



CACHE EXPLORATION INC.
4770 – 72nd Street
Delta, British Columbia Canada V4K 3N3
Tel: 604-306-5285

MANAGEMENT PROXY CIRCULAR
as at May 3, 2019
(except as otherwise indicated)

This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of Cache Exploration Inc. (the “Corporation”) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on Friday, June 21, 2019 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

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

GENERAL PROXY INFORMATION

Solicitation of Proxies

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

Appointment of Proxyholders

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

Voting by Proxyholder

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

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

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

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following options to submit their proxy:

- (a) complete, date and sign the Proxy and return it to the Corporation’s transfer agent, Computershare Trust

Company of Canada (“Computershare”), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia Canada V6C 3B9;

- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder’s account number and the control number; or
- (c) use the internet through the website of the Corporation’s transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder’s account number and the control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Beneficial Shareholders

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

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

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

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

The Corporation is taking advantage of the provisions of National Instrument 54-101 “Communication with Beneficial Owners of Securities of a Reporting Issuer” that permit it to directly deliver proxy-related materials to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form (“VIF”) from our transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

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

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

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

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”) in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Corporation. The VIF will name the same persons as the Corporation’s Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right,

you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting or to have an alternate representative duly appointed to attend the Meeting and to vote your Common Shares at the Meeting.**

Revocation of Proxies

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or to the Corporation at 4770 – 72nd Street, Delta, BC V4K 3N3, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

Notice to Shareholders in the United States

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

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

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Corporation has fixed May 3, 2019 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Corporation is a *Canada Business Corporations Act* corporation and its Common Shares are listed for trading on the TSX Venture Exchange under stock symbol "CAY", and the Corporation is also listed on the OTC Pink under stock symbol "CEXP".

The authorized share structure capital of the Corporation is an unlimited number of Common Shares each carrying the right to one vote.

As of May 3, 2019, there were 62,299,236 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Corporation, at May 3, 2019, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding of the Corporation.

FINANCIAL STATEMENTS

The Corporation's audited financial statements of the Corporation for the fiscal years ended September 30, 2018 and September 30, 2017, the reports of the auditor thereon and the related management's discussion and analysis were filed under the Corporation's SEDAR profile on February 1, 2018 and on January 30, 2018 respectively and can be located at www.sedar.com. The Corporation's consolidated audited financial statements for the fiscal years ended September 30, 2018 and September 30, 2017, the report of the auditor thereon, and the management's discussion and analysis for the period ended September 30, 2018 are being mailed to the shareholders with this Management Proxy Circular, and will be tabled at the Meeting.

ELECTION OF DIRECTORS

The Articles of the Corporation provide that the number of directors of the Corporation will be a minimum of three and a maximum of ten. The term of office of each of the Corporation's four current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Canada Business Corporations Act* (the "CBCA"), each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

The following sets out the names of management's four nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the last five years, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at May 3, 2019.

Name of Nominee; Current Position with the Corporation and Province or State and Country of Residence	Occupation, Business or Employment	Period as a Director of the Corporation	Common Shares Beneficially Owned or Controlled⁽¹⁾
Jack Bal ⁽⁶⁾ President, Chief Executive Officer and Director British Columbia, Canada	Business Executive. <i>Refer to Director Biographies below.</i>	April 21, 2016	418,500 ⁽²⁾
Ian Graham ⁽⁶⁾ Chief Financial Officer and Director British Columbia, Canada	Geologist; President of nKawazi Resource Management Inc. since February 2009. <i>Refer to Director Biographies below.</i>	May 13, 2016	Nil ⁽³⁾
Dean Edward Pekeski ⁽⁶⁾ Director British Columbia, Canada	Professional Geologist <i>Refer to Director Biographies below.</i>	May 12, 2017	Nil ⁽⁴⁾

Name of Nominee; Current Position with the Corporation and Province or State and Country of Residence	Occupation, Business or Employment	Period as a Director of the Corporation	Common Shares Beneficially Owned or Controlled ⁽¹⁾
Christopher Paul Pennimpede Director British Columbia Canada	Geologist. <i>Refer to Director Biographies below.</i>	February 6, 2017	Nil ⁽⁵⁾

Notes:

- (1) The number of Common Shares beneficially owned, directly or indirectly, by the director nominees is based on information furnished by the nominees.
- (2) Jack Bal holds 750,000 warrants to purchase 750,000 common shares, at an exercise price of \$0.25 expiring on August 25, 2020 and holds 2,000,000 warrants to purchase 2,000,000 common shares, at an exercise price of \$0.10 expiring on January 16, 2020.
- (3) Ian Graham holds 250,000 incentive stock options to purchase 250,000 common shares, at an exercise price of \$0.10, expiring on January 15, 2022.
- (4) Dean Pekeski holds 250,000 incentive stock options to purchase 250,000 common shares, at an exercise price of \$0.10 expiring on January 15, 2022. Mr. Pekeski, through Kraven Geological Inc., holds 157,500 warrants to purchase 157,500 common shares, at an exercise price of \$ 0.10 expiring on January 16, 2020.
- (5) Chris Pennimpede holds 250,000 incentive stock options to purchase 250,000 common shares, at an exercise price of \$0.10 expiring on January 15, 2022.
- (6) Member of Audit Committee.

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

Director Biographies

Jack Bal, Mr. Jack Bal is a business executive, with over 15 years of experience in the resource industry and public markets. Mr. Bal has been involved in capital markets, management, public relations and marketing in the resource sector with contacts in Canada, the U.S. and Europe and has raised in excess of \$50m for listed junior resource companies in the field of mining, oil and gas and high technology. In a management capacity, Mr. Bal has been a CEO of TSX publicly listed companies and is currently a CEO of Golden Eye Resources Corp and CEO of Cheetah Canyon Resources Corp and director with a number of TSX listed companies.

Ian Graham Mr. Graham has over 20 years of experience in the development and exploration of mineral deposits, mostly gained with the major mining companies Rio Tinto and Anglo American. Formerly Chief Geologist with the Project Generation Group at Rio Tinto located in Vancouver, Mr. Graham has been involved with evaluation and pre-development work on several projects in Canada and abroad including the Diavik Diamond Mine (Northwest Territories, Canada), Resolution Copper (Arizona, USA), Eagle Nickel (Michigan, USA), Lakeview Nickel (Minnesota, USA) and Bunder Diamonds (India). Prior to his work with Rio Tinto, Ian held exploration geologist roles with Anglo American.

