests for paper copies of the Meeting Materials should be made by March 21, 2018 in order to receive the Meeting Materials in time to vote before the Meeting.**

Shareholders with questions about Notice-and-Access may contact the Company toll-free at 1-888-627-9378.

#### **Solicitation and Deposit of Proxies**

While it is expected that the solicitation will be primarily by Notice-and-Access and mail, Proxies may be solicited personally or by telephone by the directors and regular employees of the Company. All costs of solicitation will be borne by the Company. The Company has arranged for Intermediaries to forward the Notice-and-Access Notification to Non-Registered Holders of Common Shares held as of record by those Intermediaries and the Company may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

The individuals named in the Proxy are directors or officers of the Company. **A shareholder wishing to appoint some other person (who need not be a shareholder) to represent the shareholder at the Meeting has the right to do so, either by inserting such person's name in the blank space provided in the Proxy and striking out the printed names or by completing another form of proxy.** The Proxy will not be valid unless the completed, dated and signed form of proxy is received by Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof, or is delivered to the Chairman of the Meeting prior to commencement of the Meeting or any adjournment thereof.

### **Non-Registered Holders**

Only registered holders of Common Shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, Common Shares beneficially owned by a Non-Registered Holder are registered either:

- (a) in the name of an Intermediary that the Non-Registered Holder deals with in respect of the shares. Intermediaries include 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, such as The Canadian Depository for Securities Limited, of which the Intermediary is a participant.

In accordance with the requirements of NI 54-101, the Company will distribute the Notice-and-Access Notification to Intermediaries and clearing agencies for onward distribution to Non-Registered Holders. The Company does not intend to pay Intermediaries to forward the Notice-and-Access Notification if the Non-Registered Holders have provided instructions to their Intermediary that they object to the Intermediary disclosing ownership information about the Non-Registered Holders. In this case, such Non-Registered Holder will not receive the Meeting Materials if the Intermediary does not assume the cost of delivery.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive Meeting Materials. 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 be sent a voting instruction form which must be completed, signed and returned by the Non-Registered Holder in accordance with the Intermediary's directions on the voting instruction form. In some cases, such Non-Registered Holders will instead be given a 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. This form of proxy does not need to be signed by the Non-Registered Holder, but, to be used at the Meeting, needs to be properly completed and deposited with Computershare Trust Company as described under "*Solicitation and Deposit of Proxies*" above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting 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 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 corresponding instructions on the form.

**Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including instructions regarding when and where the voting instruction form or Proxy form is to be delivered.**

### **Voting of Proxies**

Common Shares represented by any properly executed Proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions given by the shareholder. **In the absence of such direction, such Common Shares will be voted in favour of the matters set forth herein.**

The Proxy, when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of the Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the Proxy to vote in

accordance with their best judgment on such matters or business. As at the date hereof, the management of the Company knows of no such amendment, variation or other matter that may be come before the Meeting.

### **Revocation of Proxies**

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, 200 Burrard Street, Suite 650, Vancouver, British Columbia, V6C 3L6, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

As at the date hereof, the Company has issued and outstanding 234,384,109 fully paid and non-assessable common shares, each share carrying the right to one vote. **THE COMPANY HAS NO OTHER CLASSES OF VOTING SECURITIES.**

Registered holders of Common Shares as at the Record Date of February 14, 2018 who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the Meeting.

To the knowledge of the directors and senior officers of the Company, the only person or company who beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company is:

<u>Name</u>	<u>No. of Shares</u>	<u>Percentage</u>
Sprott Inc. <sup>(1)</sup>	29,451,840	12.6%

Note:

(1) Institutional investor.

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

To the knowledge of the board of directors of the Company (“**Board**”), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of the Meeting, as more particularly described as follows:

#### **Appointment and Remuneration of Auditors**

The management of the Company will recommend to the Meeting to appoint BDO Canada LLP, Chartered Accountants, as auditors of the Company for the ensuing year, and to authorize the directors to fix their remuneration. Amisano Hanson were the auditors of the Company since November 30, 2004, until early 2008 when BDO Canada LLP acquired Amisano Hanson and continued as the Company’s auditors.

#### **Election of Directors**

The Board presently consists of six directors and it is intended to set the number of Directors at six and to elect six Directors at the Meeting. The persons named below will be presented for election at the Meeting as management’s nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the British Columbia *Business Corporations Act*.

The following table sets out the names of the nominees for election as directors, where each is ordinarily resident, all offices of the Company now held by them, their principal occupations, the period of time for which each has been a director of the Company, and the number of Common shares of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

<b>Name, Position and Residency</b> <sup>(1)</sup>	<b>Principal Occupation</b> <sup>(1)</sup>	<b>Period as a Director</b>	<b>No. of Common Shares</b> <sup>(1)</sup>
<b>Simon Ridgway</b> <sup>(2)</sup> Director, Chairman & CEO British Columbia, Canada	CEO of the Company and Radius Gold Inc. (mineral exploration); Chairman of Fortuna Silver Mines Inc. (mining).	November 5, 1996 to present	12,166,250
<b>Gordon Tainton</b> Director & President Switzerland	President of the Company, January 2017 to present; Executive Director of Grange Mining plc (mineral exploration), January 2015 to present; Non-Executive Director of NEOS plc (bio fuels), October 2013 to April 2017; President of Tegan Resources Ltd. (nickel); October 2010 to July 2016.	January 25, 2017 to present	1,374,999
<b>Mario Szotlender</b> <sup>(2) (3) (4)</sup> Director Caracas, Venezuela	Independent Consultant; Director of several public mining or mineral exploration companies.	May 30, 1995 to present	8,309,713
<b>David Cass</b> <sup>(3)</sup> Director British Columbia, Canada	Vice-President of Exploration of Bluestone Resources Inc. (mineral exploration).	December 17, 2008 to present	1,798,032
<b>Ralph Rushton</b> <sup>(4)</sup> Director British Columbia, Canada	Executive Vice-President, Business Development of Prospero Silver Corp. (mineral exploration).	December 18, 2013 to present	937,701
<b>Tim Osler</b> <sup>(2) (3) (4)</sup> Director British Columbia, Canada	Retired.	May 30, 1995 to present	201,709

Notes:

- (1) The information as to residency, principal occupation, and shares beneficially owned is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Member of the Compensation Committee.
- (3) Member of the Audit Committee.
- (4) Member of the Corporate Governance and Nominating Committee.

Two of the proposed nominees for re-election as a director, Simon Ridgway and Mario Szotlender, were directors of a corporation that, in the past 10 years, was for a period of more than 30 days subject to a management cease trade order (“MCTO”) issued by the British Columbia Securities Commission and other Canadian provincial securities regulatory authorities. The MCTO was issued due to the corporation’s failure to file its annual and interim financial statements within the prescribed deadlines. Upon filing of the outstanding financial statements, the MCTO was revoked by the British Columbia Securities Commission.

**Stock Option Plan**

The TSX Venture Exchange (the “Exchange”) requires that the Company obtain shareholder approval to its stock option plan yearly at the annual general meeting. The material terms of the Option Plan are as follows:

1. the Option Plan reserves a rolling maximum of 10% of the issued capital of the Company at the time of granting of each option, with no vesting provisions other than the vesting restrictions required by the Exchange for options granted to investor relations consultants;
2. no more than 5% of the issued capital may be reserved for issuance to any one individual in any 12 month period;
3. no more than 2% of the issued capital may be reserved for issuance to any Consultant (as defined by the Exchange) or to an optionee providing investor relations services in any 12 month period;
4. the minimum exercise price of an option cannot be less than the Market Price (as defined by the Exchange) of the Company’s shares;
5. options may be granted for a period of up to 10 years;

6. options are non-assignable and non-transferable;
7. unless otherwise determined by the Board, a vested option is exercisable for up to 90 days from the date the optionee ceases to be a director, officer, employee or service provider of the Company or of its subsidiaries, unless: (i) such optionee was terminated for cause, in which case the option shall be cancelled, or (ii) if an optionee dies, the legal representative of the optionee may exercise the option for up to one year from the date of death;
8. unless otherwise determined by the Board, if an optionee's employment or service with the Company is terminated by the Company without cause, by the optionee for "Good Reason" (as defined in the Option Plan) or due to disability or death, a portion of the unvested options held by such optionee shall immediately vest according to a set formula;
9. unless otherwise determined by the Board, where an optionee's employment is terminated by the Company within 12 months after a change of control of the Company, the optionee resigns for Good Reason within 12 months after a change of control, or if the optionee dies while performing his or her regular duties as a director, officer and/or employee of the Company or its subsidiaries, then all of his or her outstanding options shall immediately vest; and
10. there are provisions for adjustment in the number of shares issuable on exercise of options in the event of a share consolidation, split, reclassification or other relevant change in the Company's corporate structure or capitalization.

In order to approve the Option Plan for the ensuing year, the shareholders will be asked at the Meeting to approve an ordinary resolution as follows:

"RESOLVED that the Option Plan of the Company, with terms substantially as described in the information circular of the Company dated February 21, 2018, be and is hereby approved, and that the directors of the Company are hereby authorized to make any changes to the Plan which may be required in order to obtain acceptance for filing by the Exchange."

#### **Continuance to the Yukon and Change of Name**

The Board has determined that in order to better reflect the Company's current business activities, it will be beneficial to change the name of the Company. As the British Columbia Registrar has greater limitations on corporate names than other jurisdictions in Canada, the Board has also approved a proposed continuance of the Company's jurisdiction from British Columbia to the Yukon. The continuance and name change will be subject to acceptance for filing by the Exchange.

Accordingly, the shareholders will be asked at the Meeting to approve special resolutions as follows:

"RESOLVED, as special resolutions, that:

1. the Company is authorized to continue under the Business Corporations Act (Yukon) and to apply to the Registrar of Companies (British Columbia) for authorization to permit such continuation in accordance with section 308 of the Business Corporations Act (British Columbia);
2. the Company is authorized to apply to the Registrar of Corporations for the Yukon, for a Certificate of Continuance continuing the Company under the Business Corporations Act (Yukon);
3. the Company approves and adopts, in substitution for the existing Notice of Articles and Articles of the Company, the Articles of Continuance and Bylaws substantially in the form attached as Schedule "B" to this Circular, and all amendments to the aforesaid Notice of Articles and Articles reflected therein are approved;
4. the name of the Company be changed from Focus Ventures Ltd. to such other name as may be approved by the Directors of the Company in their sole discretion;
5. any one director or officer of the Company is authorized and directed to sign all documents and to do all things necessary or desirable to give effect to these special resolutions; and
6. notwithstanding that these special resolutions have been passed (and the continuance and change of name approved) by the shareholders of the Company, the Directors of the Company are hereby authorized and empowered, without further notice to, or approval of, the shareholders of the Company to not proceed with either the continuance or the change of name."

### **Possible Share Consolidation**

The Board has determined that in order to facilitate future equity financings for the Company, it may be necessary to consolidate the share capital on the basis of one new share for up to five existing shares. The share consolidation would be subject to acceptance for filing by the Exchange.

Accordingly, the shareholders will be asked at the Meeting to approve special resolutions as follows:

“RESOLVED, as special resolutions, that:

1. the issued and allotted common shares of the Company be consolidated on the basis that up to five existing common shares will be consolidated into one new common share, the final consolidation ratio to be determined by the Directors of the Company in their sole discretion;
2. the amendments to the Notice of Articles of the Company as may be necessary to give effect to the share consolidation are hereby approved;
3. any one director or officer of the Company is authorized and directed to sign all documents and to do all things necessary or desirable to give effect to these special resolutions; and
4. notwithstanding that these special resolutions have been passed (and the share consolidation approved) by the shareholders of the Company, the Directors of the Company are hereby authorized and empowered, without further notice to, or approval of, the shareholders of the Company to not proceed with the share consolidation.”

### **Other Matters**

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

### **STATEMENT OF EXECUTIVE COMPENSATION**

During the fiscal year ended November 30, 2016, three individuals were “named executive officers” of the Company within the meaning of the definition set out in National Instrument Form 51-102F6V, “Statement of Executive Compensation – Venture Issuers” (“**Form 51-102F6V**”). As required by Form 51-102F6V, the following includes disclosure of the compensation paid or payable by the Company to Simon Ridgway, its Chief Executive Officer (“**CEO**”), David Cass, its former President, and Kevin Bales, its Chief Financial Officer (“**CFO**”) (hereinafter collectively referred to as “**NEOs**”), and to the Company’s directors.