Ian graduated from the University of Natal (now Kwa-Zulu Natal) in Durban, South Africa with a B.Sc. in Geology and Applied Geology (1984) and B.Sc. (Hons) in Geology (1985).

Dean Edward Pekeski Mr. Pekeski is a Professional Geologist with over 20 years' experience in mineral exploration and project development. From 1996 to 2008, he served as exploration geologist and project manager with Rio Tinto Exploration exploring for base metal and diamond deposits in Nunavut, North West Territories, Northern Quebec, Alberta, Manitoba, Southern Africa, and India. Mr. Pekeski was the project manager for the Rio Tinto exploration team that discovered, and evaluated the diamondiferous Bunder kimberlites. As Executive Vice President, Western Potash Corp., he successfully managed the Milestone Potash Project in Saskatchewan from discovery, through pre-feasibility and feasibility, environmental permitting approval, and project financing.

Dean Pekeski is the former CEO/President of Equitorial Exploration, and the current Vice President - Project Development for Crystal Peak Minerals. He is a graduate of the University of Western Ontario with a degree in Earth Sciences.

Christopher Paul Pennimpede. Mr. Pennimpede is a Geologist and has more than eight years' experience in mineral exploration in Canada and the United States of America. Mr. Pennimpede served as Project Geologist for the Kiyuk Lake

project and has led several successful gold and copper exploration projects in BC, Yukon, Nunavut and Alaska. Mr. Pennimpede began working with exploration companies in 2008, and worked with Underworld Resources and Kinross Gold Corporation on the Golden Saddle deposit in Yukon Territory.

Mr. Pennimpede graduated with a Bachelor of Science degree specializing in Geology and is currently a Senior Geologist at CSA Global.

Unless otherwise directed, the persons named in the enclosed form of Proxy intend to vote “FOR” the election of the four nominees.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE NUMBER OF DIRECTORS BE FIXED AT FOUR AND EACH SHAREHOLDER VOTE “FOR” THE ELECTION OF THE ABOVE FOUR NOMINEES AS DIRECTORS.

APPOINTMENT OF AUDITOR

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants of 1500 – 1140 West Pender Street, Vancouver, BC V6E 4G1 will be nominated at the Meeting for re-appointment as auditor of the Corporation at a remuneration to be fixed by the directors.

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants were appointed auditor of the Corporation at the Corporation’s annual general meeting held on May 13, 2016.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE APPOINTMENT OF DMCL CHARTERED PROFESSIONAL ACCOUNTANTS AS THE CORPORATION’S AUDITORS.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“NI 52-110”) requires the Corporation, as a venture issuer, to disclose annually in its Management Proxy Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below:

The Audit Committee’s Charter

The Corporation’s Audit Committee Charter is attached as Appendix A to this Management Proxy Circular.

The Audit Committee’s primary duties and responsibilities are to:

- (a) 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;
- (b) review and appraise the performance of the Corporation’s external auditors; and
- (c) provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the Board.

The Audit Committee reports its deliberations and discussions regularly to the Board and submits to the Board the minutes of its meetings.

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the following areas: (i) the Corporation’s external audit function; (ii) internal control and management information systems; (iii) the Corporation’s accounting and financial reporting requirements; (iv) the Corporation’s compliance with law and regulatory requirements; (v) the Corporation’s risks and risk management policies; and (vi) such other functions as are delegated to it by the Board. Specifically, with respect to the Corporation’s external audit function, the Audit Committee assists the Board in fulfilling its oversight responsibilities relating to: (i) the quality and integrity of the Corporation’s financial statements; (ii) the independent auditors’ qualifications; and (iii) the performance of the Corporation’s independent auditors.

Composition of the Audit Committee

The members of the Corporation’s Audit Committee are currently comprised of Jack Bal, Ian Graham and Dean Pekeski. Dean Pekeski and Ian Graham are independent members of the Audit Committee. Jack Bal is a non-independent member of this Committee due to his being an Officer of the Corporation. Each of these members of the Audit Committee are considered to be “financially literate” as that term is defined in NI 52-110. Subsequent to the Meeting, the composition of the Audit Committee will be re-evaluated by the Board to ensure that a majority of the audit committee will be independent.

Relevant Education and Experience

Refer to *Director Biographies* above.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial years ended September 30, 2018 and September 30, 2017, the Audit Committee has not made recommendations to the Board to nominate or compensate an external auditor that has not been adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial years ended September 30, 2018 and September 30, 2017, the Corporation's auditors, Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, have not provided any material non-audit services, therefore the Corporation has not relied on any exemption in s. 2.4 of NI 52-110.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case by case basis.

External Auditor Service Fees (By Category)

The Audit Committee has reviewed the nature and amount of the non-audited services provided to the Corporation to ensure auditor independence. Fees incurred with Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants for audit and non-audit services in the financial years ended September 30, 2018 and September 30, 2017 are outlined in the following table.

Nature of Services	Fees Paid in Year Ended September 30, 2018	Fees Paid in Year Ended September 30, 2017
Audit Fees ⁽¹⁾	\$ 16,320.00	\$ 16,320.00
Audit-Related Fees ⁽²⁾	\$ -	\$ -
Tax Fees ⁽³⁾	\$ -	\$ -
All Other Fees ⁽⁴⁾	\$ -	\$ -
	\$ 16,320.00	\$ 16,320.00

Notes:

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

Exemption

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying upon the exemption in s. 6.1 of NI 52-110 concerning Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

General

The Corporation's board of directors (the "Board") believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - Corporate Governance Guidelines provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Corporation's current board of directors consists of four. Of the current directors, Jack Bal is a non-independent director of the Corporation (President and Chief Executive Officer) and Ian Graham is a non-independent director (Chief Financial Officer). Dean Pekeski and Chris Pennimpede are independent directors of the Corporation.

Mandate of the Board

The mandate of the Board is to manage or supervise the management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation. In doing so, the Board oversees the management of the Corporation's affairs directly and through its committees (see "Committees of the Board of Directors" below). In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Corporation's overall business strategies; reviewing major strategic initiatives to ensure that the Corporation's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Corporation's capital resources.