#### **Compensation Excluding Compensation Securities**

The following summarizes compensation, excluding Compensation Securities (as defined below), paid or payable to NEOs and directors of the Company during the fiscal years ended November 30, 2016 and 2015:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Simon Ridgway CEO & Director	2016	42,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	42,000
	2015	42,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	42,000
Gordon Tainton President & Director	N/A <sup>(2)</sup>						
David Cass Former President & Director	2016	134,000 <sup>(3)</sup>	Nil	Nil	Nil	Nil	134,000
	2015	204,000 <sup>(3)</sup>	Nil	Nil	Nil	Nil	204,000
Kevin Bales CFO	2016	37,125 <sup>(4)</sup>	Nil	Nil	Nil	Nil	37,125
	2015	36,621 <sup>(4)</sup>	Nil	Nil	Nil	Nil	36,621
Ralph Rushton Director & former VP, Corporate Development	2016	66,657 <sup>(5)</sup>	Nil	Nil	Nil	Nil	66,657
	2015	108,836 <sup>(5)</sup>	Nil	Nil	Nil	Nil	108,836
Mario Szotlender Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Tim Osler Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Paid or payable to Mill Street Services Ltd. (“**Mill Street**”) for the services of Simon Ridgway as CEO of the Company.
- (2) Mr. Tainton was appointed President and a Director on January 25, 2017.
- (3) For services as President of the Company. Mr. Cass resigned as President on January 25, 2017.
- (4) Paid or payable to Gold Group Management Inc. (“**Gold Group**”) for the services of Kevin Bales as CFO of the Company.
- (5) For services as Vice-President, Corporate Development of the Company. Mr. Rushton resigned as Vice-President, Corporate Development on June 30, 2016.

**Compensation Securities**

The Company did not grant or issue any stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units or restricted stock units (collectively “**Compensation Securities**”) to its NEOs and directors during the fiscal year ended November 30, 2016.

The Company’s NEOs and directors did not exercise any Compensation Securities during the fiscal year ended November 30, 2016.

**Stock Option Plans and Other Incentive Plans**

The Company has a stock option plan, the material terms of which are described under “*Particulars of Matters to be Acted Upon – Stock Option Plan*” herein.

**Compensation Agreements or Arrangements**

Mill Street is paid a monthly fee for the services of Simon Ridgway as CEO of the Company. Mill Street is controlled by Mr. Ridgway. There is no written agreement between the parties regarding these services.

Pursuant to an agreement dated July 1, 2012, Gold Group is reimbursed by the Company on a monthly basis for certain shared costs and other business related expenses paid by Gold Group on behalf of the Company, including the services of the Company's Chief Financial Officer. The agreement may be terminated by either party on three months' notice. Gold Group is controlled by Simon Ridgway, the CEO of the Company.

### **Oversight and Description of Director and NEO Compensation**

The Compensation Committee of the Board is responsible for ensuring that the Company has appropriate procedures for making recommendations to the Board with respect to the compensation of the Company's executive officers and directors. The Compensation Committee consists of Simon Ridgway, Mario Szotlender and Tim Osler, of whom Messrs. Szotlender and Osler are independent directors.

The general philosophy of the Company's compensation strategy is to: (a) encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interest of shareholders; (c) provide a compensation package that is designed to attract and retain highly qualified executives and directors; and (d) ensure that total compensation paid takes into account the Company's overall financial position.

Compensation of the Company's NEOs is comprised of salaries and/or incentive stock options. Stock options were most recently granted to NEOs during the fiscal year ended November 30, 2014, and the Company may in the future grant incentive stock options to its NEOs. In establishing levels of cash compensation and the granting of stock options, the executive's performance, level of expertise, and responsibilities are considered.

Incentive stock options are granted pursuant to the Option Plan which is designed to encourage share ownership on the part of the Company's management, directors, employees and consultants. The Board believes that the Option Plan aligns the interests of the Company's personnel with shareholders by linking compensation to the longer term performance of the Company's shares. The granting of incentive stock options is an important component of executive compensation as it allows the Company to reward each executive officer's efforts to increase shareholder value without requiring the use of the Company's cash reserves.

Stock options are generally granted at the time of the executive's hiring or appointment and periodically thereafter. Previous grants of options are taken into account by the Compensation Committee and the Board when they consider the granting of new stock options.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The only equity compensation plan which the Company has in place is a stock option plan (the "Option Plan") which was previously approved by the shareholders on January 6, 2017. The Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Option Plan provides that the number of common shares of the Company issuable under the Option Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding common shares. The material terms of the Option Plan are set out above under the heading "Particulars of Matters to be Acted Upon – Stock Option Plan".

The following table sets out information regarding compensation plans under which equity securities of the Company are authorized for issuance, as at November 30, 2016 and 2017:



Plan Category	EQUITY COMPENSATION PLAN					
	(a)		(b)		(c)	
	No. of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights		Weighted Average Exercise Price of Outstanding Options, Warrants and Rights		No. of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding Securities Reflected in column (a))	
	2016	2017	2016	2017	2016	2017
Equity Compensation Plan Approved by Shareholders	4,570,000	4,570,000	\$0.21	\$0.21	8,865,911	18,787,577
Equity Compensation Plans Not Approved by Shareholders	N/A	N/A	N/A	N/A	N/A	N/A
Total:	4,570,000	4,570,000	\$0.21	\$0.21	8,865,911	18,787,577

### AUDIT COMMITTEE

Pursuant to the provisions of National Instrument 52-110 (“**NI 52-110**”), the Company’s Audit Committee has adopted a written charter (the “**Charter**”) that sets out its mandate and responsibilities. The Charter is attached hereto as Schedule “A”. As the Company is a “venture issuer” (as defined in NI 52-110), it is relying on the exemption provided to it in Section 6.1 of NI 52-110 with respect to the composition of its Audit Committee and with respect to audit committee reporting obligations.

The Audit Committee of the Company consists of David Cass, Mario Szotlender and Tim Osler, of whom all are considered “financially literate” and Messrs. Szotlender and Osler are considered “independent”, within the meanings given to those terms in NI 52-110. 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:

<u>Audit Committee Member</u>	<u>Education and Experience</u>
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David Cass	Mr. Cass holds Bachelor of Science Degree in Geology and a Master of Science degree in Mineral Exploration and Mining Geology and is a geologist with over 25 years’ international experience in mineral exploration and mining for precious and base metals. Fifteen years of his career were spent with major mining company, Anglo American plc, where he held positions of increasing responsibility in jurisdictions such as Turkey, Iran, Eastern Europe and the America's, including 4 years as Senior Geologist in Peru, and 6 years as Exploration Manager for North America where he was responsible for Anglo’s exploration programs throughout Canada, Central America, Mexico, mainland USA and Alaska. Since 2006, Mr. Cass has worked for junior exploration companies exploring in Canada, Mexico, Central America and Peru. He is an audit committee member of one other publicly-traded resource company.
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Mario Szotlender	Mr. Szotlender holds a degree in international relations and has successfully directed Latin American affairs for numerous private and public companies over the past 25 years. He has been involved in various mineral exploration and development joint ventures (precious metals and diamonds) in Central and South America, including heading several mineral operations in Venezuela, including Las Cristinas in the 1980’s. Mr. Szotlender is a director and/or audit committee member of several other publicly-traded resource companies, and consults to several private exploration companies.
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Tim Osler	Mr. Osler owns and operates a mining consulting and retail mining equipment business, and has developed a gold mining placer property in the Yukon Territory which is currently producing.
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The Committee has adopted specific policies and procedures for the engagement of non-audit services, all as more particularly described in the Audit Committee’s Charter under the heading “Responsibilities and Authority”. Fees billed to the Company during the past two fiscal years for services by the external auditors are as follows:

	<u>2017</u>	<u>2016</u>
Audit Fees	\$110,000	\$100,000
Audit-Related Fees	\$ Nil	\$ 3,500
Tax Fees	\$ 4,000	\$ 8,900
All Other Fees	<u>\$ 4,500</u>	<u>\$ 2,200</u>
	\$118,500	\$114,600

“Audit Fees” are the aggregate fees billed for the audit of the Company’s consolidated annual financial statements.