The Board also takes responsibility for identifying the principal risks of the Corporation's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Corporation's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate and securities legislation and regulatory policies.

In keeping with its overall responsibility for the stewardship of the Corporation, the Board is also responsible for the integrity of the Corporation's internal control and management information systems and for the Corporation's policies respecting corporate disclosure and communications.

The Board delegates to management, through the Chief Executive Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business in the ordinary course, managing the Corporation's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Directorships

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

Name of Director	Name of Reporting Issuer	Listed Exchange
Jack Bal	Fibre-Crown Manufacturing Inc.	NEX
	Cheetah Canyon Resources Corp.	TSXV
	Easy Technologies Inc.	CSE/Frankfurt/OTCBB
	Goldeneye Resources Corp.	TSXV
	Sierra Growth Corp.	CSE/Frankfurt/OTCBB

Name of Director	Name of Reporting Issuer	Listed Exchange
Ian Graham	Berkwood Resources Ltd.	TSXV/Frankfurt
	Commerce Resources Corp.	TSXV
	Fidelity Minerals Corp.	TSXV/Frankfurt/Santiago
	Red Oak Mining Corp.	NEX
	Spey Resources Corp.	CSE

Orientation and Continuing Education

While the Corporation does not have formal orientation and training programs, new directors are provided with access to publicly filed documents of the Corporation, technical reports, internal financial information, and management and technical experts and consultants.

Ethical Business Conduct

The Board of Directors expects management to operate the business of the Corporation in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation's business plan and to meet performance goals and objectives. However, to date, the Board has not adopted a formal written Code of Business Conduct and Ethics. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate and securities legislation on the 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 and its shareholders.

Nomination and Assessment

Given its current size, the Board has not appointed a nominating committee; these functions are currently performed by the Board as a whole. Nominees are generally the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the President, and proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Corporation's size and current operations.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Corporation's records.

The Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees or individual directors on an ad hoc basis.

The Board is responsible for identifying individuals believed to be qualified to become board members, consistent with criteria approved by the Board, and to nominate to stand for election at the Corporation's annual meeting of shareholders or, if applicable, at a special meeting of the shareholders. In case of vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Board shall fill each such vacancy either through appointment by the Board or through election by shareholders. In recommending candidates, the Board shall take into consideration the opinions of management of the Corporation, the criteria approved by the Board and such other factors as it deems appropriate. These factors shall include judgment, skill, integrity, independence, diversity, experience with business and organizations of comparable size, the interplay of a candidate's experience with the experience of other Board members, willingness to commit the necessary time and energy to serve as director, and a genuine interest in the Corporation's business, and the extent to which a candidate would be a desirable addition to the Board or any committees of the Board.

Committees of the Board of Directors

As the Corporation grows, and its operations and management structure become more complex, the Board will likely find it appropriate to constitute additional standing committees, such as a Governance and Ethics Committee, a Compensation Committee and a Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

Compensation

The Board provides an annual review of director and executive compensation to ensure development of a compensation strategy that properly aligns the interests of directors and executives with the long-term interests of the Corporation and its shareholders.

The board of directors not adopted standard fees to be paid to the Corporation's NEOs and directors for their services, but may grant incentive stock options from time to time.

Other Board Committees

There are no other Committees of the Board other than the Corporation's Audit Committee.

Assessments

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets out equity compensation plan information as at the September 30, 2018 financial year end:

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - Stock Option Plan	1,650,000	\$0.10	4,424,923
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,650,000		4,424,923

At September 30, 2018, there were 60,749,236 common shares issued and outstanding.

Equity Compensation Plan Information

The following table sets out equity compensation plan information as at the September 30, 2017 financial year end:

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - Stock Option Plan	1,150,000	\$0.12	3,106,673
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,150,000		3,106,673

At September 30, 2017, there were 42,566,736 common shares issued and outstanding.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Management Proxy Circular:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year;
- each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and NEO Compensation Excluding Options and Compensation Securities

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Corporation to NEOs and members of the Board for the two completed financial years ended September 30, 2018 and September 30, 2017. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” below.

During the financial year ended September 30, 2018, based on the definition above, Jack Bal, President, CEO and a director and Ian Graham, CFO and a director, were NEOs of the Corporation for the purposes of the following disclosure. The directors of the Corporation who were not NEOs during the financial year ended September 30, 2018 were Dean Edward Pekeski and Christopher Paul Pennimpe.

During the financial year ended September 30, 2017, based on the definition above: Jack Bal, President, CEO and a director and Ian Graham, CFO and a director, and Cathy Hu, former CFO of the Corporation were NEOs of the Corporation for the purposes of the following disclosure. The directors of the Corporation who were not NEOs during the financial year ended September 30, 2017 were: Dean Edward Pekeski and Christopher Paul Pennimpe.

**Table of Compensation, Excluding Compensation Securities in Financial Years ended
September 30, 2018 and September 30, 2017**

The compensation paid to the NEOs during the Corporation's two completed financial years ending September 30, 2018 and September 30, 2017 is as set out below and expressed in Canadian dollars unless otherwise noted:

Table of compensation excluding compensation securities							
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 (\$)
Jack Bal ⁽¹⁾ President and Chief Executive Officer and Director	2018	\$ 138,360	-	-	-	-	\$ 138,360
	2017	\$161,000	-	-	-	-	\$161,000
Ian Graham ⁽²⁾ Chief Financial Officer and director	2018	\$ 2,500	-	-	-	-	\$2,500
	2017	-	-	-	-	-	-
Cathy Hu ⁽³⁾ Former Chief Financial Officer	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
Dean Edward Pekeski ⁽⁴⁾ Director	2018	\$ 21,400	-	-	-	-	\$21,400
	2017	-	-	-	-	-	-
Christopher Paul Pennimpede ⁽⁵⁾ Director	2018	\$ 11,000	-	-	-	-	\$ 11,000
	2017	\$ 11,025	-	-	-	-	\$ 11,025

Notes:

- (1) Jack Bal was appointed a Director and President and Chief Executive Officer of the Corporation on April 21, 2016.
- (2) Cathy Hu ceased being Chief Financial Officer of the Corporation on July 4, 2017.
- (3) Ian Graham was elected a Director of the Corporation on May 13, 2016 and was appointed Chief Financial Officer of the Corporation on July 4, 2017.
- (4) Dean Edward Pekeski was appointed a Director of the Corporation on May 12, 2017.
- (5) Christopher Paul Pennimpede was appointed a Director of the Corporation on February 6, 2017.