“Audit-Related Fees” are fees charged for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit Fees”.

“Tax Fees” are fees for tax return preparation.

“All Other Fees” are amounts not included in the categories above. These amounts relate to assistance with the preparation of the Company’s SEC registration statements.

### **CORPORATE GOVERNANCE**

The Board is of the view that the Company’s corporate governance practices are appropriate and effective for the Company, given its relatively small size and limited operations. The Company’s method of corporate governance allows for the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

Pursuant to National Instrument 58-101, *Disclosure of Corporate Governance Practices* (“NI 58-101”), the Company is required to and hereby discloses its corporate governance practices as follows:

#### **Board of Directors**

The Board considers Mario Szotlender and Tim Osler to be “independent” according to the definition set out in NI 58-101. Simon Ridgway, Gordon Tainton, David Cass and Ralph Rushton are not independent as they are current or former officers of the Company.

The independent Directors believe that their knowledge of the Company’s business, and their independence are sufficient to facilitate the functioning of the Board independently of management. The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, during the course of a directors’ meeting, if they deem it appropriate, the independent directors may meet *in camera*.

#### **Directorships**

The directors of the Company are presently directors of one or more other reporting issuers, as follows:

<b>Director</b>	<b>Other Issuers</b>
Simon Ridgway	Fortuna Silver Mines Inc. Medgold Resources Corp. Rackla Metals Inc. Radius Gold Inc. Volcanic Gold Mines Inc.
Gordon Tainton	NEOS plc

Mario Szotlender	Atico Mining Corporation Endeavour Silver Corp. Fortuna Silver Mines Inc. Radius Gold Inc.
David Cass	Rackla Metals Inc.
Ralph Rushton	Medgold Resources Corp.

### **Orientation and Continuing Education**

Management will ensure that a new appointee to the Board receives the appropriate written materials to fully apprise him or her of the duties and responsibilities of a director pursuant to applicable law and policy. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director.

### **Ethical Business Conduct**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Accordingly, the Board has adopted a Code of Ethics which has been filed on SEDAR at [www.sedar.com](http://www.sedar.com). In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

The Board has also adopted a policy establishing the procedure for Company personnel to report, with protection from reprisals and on a confidential or anonymous basis, any concerns regarding accounting, audit, internal controls, or financial reporting. Complaints are to be reported to the Chairman of the Company's Audit Committee.

### **Corporate Governance and Nominating Committee**

The Corporate Governance and Nominating Committee of the Company consists of Mario Szotlender, Ralph Rushton and Tim Osler, the majority of whom are independent directors. While the Corporate Governance and Nominating Committee is not entirely independent, the Company believes that the independent members are sufficient to facilitate the functioning of the committee independently of management of the Company. Under the supervision of the Board, this Committee has overall responsibility for developing the Company's approach to corporate governance including recommending corporate governance issues for review, discussion or action, and such other initiatives as are necessary or desirable to provide effective corporate governance for the Company. This Committee is also responsible for identifying and recommending to the Board possible candidates for the Board as necessary, after considering the competencies and skills the directors as a group should possess, and considering the appropriate size of the Board.

### **Compensation Committee**

The Compensation Committee of the Company consists of Simon Ridgway, Mario Szotlender and Tim Osler, the majority of whom are independent directors. While the Compensation Committee is not entirely independent, the Company believes that the independent members are sufficient to facilitate the functioning of the committee independently of management of the Company. The Compensation Committee has overall responsibility for recommending levels of executive compensation that are competitive and motivating in order to attract, hold and inspire executive officers and directors. It makes recommendations to the Board regarding executive officer and director compensation, bonus plans for management and key employees, and equity-based plans such as incentive stock options.

### **Assessments**

The Company has not determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. The Board periodically reviews its own performance and effectiveness as well as the charters of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

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

In order to raise funds to cover the purchase of a 70% interest in the Bayovar 12 phosphate project in Peru, the Company entered into a credit agreement in March 2015 whereby Resource Income Partners Limited Partnership and Sprott Resource Lending Partnership (the “**Lenders**”) lent US\$5,000,000 (the “**Loan**”) to the Company. The Loan had an interest rate of 12% per annum and a maturity date of September 30, 2016.

In July 2016, the maturity date of the Loan was extended three years to September 30, 2019. In consideration for the loan extension, the Company issued to the Lenders 2,740,340 common shares of the Company. In addition, upon each anniversary date of the extended term, the Company is to make an anniversary fee payment of 6% of the principal amount of the loan outstanding, in cash or shares at the election of the Company.

In March 2017, the Company completed a private placement financing (the “**Private Placement**”) pursuant to which Exploration Capital Partners 2012, LP (“**Exploration Capital**”) purchased 9,650,000 Common Shares of the Company at \$0.05 per Common Share. The Company paid US\$180,000 cash to the Lenders in payment of the September 30, 2017 Loan anniversary payment.

The Lenders and Exploration Capital are controlled by Sprott Inc., of 200 Bay Street, Suite 2700, Toronto, ON M5J 2J1. Prior to the closing of the Loan, the Private Placement and the extension of the Loan, Sprott Inc. was an insider of the Company by virtue of indirectly holding more than 10% of the issued capital of the Company.

Other than as disclosed in this Information Circular, no insider, proposed nominee for election as a director, or any associate or affiliate of the foregoing, had any material interest, direct or indirect, in any transaction or proposed transaction since December 1, 2015 which has materially affected or would materially affect the Company or its subsidiaries.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available for viewing at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company’s financial statements and accompanying management’s discussion and analysis for the fiscal year ended November 30, 2016. Copies of financial statements and accompanying MD&A may be obtained by contacting the Company, attention Corporate Secretary, at 200 Burrard Street, Suite 650, Vancouver, BC V6C 3L6 (Tel: 604-688-5288; Fax: 604-682-1514).

BY ORDER OF THE BOARD

Simon Ridgway,  
Chief Executive Officer

**FOCUS VENTURES LTD.**  
(the "Company")

**AUDIT COMMITTEE CHARTER**

**Purpose**

The primary function of the Audit Committee is to assist the Board of Directors of the Company (the "Board") in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems established by management and the Company's external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

**Responsibilities and Authority**

Subject to the powers and duties of the Board, the Board has delegated to the Audit Committee the following powers and duties to be performed by the Audit Committee on behalf of and for the Board. Nothing in this Charter is intended to or does confer on any member a higher standard of care or diligence than that which applies to the directors as a whole.

1. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between the Company's external auditors and the Board.
2. The Audit Committee shall be responsible for making the following recommendations to the Board:
  - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
  - (b) the compensation of the external auditor.
3. The Audit Committee shall be directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
  - (a) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;
  - (b) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
  - (c) reviewing audited annual financial statements, in conjunction with the report of the external auditor;
  - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management; and
  - (e) reviewing the evaluation of internal controls by the external auditor, together with management's response.
4. The Audit Committee shall review interim unaudited financial statements before release to the public.
5. The Audit Committee shall review all public disclosures of audited or unaudited financial information before release, including any prospectus, annual report, annual information form, and management's discussion and analysis.
6. The Audit Committee shall review the appointments of the chief financial officer and any other key financial executives involved in the financial reporting process, as applicable.
7. Except as exempted by securities regulatory policies, the Audit Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the external auditor.

8. The Audit Committee shall 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.
9. The Audit Committee shall periodically review and approve the Company's hiring policies, if any, regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
10. The Audit Committee shall have the authority to:
  - (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
  - (b) to set and pay the compensation for any advisors employed by the Audit Committee; and
  - (c) to communicate directly with the external auditors.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

#### **Relationship with External Auditors**

The external auditor is required to report directly to the Audit Committee. Opportunities shall be afforded periodically to the external auditor and to members of senior management to meet separately with the Audit Committee.

#### **Composition**

The Audit Committee is composed of a minimum of three Directors, a majority of whom are independent and all of whom have relevant skills and/or experience in the Audit Committee's areas of responsibility as required by the securities laws applicable to the Company, including those of any stock exchange on which the Company's securities are traded.

The members and Chair of the Audit Committee are appointed or confirmed by the Board annually and hold office at the pleasure of the Board. The Board fills any vacancy on, or any additional members to, the Audit Committee.

#### **Structure and Operations**

1. The Audit Committee shall meet in person or by conference call as frequently as necessary to carry out its responsibilities under this Charter, but in any event at least once per year.
2. With the assistance of the Corporate Secretary of the Company, the Audit Committee Chair shall be responsible for calling the meetings of the Audit Committee, establishing meeting agenda with input from management, and supervising the conduct of the meetings.
3. The minutes of all meetings shall be recorded by the Corporate Secretary of the Company or such other person as appointed by the Audit Committee Chair.
4. A majority of the independent members of the Audit Committee will constitute a quorum for conducting business at a meeting of the Audit Committee.
5. The Audit Committee may request any officer or other employee of the Company, or any representative of the Company's legal counsel or other advisors, to attend a meeting or to meet with any members or representatives of the Audit Committee.

#### **Effective Date**

This Charter was implemented by the Board on October 22, 2014.

**ARTICLES OF CONTINUANCE  
AND  
BYLAWS**

Attach additional page(s) if necessary / Annexer des feuilles supplémentaires au besoin

1. Name of corporation / Dénomination sociale de la société par actions :

[new name]

2. Jurisdiction from which the corporation is continuing into Yukon :  
Autorité législative de laquelle la société par actions est prorogée au Yukon :

British Columbia

3. If change of name effected, previous name :  
S'il y a changement de dénomination sociale, ancienne dénomination sociale :

FOCUS VENTURES LTD.

4. The classes of shares that the corporation is authorized to issue (including the information required by para.8(1)(b) of the Business Corporations Act) :  
Catégories d'actions que la société est autorisée à émettre (y compris les renseignements obligatoires en vertu de l'alinéa 8(1)b) de la Loi sur les sociétés par actions) :

unlimited number of common shares, without par value

5. Restrictions, if any, on share transfers / Restrictions, le cas échéant, aux transferts d'actions :

None

6. Number of directors (or minimum or maximum number) :  
Nombre d'administrateurs (ou nombre minimal ou maximal) :

minimum of 3 and maximum of 12

7. Restrictions, if any, on business the corporation may carry on (including the restrictions in para.18(1)(h) of the Yukon Act (Canada)) :  
Restrictions, le cas échéant, aux activités commerciales que peut exercer la société par actions (y compris les restrictions prévues à l'alinéa 18(1)h) de la Loi sur le Yukon (Canada)) :

None

8. Other provisions, if any / Autres dispositions, le cas échéant :

None

9. Name of individual signing / Nom du signataire :

Last Name / Nom de famille

First Name / Prénom



**10. Title of Individual signing / Titre du signataire :**

Director, officer, or authorized agent / Administrateur, dirigeant ou mandataire autorisé

**11. Signature / Signature :**

**12. Date of signature / Date de signature :**

\_\_\_\_\_  
YYYY/AAA MMMM DDJJ

Your personal information contained in this form is collected under the authority of the *Business Corporations Act RSY 2002, c.20*. It will be used for the purposes of that Act and its regulations and for other lawful purposes. This includes the compilation of a public registry. Any person is entitled to examine the information contained in this public registry, and make copies or extracts thereof. For further information, contact the Manager, Corporate Registries at (867) 633-7969, toll free within Yukon 1-800-661-0408, ext 7969.

*Les renseignements personnels contenus dans la présente formule sont recueillis sous le régime de la Loi sur les sociétés par actions, LRY 2002, ch. 20. Ils seront utilisés aux fins de cette loi et de ses règlements et à d'autres fins légitimes, notamment pour constituer un registre public. Il est permis à toute personne d'examiner les renseignements contenus dans ce registre public et de faire des copies ou d'obtenir des extraits. Pour de plus amples renseignements, veuillez communiquer avec le Responsable, Registres des entreprises au 867-633-7969, sans frais au Yukon 1-800-661-0408, poste 7969.*

## BYLAW NO. 1

A Bylaw relating generally to the transaction of the business and affairs of FOCUS VENTURES LTD. (the "Corporation")

### SECTION ONE - INTERPRETATION

1.1 **Interpretation.** Words and expressions defined in the Business Corporations Act, Revised Statutes of the Yukon 2002, Chapter 20 as amended as of the date hereof (the "Act") have the same meanings when used in the Bylaws. Words importing the singular number include the plural and vice versa and words importing gender include masculine, feminine and neutral genders as required by the context.