Related Party Transactions

During the years ended September 30, 2018 and 2017, the Company incurred the expenses to related parties as follows:

- \$138,360 rent, management and consulting fees (2017 - \$161,000) to the Jack Bal, the CEO of the Company;
- \$43,900 in consulting fees (2017 - \$Nil) to the directors of the Company;
- \$Nil management fees (2017 - \$84,775) to companies controlled by a former director of the Company; and
- \$Nil accounting, management and consulting fees (2017 - \$13,800) to a company controlled by former CFO.

Related parties balance

As at September 30, 2018, the Company has \$141,730 (2017 - \$35,874) included in accounts payable were owed to directors and officers of the Company.

Stock Options and Other Compensation Securities

Stock Option Plan (Option-Based Awards)

The Corporation has a 10% "rolling" stock option plan dated for reference April 1, 2016 in place ("Stock Option Plan"), which provides that the number of Common Shares issuable under the Stock Option Plan may not exceed 10% of the total number of issued and outstanding Common Shares. The Stock Option Plan was last approved by shareholders of the Corporation at the Corporation's annual general meeting held on May 13, 2016 and was established to provide incentive to

qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation.

The Plan is administered by the Board ") or, if determined by the Cache Board, by a committee of the Cache Board (in this section, the "**Committee**") and provides that the terms of the options and the option price may be fixed by the directors subject to the price restrictions and other TSX Venture Exchange policy requirements. Pursuant to the Stock Option Plan, the Board may grant Options to acquire Common Shares of the Corporation to qualified directors, officers, employees and other service providers. The Options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The Stock Option Plan allows for the issuance of up to 10% of the number of issued and outstanding Common Shares of the Corporation at any time on a non-diluted basis.

The principal purposes of the Corporation's stock option plan are to provide the Corporation with the advantages of the incentive inherent in share ownership on the part of those persons responsible for the success of the Corporation; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage such persons to remain with the Corporation, to attract new talent to the Corporation and to reduce the cash compensation the Corporation would otherwise have to pay.

The following is a summary of material terms of the Stock Option Plan:

1. The maximum number of Cache Shares that may be reserved for issuance of stock options ("**Cache Options**") granted under the Stock Option Plan will not exceed 10% of the issued Cache Shares as at the date of the grant of any Cache Option.
2. The exercise price of the Cache Options, as determined by the Cache Board or the Committee, will not be less than the closing price of the Cache Shares on the Exchange on the trading day prior to the date of grant of Cache Options.
3. Cache Options under the Stock Option Plan may be granted by the Cache Board or the Committee to:
 - (a) senior officers, directors or employees of Cache or an affiliate of Cache;
 - (b) consultants (other than an employee or director of Cache) providing consulting,
 - (c) technical, management or other services to Cache, or a consultant company excluding (unless an exemption from prospectus requirements is available under applicable securities laws) a consultant providing investor relations services; and
 - (d) an employee of a company providing management services to Cache, which management services are required for the ongoing successful operation of the business enterprise of Cache but excluding a person engaged in investor relations activities.
4. The aggregate number of Cache Shares that may be reserved for issuance under the Stock Option Plan is restricted as follows:
 - (a) the aggregate number of Cache Shares that may be reserved for issuance for a Cache Option to one individual in a 12 month period must not exceed 5% of the issued Cache Shares at the time of grant of the Cache Option;
 - (b) the aggregate number of Cache Shares subject to a Cache Option granted to a consultant in a 12 month period must not exceed 2% of the issued Cache Shares at the time of grant of the Cache Option; and
 - (c) the aggregate number of Cache Shares subject to Cache Options granted to employees involved in investor relations activities must not exceed 2% of the issued Cache Shares in any 12 month period at the time of grant of the Cache Options.
5. The term for exercise of Cache Options is a maximum of ten years from the date of grant.
6. All Cache Options will be non-assignable and non-transferable except as between an optionee and a wholly-owned personal corporation, with the consent of the Exchange.

Outstanding Compensation Securities

The following table sets forth all compensation securities (option-based) outstanding of an NEO or a director of the Corporation who was not an NEO during financial year ended September 30, 2018. There were no share-based awards granted during financial years ended September 30, 2018 and September 30, 2017:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant M-D-Y	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date M-D-Y
Jack Bal President, Chief Executive Officer and Director	Options	0	N/a	N/a	N/a	N/a	N/a
Ian Graham Chief Financial Officer and Director	Options	250,000 5.9%	01-15-2017	\$0.10	\$0.10	\$0.11	01-15-2022
Cathy Hu former Chief Financial Officer	Options	N/a	N/a	N/a	N/a	N/a	N/a
Dean Edward Pekeski Director	Options	250,000 5.9%	01-15-2017	\$0.10	\$0.10	\$0.11	01-15-2022
Christopher Paul Pennimpede Director	Options	250,000 5.9%	01-15-2017	\$0.10	\$0.10	\$0.11	01-15-2022

Exercise of Compensation Securities by NEOs and Directors

Financial Year Ended September 30, 2018

There were no incentive stock options (option-based awards) that were exercised during the year ended September 30, 2018 by NEOs and directors of the Corporation who were not NEOs during the year ended September 30, 2018.

Financial Year Ended September 30, 2017

The following table sets forth incentive stock options (option-based awards) that were exercised during the year ended September 30, 2017 by NEOs and directors of the Corporation who were not NEOs during the year ended September 30, 2017:

Exercise of Compensation Securities by NEOS and Directors							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise M-D-Y	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total Value on exercise date (\$) M-D-Y
Jack Bal President, Chief Executive Officer and Director	Options	500,000	\$0.10	07-12-2017	\$0.255	\$0.155	\$50,000.00
Ian Graham Chief Financial Officer and Director	Options	0	N/a	N/a	N/a	N/a	N/a
Cathy Hu Former Chief Financial Officer	Options	0	N/a	N/a	N/a	N/a	N/a
Dean Edward Pekeski Director	Options	0	N/a	N/a	N/a	N/a	N/a
Christopher Paul Pennimpede	Options	0	N/a	N/a	N/a	N/a	N/a

Employment, Consulting and Management Agreements

The Corporation did not have any employment, consulting or management agreements or arrangements with any of the Corporation's current NEOs or directors in financial year ending September 30, 2018.

Director Compensation

There are no arrangements under which directors were compensated by the Corporation during the two most recently completed financial years ended September 30, 2018 and September 30, 2017 for their services in their capacity as directors.

Oversight and Description of Director and Named Executive Officer Compensation

The Board's compensation philosophy is aimed at attracting and retaining quality and experienced people with established records in managing and maintaining public companies which is critical to the success of the Corporation. These key persons create the framework for future success and later will share in any success of the Corporation. Such a reward system supports the Corporation's commitment to delivering strong performance for the Shareholders.

At the present time the Corporation does not have a compensation program in place for its Named Executive Officers or directors, as is evidenced by the Summary Compensation Table and the Corporation does not have any arrangement with its directors for payment of compensation either pursuant to a contract or on a fee for service basis.

Cache has a formalized stock option plan for the granting of incentive stock options to the officers, employees, consultants and Directors. Directors are entitled to participate in the Stock Option Plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of each individual director's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation.

The directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. They may receive cash bonuses from time to time which the Corporation awards to directors for serving in their capacity as a member of the board. Executive officers who also act as directors of the Corporation do not receive any additional

compensation for services rendered in their capacity as directors.

Compensation Review Process

The Corporation does not have a Compensation Committee.

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

The Board reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer, including the NEOs. The Board makes decisions with respect to basic salary and participation in share compensation arrangements for each executive officer. In considering executive officers other than the CEO, this Board takes into account the recommendation of the CEO.

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

This Board has not proceeded to a formal evaluation of the implications of risks associated with the Corporation's compensation policies and practices. The Board intends to review the risks at least once annually, if any, associated with the Corporation's compensation policies and practices at such time.

Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Corporation's Stock Option Plan. This structure ensures that a significant portion of executive compensation (Options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Corporation and the shareholders is extremely limited. Furthermore, the short-term component of the executive compensation (base salary) represents a relatively small part of the total compensation. As a result, it is unlikely that an officer would take inappropriate or excessive risks at the expense of the Corporation or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the small size of the Corporation and the current level of the Corporation's activity, the Board is able to closely monitor and consider any risks which may be associated with the Corporation's compensation policies and practices. Risks, if any, may be identified and mitigated through regular meetings of the Board during which financial and other information of the Corporation are reviewed. No risks have been identified arising from the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

Executive compensation is based upon the need to provide a compensation package that will allow the Corporation to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Executive compensation is designed to reward activities and achievements that are aligned with the long-term interests of the Corporation's shareholders.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Corporation's senior management. The Board reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

Elements of Executive Compensation Program

The Corporation's compensation program consists of the following elements:

- (a) Base salary or consulting fees;
- (b) Bonus payments; and
- (c) Equity participation through the Corporation's Stock Option Plan.

Base Salary or Consulting Fees

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Corporation operates is a first step to attracting and retaining qualified and effective executives.

Base salary ranges for executive officers were initially determined upon a review of companies, which were of the same size as the Corporation, at the same stage of development as the Corporation and considered comparable to the Corporation.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the mining and oil and gas industry which were similar in size as the Corporation;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Corporation; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Bonus Payments

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

The Corporation did not award any bonuses for the last two financial years ended July 31, 2018 and July 31, 2017.

Director Compensation

Other than incentive stock options, directors of the Corporation do not receive any compensation for attending meetings of the Board or a committee of the Board.

Equity Participation

Equity participation is accomplished through the Corporation's Stock Option Plan. The Corporation believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Corporation's stock option plan. Options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the compensation committee based on recommendations put forward by the CEO. Due to the Corporation's limited financial resources, the Corporation emphasizes the provisions of option grants to maintain executive motivation.

Option-based Awards

The Board is responsible for administering compensation policies related to the Corporation's executive management, including with respect to option-based awards.

As indicated above, the Corporation has in place, a 10% rolling stock option plan pursuant to which the Board can grant Options to directors, officers, employees, management and others who provide services to the Corporation. The Stock Option Plan provides compensation to participants and an additional incentive to work toward long-term Corporation performance.

The Stock Option Plan was implemented to grant Options in consideration of the level of responsibility as well as optionee impact and/or contribution to the longer-term operating performance of the Corporation. In determining the number of share options to be granted, the Corporation's Board takes into account the number of Options, if any, previously granted, and the exercise price of any outstanding Options to ensure that such grants are in accordance with the policies of the CSE, and closely align the interests of the executive officers with the interests of the Corporation's shareholders.

The Board has not proceeded with a formal evaluation of the implications of the risks associated with the Corporation's compensation policies and practices. Risk management is a consideration of the Board when implementing its compensation program, and the Board does not believe that the Corporation's compensation program results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.

The Corporation has not established a policy on whether or not an NEO or director is permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. During the financial years ended September 30, 2018 and September 30, 2017, the Corporation did not use any financial hedges.

Risks Associated with the Corporation's Compensation Practices

The Board has assessed the Corporation's compensation plans and programs for its executive officers to ensure alignment with the Corporation's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material

adverse effect on the Corporation. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

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

Benefits and Perquisites

The Corporation does not, as of the date of this Management Proxy Circular, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options as otherwise disclosed and discussed herein.

Hedging by Named Executive Officers or Directors

The Corporation has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors.

Pension Disclosure

The Corporation does not have a pension plan that provides for payments or benefits to the NEOs and directors at, following, or in connection with retirement.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as set out in this Management Proxy Circular, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the end of the financial years end September 30, 2018 and September 30, 2017 or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than set out in this Management Proxy Circular, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during financial years ended September 30, 2018 and September 30, 2017, or has an interest in any material transaction during the Corporation's financial years ended September 30, 2018 and September 30, 2017.

Non-Brokered Private Placement February 5, 2018

The Corporation closed a non-brokered private placement on February 5, 2018 to the sale of 9,232,500 units each unit consisting of one common share at a purchase price of \$0.08 with one two year share purchase warrant at an exercise price of \$9.10 per warrant share, expiring on February 5, 2020. Jack Bal participated in this private placement (as to 2,000,000 common shares), Kraven Geological Inc. (Dean Pekeski) participated in this private placement (as to 157,500 units) and nKwazi Resources Management Inc. (Ian Graham) participated in this private placement (as to 187,500 units).