1.2 **Conflict with Act or Articles.** The Bylaws are subject to the provisions of the Act and the articles of the Corporation and in the event of conflict between the provisions of any Bylaws and the provisions of the Act or the articles, the provisions of the Act or the articles shall prevail over the Bylaws.

1.3 **Headings.** The headings and indices used in the Bylaws are inserted for convenience of reference only and do not affect the interpretation of the Bylaws or any part thereof.

### SECTION TWO - BUSINESS OF THE CORPORATION

2.1 **Corporate Seal.** The Board of Directors of the Corporation (the "Board") may adopt and change a corporate seal which shall contain the name of the Corporation and the Board may cause to be created as many duplicates thereof as the Board shall determine.

2.2 **Execution of Instruments.** The Board may from time to time direct the manner in which, and the person or persons by whom, any particular document or class of documents may or shall be signed and delivered. In the absence of a directors' resolution concerning the execution of any particular documents, documents shall be signed and delivered on behalf of the Corporation by any one director or officer, including affixing the corporate seal to all such documents as may require the same.

2.3 **Banking and Financial Arrangements.** The banking and financial business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking and financial business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe or authorize.

2.4 **Voting Rights in other Bodies Corporate.** The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the Board may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.5 **Borrowing Power.** Without limiting the borrowing powers of the Corporation as set forth in the Act, the Board is authorized from time to time:

- (a) to borrow money on the credit of the Corporation in such amounts and on such terms as may be deemed expedient by obtaining loans or advances or by way of overdraft or otherwise;
- (b) to issue, reissue, sell or pledge bonds, debentures, notes or other evidence of indebtedness or guarantees of the Corporation, whether secured or unsecured for such sums and at such prices as may be deemed expedient;
- (c) to give a guarantee on behalf of the Corporation to secure the performance of the obligations of any person; and
- (d) to charge, mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property and undertaking of the Corporation, including book debts, rights, powers and franchises for the purpose of securing any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness or liability of the Corporation.

2.6 **Delegation of Borrowing Power.** The Board may from time to time delegate to such one or more of the Directors and Officers of the Corporation as may be designated by the Board, all or any of the powers conferred on the Board by s. 2.5 (Borrowing Power to such extent and in such manner as the Board will determine at the time of each such delegation.

### SECTION THREE - DIRECTORS AND BOARD

3.1 **Number.** Subject to the provisions of the Act, the number of directors shall be the number fixed by the articles, or where the articles specify a variable number, the number shall be not less than the minimum and not more than the maximum number so specified and shall be determined from time to time within such limits by the shareholders or the Board.

3.2 **Additional Directors / Vacancies.** Subject to the provisions of the Act, a quorum of directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the close of the next annual general meeting, but the number of additional directors shall not any time exceed one-third of the number of directors who held office at the expiration of the last annual general meeting. A quorum of directors may fill a vacancy among the directors, except a vacancy resulting from an increase in the number or minimum number of directors or from a failure to elect the number or minimum number of directors required by the articles. A director appointed or elected to fill a vacancy holds office for the unexpired term of his or her predecessor.

3.3 **Validity of Acts.** An act of a director or officer is valid notwithstanding an irregularity in a director's or officer's election or appointment or a defect in the director's or officer's qualification.

3.4 **Duties.** Every director and officer of the Corporation in exercising his or her powers and discharging his or her duties shall:

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

3.5 **Term of Office.** A director's term of office (subject to any applicable provisions of the Corporation's articles and subject to the election of such director for an expressly stated term) shall be from the date such director is elected or appointed until the close of the first annual meeting of shareholders following such director's election or appointment or until a successor to such director is elected or appointed. Notwithstanding the foregoing, if directors are not elected at a meeting of shareholders, the incumbent directors continue in office until their successors are elected.

3.6 **Calling of Meeting.** Meetings of the Board shall be held from time to time and at such place as the Board, the Chair of the Board, the Managing Director, the President or any two directors may determine.

3.7 **Notice of Meetings.** Reasonable notice of the time and place of Board meetings shall be given to each director in the manner provided by this Bylaw. The accidental omission to give notice of any meeting of directors or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting. Any director may waive notice of any meeting of the directors in writing to the Corporation or any other manner, and any such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a director at any meeting of the directors is a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

3.8 **Telecommunication.** A director may participate in a Board meeting or a meeting of a committee of directors by means of telephone or other communication facilities that permit all directors participating in the meeting to hear each other.

3.9 **Quorum.** Unless otherwise set by the Board, a quorum for Board meetings shall be a majority of the directors present in person or by telecommunication. If a quorum is not present within 15 minutes of the time fixed for the holding of the meeting, the meeting shall be adjourned for not less than 48 hours and notice of the time and place of the adjourned meeting shall be given to each director not less than 24 hours before the time of the adjourned meeting. If a quorum is not present within 15 minutes of the time fixed for the holding of the adjourned meeting, those directors present in person or by telecommunication shall constitute a quorum for the purpose of the adjourned meeting.

3.10 **First Meeting of New Board.** Provided a quorum of directors is present, each newly elected Board may, without notice, hold its first meeting immediately following the meeting of shareholders at which such Board is elected.

3.11 **Alternate Directors.** Any director may appoint by notice to the Corporation any person not otherwise disqualified to be a director, to be his/her alternate director and once appointed the alternate director shall be entitled to notice of Board meetings and to attend and vote as a director at any Board meetings at which the director, appointing him/her is not personally present. The alternate director, if also a director, shall have a separate vote on behalf of the director represented in addition to his/her own vote as a director. A director may, by notice to the Corporation, revoke the appointment of his/her alternate director at any time.

3.12 **Casting Vote.** At all Board meetings, each director shall have one vote and every question shall be decided by a majority of votes cast on each question. In the case of an equality of votes, the chair of the meeting shall not be entitled to a second or casting vote in addition to the vote to which s/he may be entitled as a director.

3.13 **Chair.** The chair of any meeting of the Board shall be the first mentioned of such of the following officers as have been appointed and who is also a director and who is present at the meeting:

- a) the Chair of the Board; or
- b) the President; or
- c) any Vice-President (and where more than one Vice-President is present at the meeting, then the priority to act as chair as between them shall be in the order of the seniority of the office of Vice-President).

If no such officer is present within 15 minutes from the time fixed for the holding of the meeting of the Board, the persons present shall choose one of their number then present to be chair of that meeting.