Non-Brokered Private Placement March 3, 2017

The Corporation completed a non-brokered private placement on March 3, 2017 to the sale of 2,825,000 units, each unit consisting of one common share at a purchase price of \$0.10 with one two year share purchase warrant at an exercise price of \$0.15 per warrant share, expiring on March 3, 2019. Jack Bal participated in this private placement (as to 400,000 units).

Non-Brokered Private Placement September 25, 2017

The Corporation completed a non-brokered private placement on September 25, 2017 to the sale of 5,000,000 non flow-through units at \$0.20 per non-flow through unit and 2,500,000 flow-through units at \$0.20 per flow-through unit. Each non flow-through unit consisted of one common share and one share purchase warrant. Each flow-through unit consisted of one common share and one half of one common share purchase warrant, each whole warrant exercisable for one additional common share at \$0.25 per share for a two-year period expiring on September 25, 2019. Jack Bal participated in this private placement (as to 1,750,000 units: 1,000,000 non flow-through units and 750,000 flow-through units).

MANAGEMENT CONTRACTS

Other than as set out in this Management Proxy Circular, there are no management functions of the Corporation which are to any substantial degree performed by a person or company other than the directors or NEOs of the Corporation.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation does not provide insurance for the benefit of the directors and officers of the Corporation.

INDEMNIFICATION

No indemnification under section 124 of the CBCA has been paid or is to be paid for the last completed financial year ending September 30, 2018.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Disposition up to 80% interest in Kiyuk Property

On February 4, 2019, the Corporation entered into an option agreement (the "**Option Agreement**") with Margaret Lake Diamonds Inc. ("**Margaret**"), pursuant to which the Corporation has agreed to option up to an 80% interest in Kiyuk Lake Property (the "**Property**") to Margaret (the "**Transaction**").

Shareholders are being asked at the Meeting, to pass by special resolution (the "**Disposition Resolution**"), to ratify and confirm the disposition of up to an 80% interest in the Property pursuant to the Option Agreement pursuant to Section 189(3) of the *Canada Business Corporations Act*. The full text of the Disposition Resolution is attached as Appendix B to this Management Proxy Circular.

Option Agreement

Under the terms of the Option Agreement, the Corporation grants to Margaret the sole, exclusive option to acquire an undivided 50% interest in the Property, by doing the following:

- a) within 10 days of the date of receipt of acceptance from the TSX Venture Exchange (the "**Exchange**") of this Option Agreement, Margaret must issue 5,000,000 common shares of Margaret to the Corporation;
- b) Margaret must invest \$150,000 in the Corporation through the purchase of 3,000,000 common shares of the Corporation at \$0.05 per share on a private placement basis within 30 days of the effective date of the Option Agreement, subject to Exchange approval;
- c) on or before the first anniversary of the effective date of the Option Agreement, Margaret must make a payment of \$100,000 to the Corporation; and
- d) on or before the third anniversary of the effective date of the Option Agreement, Margaret must fund expenditures totaling \$3,000,000.

In addition, provided that Margaret has exercised its option in the Property, Margaret may, within 90 days of earning an undivided 50% interest in the Property, elect to acquire an additional 30% interest in and to the Property by paying to the Corporation an additional \$5,000,000 within the 90 days.

Representations and Warranties

The Option Agreement contains customary representations and warranties of the Corporation and Margaret.

The Corporation has given representations and warranties related to, among other things: (i) required corporate authorizations; (ii) title to the Assets; (iii) mining rights; (iv) environmental liabilities; (v) litigation; (vi) the Property; and (vii) good standing.

Margaret has given representations and warranties related to, among other things: (i) required corporate authorizations; (ii) compliance with applicable laws and regulations; and (iii) good standing.

Covenants

The Option Agreement contains customary covenants of the Corporation. The Corporation has provided covenants related to, among other things: (i) agreeing not to take any action that would affect the rights of Margaret and (ii) agreeing not to relinquish or abandon its interests in the mineral claims in the Property.

Default and Termination

The Option Agreement may be terminated by:

- a) by Margaret at any time proper to the initial exercise by giving 30 days' prior notice of termination to the Corporation;
- b) by the Corporation if Margaret fails to make the payments of issue the common share provided for or incur the expenditures required by notice in writing to Margaret; and
- c) by both parties mutual agreeing in writing to terminate the Option Agreement at any time.

On February 2, 2019 Margaret Lake Diamonds Inc. and Cache Exploration Inc. Signed an option agreement where Margaret Lake would spend \$3,000,000 to earn 50% of the Kiyuk Lake property. In addition, provided that Margaret has exercise its option in the Property, Margaret may, within 90 days of earning an undivided 50% interest and to the Property, elect to acquire an additional 30% interest in and to the Property by paying to the Corporation an additional \$5,000,000 within the 90 days.

Cache Exploration believes the agreement between the 2 parties fairly represents the value of the Kiyuk lake project. The funding is non dilutive to the Company and increases the value of the project and Cache Exploration shareholders. On February 2, 2019 Margaret Lake Diamonds Inc. and Cache Exploration Inc. Signed an option agreement where Margaret Lake would spend \$3,000,000 to earn 50% of the Kiyuk Lake property. Cache Exploration believes the funding is a non dilutive way to fund the project and create value for Cache Exploration shareholders.

Recommendation of the Board of Directors

The Board of Directors believes that the Transaction is in the best interests of the Corporation. Accordingly, the Board of Directors has approved the Transaction and recommends that shareholders vote to approve the Disposition Resolution.

Pursuant to the *Canada Business Corporations Act* (the "CBCA"), for the Disposition Resolution to be effective it must be approved by a majority of not less than two-thirds (66 2/3%) of the votes cast by all shareholders present in person or by proxy at the Meeting and entitled to vote on the Disposition Resolution. Unless specified in the enclosed form of proxy that Shares represented by the form of proxy shall be voted against the Disposition Resolution, the person represented in the enclosed form of proxy intends to vote FOR the Disposition Resolution.