**3.14 Committees of Directors.** The Board may from time to time appoint from their number a committee of directors and may delegate to such committee any of the powers of the directors. Unless otherwise ordered by the Board each committee of directors shall have power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure.

**3.15 Remuneration and Expenses.** The directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for travel expenses and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

**3.16 Resolution in Lieu of Meeting.** A resolution of the directors or of any committee of the directors may be passed without a meeting in all cases, if each of the directors entitled to vote on the resolution consents to it in writing. A consent in writing under this Section may be signed by document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Section is effective on the date stated in the consent in writing.

#### **SECTION FOUR - OFFICERS**

**4.1 Appointment.** The Board may, from time to time, appoint any or all of a Chair of the Board, a President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a Secretary, a Treasurer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. Subject to those powers and authority which pursuant to the Act may only be exercised by the directors, the officers of the Corporation may exercise, respectively, such powers and authority and shall perform such duties, in addition to those specified in the Bylaws, as may from time to time be prescribed by the Board. Except for the Chair of the Board, if appointed, and the Managing Director, if appointed, an officer may, but need not be, a director.

**4.2 Delegation.** In case of the absence of any officer or employee of the Corporation or for any other reason that the Board may deem sufficient, the Board may delegate the powers and authority of such officer or employee to any other officer or employee or to any director of the Corporation.

**4.3 Agents and Attorneys.** The Board, the Chair of the Board or the President may also from time to time appoint other agents, attorneys, officers and employees of the Corporation within or without Canada, who may be given such titles and who may exercise such powers and authority (including the power of subdelegation) and shall perform such duties of management or otherwise, as the Board may from time to time prescribe.

**4.4 Chair of the Board.** The Chair of the Board shall be a director of the Corporation. The Chair of the Board shall preside at all meetings of the Board and meetings of shareholders and may exercise such other powers and authority and shall perform the duties which may from time to time be prescribed by the Board.

**4.5 Managing Director.** The Managing Director shall be a director of the Corporation and shall exercise such powers and authority and shall perform such duties as may from time to time be prescribed by the Board.

4.6 **President.** The President shall, except as may be otherwise specified by the Board, be the Chief Executive Officer of the Corporation and, subject to the authority of the Board, shall be responsible for the general supervision of the business and affairs of the Corporation and shall have such other powers and duties as the Board may specify. During the absence or disability of the Chair of the Board, or if no Chair of the Board has been appointed, in the event the President is a director of the Corporation, the President shall, when present, preside as chair at all meetings of directors and at all meetings of shareholders.

4.7 **Vice-President.** The Vice-President, or if more than one Vice-President has been appointed, the Vice-Presidents, may exercise such powers and authority and shall perform such duties as may from time to time be prescribed by the Board. In the absence or inability or refusal to act of the President, they shall, in order of seniority or as otherwise directed by the Board, be vested with all of the powers and shall perform all the duties of the President and subject to Section 4.6 and the direction of the Board, the most senior Vice-President who is a director of the Corporation shall, when present, preside as chair at all meetings of directors and at all meetings of shareholders.

4.8 **Secretary.** Except as may be otherwise determined from time to time by the Board, the Secretary shall attend and be the secretary to all meetings of the Board, shareholders and committees of the Board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings at such meetings. The Secretary shall give or cause to be given as and when instructed all notices to shareholders, directors, officers, auditors and members of committees of the Board. The Secretary shall be the custodian of the corporate seal, if any, of the Corporation and shall have charge of all books, papers, reports, certificates, records, documents, registers and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose and may exercise such other powers and authority and shall perform such other duties as may from time to time be prescribed by the Board or by the President.

4.9 **Treasurer.** The Treasurer shall be responsible for the keeping of proper accounting records in compliance with the Act and shall be responsible for the deposit of monies and other valuable effects of the Corporation in the name and to the credit of the Corporation in such banks or other depositories as the Board may from time to time designate and shall be responsible for the disbursement of the funds of the Corporation. The Treasurer shall render to the Board whenever so directed an account of all financial transactions and of the financial position of the Corporation. The Treasurer may exercise such other duties as may from time to time be prescribed by the Board or by the President.

4.10 **Other Officers.** The powers and duties of all other officers shall be those prescribed by the Board from time to time. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board or the President otherwise direct.

4.11 **Variation of the Powers and Duties.** The Board may from time to time vary, add to or limit the powers, authority and duties of any officer.

4.12 **Removal and Discharge.** The Board may remove any officer of the Corporation, with or without cause, at any time and may elect or appoint others in their place or places.

4.13 **Term of Office.** Each officer appointed by the Board shall hold office until a successor is appointed, or until his or her earlier resignation or removal by the Board.

## SECTION FIVE - INDEMNIFICATION

5.1 **Indemnification of Directors and Officers against actions by Third Parties.** Except in respect of an action by or on behalf of the Corporation or body corporate to procure a judgment in its favour, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer

of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, or a person who undertakes or has undertaken any liability on behalf of the Corporation or any such body corporate, and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which s/he is made a party by reason of being or having been a director or officer of that Corporation or body corporate, if:

- a) S/he acted honestly and in good faith with a view to the best interests of the Corporation; and
- b) In the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, s/he had reasonable grounds for believing that his or her conduct was lawful.

**5.2 Indemnification of Directors and Officers against actions by the Corporation.** The Corporation shall, with the approval of the Supreme Court of the Yukon Territory, indemnify a person referred to in paragraph 5.1 in respect of an action by or on behalf of the Corporation or body corporate to procure a judgment in its favour, to which s/he is made a party by reason of being or having been a director or an officer of the Corporation or body corporate, against all costs, charges and expenses reasonably incurred by him in connection with the action if s/he fulfills the conditions set out in subparagraphs 5.1(a) and (b).

**5.3 Right of Indemnity not Exclusive.** The provisions for indemnification contained in the Bylaws shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any Bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to an action in his or her official capacity and as to an action in any other capacity while holding such office. This section shall also apply to a person who has ceased to be a director or officer, and shall enure to the benefit of the heirs and legal representatives of such person.

**5.4 Insurance.** Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as the Board may from time to time determine.

## **SECTION SIX - SHARES**

**6.1 Options.** The Board may from time to time grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the Board shall determine, provided that no share shall be issued until it is fully paid as provided in the Act.

**6.2 Non-recognition of Trusts.** The Corporation shall treat as absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise a right of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

**6.3 Joint Shareholders.** If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

**6.4 Issuance of Shares.** Subject to the articles and the Act, shares in the Corporation may be issued at the times and to the persons and for the consideration that the directors determine; provided that a share shall not be issued until the consideration for the share is fully paid in money or in property or

in past service that is not less in value than the fair equivalent of the money that the Corporation would have received if the share had been issued for money.

**6.5 Security Certificates.** Security certificates shall, subject to the Act, be in such form as the directors may from time to time by resolution approve, and such certificates shall be signed by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent or branch transfer agent of the Corporation. Any signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon. If a security certificate contains a printed or mechanically reproduced signature of a person who has ceased to be director or officer of the Corporation, the security certificate is as valid as if such director or officer were a director or officer on the date of issue of the certificate.

## SECTION SEVEN - DIVIDENDS AND RIGHTS

**7.1 Dividend Cheques.** A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which a dividend has been declared, and mailed by prepaid ordinary mail to such registered holder at the address shown in the records of the Corporation, unless such holder otherwise directs. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

**7.2 Joint Shareholders.** In the case of joint holders, a cheque for payment of dividends, bonuses, returns of capital or other money payable, shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at the address shown in the records of the Corporation.

**7.3 Non-Receipt of Cheques.** In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Board may from time to time prescribe, whether generally or in any particular case.

**7.4 Unclaimed Dividends.** Any dividend unclaimed after a period of six (6) years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

## SECTION EIGHT - MEETINGS OF SHAREHOLDERS

**8.1 Shareholder Meetings.** The annual meeting of shareholders shall be held at such time in each year and, subject to the articles of the Corporation and subject to the Act, at such place as the Board, or failing it, the Chair of the Board, the Managing Director or the President, may from time to time determine. Subject to the articles of the Corporation and subject to the Act special meetings of the shareholders shall be held at such time and at such place as the Board, or failing it, the Chair of the Board, the Managing Director or the President, may from time to time determine.

**8.2 Time for Deposit of Proxies.** The Board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours exclusive of non-business days, before which proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice, or if no such time is specified in such notice, unless it has been received by the Secretary of the Corporation or by the chair of the meeting or any adjournment thereof prior to the time of voting.



8.3 **Persons Entitled to be Present.** The only persons entitled to be present at a meeting of the shareholders shall be those persons entitled to vote thereat, the directors and auditor (if any) of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or Bylaws to be present at the meeting. Any other persons may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

8.4 **Quorum.** The quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting. If there is only one shareholder entitled to vote at a meeting, the quorum is that shareholder or a person who is, or who represents by proxy, such shareholder.

8.5 **Adjournment.** Should a quorum not be present at any meeting of shareholders, those present in person or by proxy and entitled to vote shall have power to adjourn the meeting for a period of not more than 30 days without notice other than announcement at the meeting. At any such adjourned meeting, provided a quorum is present, any business may be transacted which might have been transacted at the meeting adjourned. Notice of meetings adjourned for more than 30 days and for more than an aggregate of 90 days shall be given as required by the Act.

8.6 **Chair.** The chair of any meeting of the shareholders shall be the first mentioned of such of the following officers as have been appointed, who is a shareholder and who is present at the meeting:

- a) the Chair of the Board;
- b) the Chief Executive Officer;
- c) the President;
- d) any Vice-President (and where more than one Vice-President is present at the meeting, then the priority to act as chair as between them shall be in the order the seniority of their office of Vice-President);
- e) the Secretary.

If no such officer is present within 15 minutes from the time fixed for the holding of the meeting of the shareholders, the persons present and entitled to vote shall choose one of their number then present to be chair of that meeting.

8.7 **Secretary of Meeting.** If the Secretary of the Corporation is absent, the chair of a meeting of shareholders shall appoint some person, who need not be a shareholder, to act as secretary of the meeting.

8.8 **Chair's Casting Vote.** In the case of an equality of votes at a meeting of shareholders, the chair of the meeting shall not be entitled to a second or casting vote in addition to the vote or votes to which s/he may be entitled as a shareholder.

8.9 **Chair's Declaration.** At any meeting of shareholders, unless a ballot is demanded, a declaration by the chair of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

8.10 **Votes.** Every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a ballot, before or on the declaration of the result of the vote by show of hands, is directed by the Chair of the meeting or demanded by at least one shareholder entitled to vote who is present in person or by proxy. If a ballot is demanded by a shareholder or proxy holder entitled to vote at a shareholder's meeting and the demand is not withdrawn, the ballot upon the motion shall be taken in such manner as the chair of the meeting shall direct. Upon a ballot each shareholder who is present in person or represented by proxy shall be entitled, in respect of the shares which s/he is entitled to vote at the

meeting upon the question, to that number of votes provided by the Act or the articles. The declaration by the Chair of the meeting that the vote upon the question has been carried, or carried unanimously or by a particular majority, or lost or not carried by a particular majority and an entry in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of votes recorded in favour of or against any resolution or question.

8.11 **Scrutineers.** The chair or the secretary at any meeting of the shareholders or the shareholders then present may appoint one or more scrutineers, who need not be shareholders, to count and report upon the results of the voting which is done by ballot.

8.12 **Resolution in Lieu of Meeting.** A resolution of the shareholders may be passed without a meeting in all cases, if each of the shareholders entitled to vote on the resolution consents to it in writing. A consent in writing under this Section may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the shareholders passed in accordance with this Section is effective on the date stated in the consent in writing.

## SECTION NINE - NOTICES

9.1 **Notices.** In addition to any other method of service permitted by the Act, any notice or document required by the Act, the regulations, the articles or the Bylaws may be sent to any person entitled to receive same in the manner set out in the Act for service upon a shareholder or director and by email or by any means of telecommunication with respect to which a written record is made. A notice sent by means of email or telecommunication shall be deemed to have been given on the business day upon which the written record is made.

9.2 **Notice to Joint Shareholders.** If two or more persons hold shares jointly, notice may be given to one of such persons and such notice shall be sufficient notice to all of them.

9.3 **Change of Address.** The Secretary or Assistant Secretary may change or cause to be changed the address in the records of the Corporation of any shareholder, director, officer, auditor or member of a committee of the Board in accordance with any information believed by such officer to be reliable.

9.4 **Signature on Notice.** The signature on any notice to be given by the Corporation may be lithographed, written, printed or otherwise mechanically reproduced.

## SECTION TEN - EFFECTIVE DATE AND AMENDMENT

10.1 **Effective Date.** This Bylaw is effective from the date of the resolution of the Board adopting same and shall continue to be effective, unless amended by the Board, until the next meeting of shareholders of the Corporation, whereupon if same is confirmed or confirmed as amended, this Bylaw shall continue in effect in the form in which it was so confirmed.

10.2 **Amending Bylaw.** The Board may by resolution amend or repeal this Bylaw and such amendment or repeal shall have force and effect until rejected or amended by ordinary resolution of the shareholders entitled to vote at the next meeting of shareholders.