Dissent Rights

Registered shareholders are entitled to dissent from the Disposition Resolution.

The following is only a summary of the dissent rights of the shareholders of the Corporation under the CBCA (the "**Dissent Rights**"), which are technical and complex. A complete copy of the Dissent Rights is attached as Appendix B to this Management Proxy Circular. It is suggested that registered shareholders who wish to exercise their Dissent Rights seek legal advice, as failure to comply strictly with the provisions of the CBCA may result in the loss or unavailability of their Dissent Rights.

Section 190 of the CBCA provides registered shareholders of a corporation with the right to dissent from certain resolutions that effect extraordinary corporate transactions or fundamental corporate changes, including the sale of all or substantially all of the assets of a corporation ("**Dissenting Shareholders**"). Any registered shareholder who dissents from the Disposition Resolution in compliance with section 190 of the CBCA will be entitled, in the event the Transaction is completed, to be paid by the Corporation the fair value of the Common Shares held by such Dissenting Shareholder determined as of the close of business on the last business day (in Toronto) before the date of the Meeting.

Anyone who is a beneficial owner of Common Shares registered in the name of an intermediary and who wishes to dissent should be aware that only registered shareholders are entitled to exercise Dissent Rights. A non-registered shareholder who wishes to exercise Dissent Rights should contact the intermediary with whom the non-registered shareholder deals in respect of its Common Shares. A registered shareholder who holds Common Shares as nominee for one or more beneficial owners, one or more of whom wish to exercise Dissent Rights, must exercise such Dissent Rights on behalf of such holder(s). In such case, a notice from the registered shareholder on behalf of the non-registered shareholder should specify the number of Common Shares covered by it (a "**Dissent Notice**"). A Dissenting Shareholder may only dissent with respect to all the Common Shares held on behalf of any one beneficial owner and registered in the name of the Dissenting Shareholder.

The filing of a Dissent Notice does not deprive a registered shareholder of the right to vote; however, a registered shareholder who has submitted a Dissent Notice and who votes in favour of the Disposition Resolution will no longer be considered a Dissenting Shareholder with respect to Common Shares voted in favour of the Disposition Resolution. If such Dissenting Shareholder votes in favour of the Disposition Resolution in respect of a portion of the Common Shares registered in his, her

or its name and held by same on behalf of any one beneficial owner, such vote approving the Disposition Resolution will be deemed to apply to the entirety of Common Shares held by such Dissenting Shareholder in the name of that beneficial owner, given that section 190 of the CBCA provides there is no right of partial dissent. The CBCA does not provide and the Corporation does not assume that a vote against any of the Disposition Resolution constitutes a Dissent Notice. A registered shareholder need not vote its Common Shares against the Disposition Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxyholder to vote in favour of the Disposition Resolution does not constitute a Dissent Notice. However, any proxy granted by a registered shareholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Disposition Resolution, should be validly revoked in order to prevent the proxyholder from voting such Common Shares in favour of the Disposition Resolution and thereby causing the registered shareholder to forfeit its Dissent Rights.

The rights provided to Dissenting Shareholders by section 190 of the CBCA and the procedure for compliance are set forth in Appendix C to this Management Proxy Circular. Registered shareholders who wish to dissent are referred to Appendix C.

A shareholder may only exercise its Dissent Rights under section 190 of the CBCA in respect of Common Shares which are registered in that shareholder's name. Failure to comply strictly with the provisions of the CBCA may result in the loss or unavailability of Dissent Rights

B. Continuation of 10% “rolling” Stock Option Plan

A total of 1,650,000 stock options were outstanding at the date of this Management Proxy Circular.

The TSXV policy requires all of its listed companies to have a share option plan if the company intends to grant options. Under TSXV policy, the continuation of the Corporation's 10% “rolling” stock option plan requires annual shareholder approval at each annual meeting of the Company. The Board is of the view that its 10% “rolling” stock option plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in compensation with other companies in the industry.

At the Meeting, shareholders will be asked to vote on the following ordinary resolution, with or without variation, as follows:

“Resolved that the Corporation's 10% rolling stock option plan dated for reference April 1, 2016 be and is hereby ratified and approved until the next annual general meeting of the Corporation.”

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

The Board recommends that you vote in favour of the above resolution.

Proxies received in favour of management will be voted in favour of the Corporation's 10% “rolling” stock option plan resolution unless the Shareholder has specified in the Proxy that his or her Shares are to be voted against such resolution.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found in the Corporation's audited consolidated financial statements for fiscal years ended September 30, 2018 and September 30, 2017, the reports of the auditor and the related management's discussion and analysis thereon, may be obtained from SEDAR at www.sedar.com and upon request from the Corporation at 4770 – 72nd Street, Delta, British Columbia, Canada V4K 3N3 Tel.: 604-306-5285. Copies of documents will be provided free of charge to security holders of the Corporation. The Corporation may require the payment of a reasonable charge from any person or company who is not a security holder of the Corporation, who requests a copy of any such document.

OTHER MATTERS

Management of the Corporation is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

SHAREHOLDER PROPOSALS

Pursuant to Canadian law, shareholder proposals to be considered for inclusion in the Management Proxy Circular for the 2020 annual meeting of the Corporation (tentatively scheduled for March 19, 2020) must be received by the Corporation on or before the close of business on January 16, 2020.

DIRECTORS' APPROVAL

The contents of this Management Proxy Circular and its distribution to shareholders have been approved by the Board of the Corporation.

DATED at Vancouver, British Columbia, May 21, 2019.

BY ORDER OF THE BOARD

s/Jack Bal

Jack Bal
Chief Executive Officer

Appendix A
CACHE EXPLORATION INC.
(the "Corporation")

AUDIT COMMITTEE CHARTER

The Audit Committee is appointed by the Corporation's Board to assist the Board in monitoring:

- (1) the integrity of the financial statements of the Corporation;
- (2) the compliance by the Corporation with legal and regulatory requirements; and
- (3) the independence and performance of the Corporation's external auditors, which external auditors shall report directly to the Audit Committee.

The members of the Audit Committee shall meet the independence and experience requirements of applicable securities laws and any exchange or quotation system upon which the Corporation's securities are listed or quoted. The members of the Audit Committee shall be appointed by the Board.

The Audit Committee shall have the authority to retain independent legal, accounting or other consultants to advise the Committee as the Audit Committee determines necessary to carry out its duties and the Audit Committee shall have the authority to set and pay the compensation for any such advisors. The Audit Committee may request any officer or employee of the Corporation or the Corporation's outside counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall:

1. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
2. Review the annual audited financial statements, the interim financial statements, management's discussion and analysis with management and annual and interim earnings press releases, including major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls that could significantly affect the Corporation's financial statements. Such review must occur prior to the Corporation publicly disclosing any such information.
3. Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements.
4. Review an analysis prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including an analysis of the effect of alternative GAAP methods on the Corporation's financial statements.
5. Review with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements.
6. Meet with management to review the Corporation's major financial risk exposures and the Corporation's internal controls.
7. Review major changes to the Corporation's internal controls and accounting principles and practices as suggested by the independent auditor, internal accounting or financial personnel or management.
8. Recommend to the Board the nomination and appointment of the independent auditor for the purposes of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, which independent auditor is ultimately accountable to the Audit Committee and the Board.
9. Review the experience and qualifications of the senior members of the independent auditor team, the audit procedures of the independent auditor and the rotation of the lead partner and reviewing partner of the independent auditor.
10. Approve the compensation to be paid to the independent auditor for audit services.
11. Pre-approve the retention of the independent auditor for all audit and any non-audit services, including tax services, and the fees for such non-audit services which are provided to the Corporation or its subsidiary entities.

12. Receive periodic reports from the independent auditor regarding the auditor's independence, discuss such reports with the auditor, consider whether the provision of non-audit services is compatible with maintaining the auditor's independence and, if so determined by the Audit Committee, recommend that the Board take appropriate action to satisfy itself of the independence of the auditor.
13. Evaluate together with the Board the performance of the independent auditor. If so determined by the Audit Committee, recommend that the Board replace the independent auditor.
14. Recommend to the Board guidelines for the Corporation's hiring of partners, employees and former partners and employees of the present and former independent auditor who were engaged on the Corporation's account.
15. Review the significant reports to management pertaining to the presentation and significant accounting policies of the Corporation's financial statements.
16. Obtain reports from management, the Corporation's senior accounting and financial personnel and the independent auditor that the Corporation and its subsidiaries are in conformity with applicable legal requirements, including disclosures of insider and affiliated party transactions.
17. Review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee or anonymous complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.
18. Review with the independent auditor any problems or difficulties the auditor may have encountered and any disagreements between the independent auditor and management of the Corporation and any management letter provided by the auditor and the Corporation's response to that letter. Such review should include:
 - (a) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information, and any disagreements with management;
 - (b) The internal accounting and financial responsibilities; and
 - (c) The investigation and implementation of the resolution of any disagreement between the independent auditor and the management of the Corporation .
19. Advise the Board with respect to the Corporation's policies and procedures regarding compliance with applicable laws and regulations.
20. Meet at least quarterly with the Chief Financial Officer and the independent auditor in separate executive sessions.
21. Establish a procedure for:
 - (a) The receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (b) The confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations.

APPENDIX B

DISPOSITION RESOLUTION

WHEREAS Cache Exploration Inc. (the “**Corporation**”) has entered into a definitive option agreement dated February 4, 2019 (the “**Option Agreement**”) with Margaret Lake Diamonds Inc. (“**Margaret**”), pursuant to which the Corporation has agreed to option up to an 80% interest in Kiyuk Lake Property (the “**Property**”) to Margaret (the “**Transaction**”);

NOW THEREFORE BE IT RESOLVED, AS A SPECIAL RESOLUTION:

1. **THAT** the disposition of up to an 80% interest in the Property pursuant to the Option Agreement is hereby approved pursuant to Section 189(3) of the *Canada Business Corporations Act*;
2. **THAT** the Option Agreement and all of the transactions contemplated thereby be and are hereby ratified, confirmed and approved;
3. **THAT** the Board of Directors of the Corporation is hereby authorized to approve any amendment or supplement to the terms and conditions of the Option Agreement, as the Board of Directors in its sole discretion considers necessary or desirable and the Board of Directors further retains at all times the authority to suspend this resolution or declare same to be of no effect should it be of the view, based upon its appreciation of any change in circumstances, that it would be in the best interest of the Corporation to abandon the consummation of the Transaction and terminate the Option Agreement without any further approval of the shareholders of the Corporation; provided that the Corporation shall provide written notice of any such amendment, supplement or suspension to the shareholders of the Corporation as soon as reasonably practicable following any determination to amend or supplement the Option Agreement or suspend this resolution;
4. **THAT** any director or officer of the Corporation, acting alone, is hereby authorized, for and on behalf and in the name of the Corporation, to sign, execute or cause to be executed and deliver or cause to be delivered all such other deeds, documents, instruments and writings and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to this resolution, to the Option Agreement and the Transaction in accordance with the terms thereof, including: (i) all actions required to be taken by or on behalf of the Corporation, and all the necessary filings and the obtaining of the necessary approvals, consents and acceptances of appropriate regulatory authorities; and (ii) the signing of the certificates, consents and other documents or declarations required under the Option Agreement or otherwise to be entered into by the Corporation; and
5. **THAT** notwithstanding that this resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered without further notice or approval of the shareholders of the Corporation (i) to amend the Option Agreement; (ii) not to proceed with the Transaction at any time; and (iii) to revoke this special resolution at any time prior to the Transaction becoming effective.

Appendix C

CANADA BUSINESS CORPORATIONS ACT SECTION 190

Right to dissent

190.(1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

Further right

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

If one class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Payment for shares

(3) in addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

Notice of resolution

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

Demand for payment

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

Share certificate

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Forfeiture

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

Endorsing certificate

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

Suspension of rights

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

Offer to pay

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

Payment

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Corporation may apply to court

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

Shareholder application to court

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

Venue

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

No security for costs

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

Parties

(19) On an application to a court under subsection (15) or (16),

- (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
- (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

Powers of court

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

Appraisers

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

Interest

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Notice that subsection (26) applies

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Effect where subsection (26) applies

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or A-5
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

R.S., 1985, c. C-44, s. 190;
 1994, c. 24, s. 23;
 2001, c. 14, ss. 94, 134(F), 135(E);
 2011, c. 21, s. 60(F).