NATURALLY SPLENDID ENTERPRISES LTD.

Suite 605 – 1166 Alberni Street
Vancouver, BC V6E 3Z3

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON SEPTEMBER 30, 2014

AND

INFORMATION CIRCULAR

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisor.

NATURALLY SPLENDID ENTERPRISES LTD.
Suite 605 – 1166 Alberni Street
Vancouver, BC V6E 3Z3
Telephone: (604) 685-6375

NOTICE OF ANNUAL GENERAL MEETING

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the annual general meeting (the "Meeting") of Naturally Splendid Enterprises Ltd. (the "Company") will be held at Suite 704, 595 Howe Street, Vancouver, British Columbia on Tuesday, September 30, 2014, at 10:00 am (Vancouver time) for the following purposes:

1. To set the number of directors of the Company for the ensuing year at seven (7) persons. See "Number of Directors" in the Information Circular dated August 27, 2014 (the "Information Circular").

2. To elect J. Craig Goodwin, Chuck Jenkins, Russ Crawford, Peter Hughes, Peter Howes, Frank Siemens and Bryan Carson for the ensuing year. See "Election of Directors" in the Information Circular.

3. To appoint Smythe Ratcliffe LLP, Chartered Accountants, as the auditors of the Company until the next annual general meeting of the Company and to authorize the directors of the Company to fix the remuneration to be paid to the auditors. See "Appointment of Auditor" in the Information Circular.

4. To consider, and if deemed advisable, approve a resolution ratifying and approving the Company's Stock Option Plan as described in the Information Circular. See "Particulars of Matters to be Acted Upon – Ratification and Approval of Stock Option Plan" in the Information Circular.

5. To receive the audited financial statements of the Company for the financial years ended December 31, 2013 and 2012, and the accompanying report of the auditors.

The Company's Board of Directors has fixed August 18, 2014 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the Information Circular.

The Company has elected to use the 'Notice and Access' provisions for the Meeting pursuant to National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* with respect to the mailing to its registered shareholders and beneficial shareholders. The Notice and Access provisions are a new set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing the Company to post the Information Circular and any additional materials on a non-SEDAR website rather than deliver such materials by mail. Shareholders will receive this Notice of Meeting and a form of proxy (the "Notice Package") and may choose to receive a hard copy of the Information Circular.

The Company is sending the Notice Package directly to non-objectioning beneficial holders ("NOBOs"). The Company will not pay for intermediaries to deliver the Notice Package to objectioning beneficial holders ("OBOs"), and OBO's will not receive the Notice Package unless their intermediary assumes the cost of delivery.

Please review the Information Circular carefully prior to voting in relation to the matters conducted at the Meeting. The Information Circular is available on SEDAR (www.sedar.com) or on the Company's website (http://www.naturallysplendid.com/agm). Shareholders may obtain, without any charge to them, a paper copy of the Information Circular (and the audited financial statements and related management's discussion and analysis for the Company's last financial year and any documents referred to in the Information Circular) and further information on Notice and Access by contacting the Company as follows:

Email:	Facsimile:	Telephone:
chuck@naturallysplendid.com	(604) 909-1163	(604) 685-6375 (collect calls with be accepted)

Requests for paper copies of the Information Circular (and any other related documents) must be received by no later than 12:00 noon (Vancouver time) on September 19, 2014 in order for shareholders to receive paper copies of such documents and return their completed Proxies or VIFs by the deadline for submission of 10:00 a.m. (Vancouver time) on September 26, 2014.

If you cannot attend, we encourage you to complete and return the form of proxy and voting instruction form provided to you indicating your voting instructions. Please complete, date and sign your form of proxy and voting instruction form and return it by mail in the envelope provided for this purpose and deposit it with the Company's transfer agent, Computershare Investor Services Inc., 510 Burrard St, 3rd Floor Vancouver BC, V6C 3B9, or by following procedures for telephone or internet voting provided in the enclosed form of proxy or voting instruction form. To be valid, a completed form of proxy or voting instruction form must be received by the Company's transfer agent by no later than 10:00 a.m. (Vancouver Time) on September 26, 2014.

If you are a non-registered shareholder of the Company and received the Notice Package through an intermediary, please complete and return the materials in accordance with the instructions provided to you by your intermediary.

DATED at Vancouver, British Columbia, this 27th day of August, 2014.

By Order of the Board of
NATURALLY SPLENDID ENTERPRISES LTD.

"Chuck Jenkins"

Chuck Jenkins
Chief Financial Officer, Secretary and Director

NATURALLY SPLENDID ENTERPRISES LTD.

Suite 605 – 1166 Alberni Street
Vancouver, BC V6E 3Z3

INFORMATION CIRCULAR

August 27, 2014

INTRODUCTION

This Information Circular is furnished to shareholders holding common shares in the capital of Naturally Splendid Enterprises Ltd. (the "Company") in connection with the solicitation by the management of the Company of proxies to be voted at the annual general meeting (the "Meeting") of the shareholders to be held at 10:00 a.m. (Vancouver time) on Tuesday, September 30, 2014 at Suite 704, 595 Howe Street, Vancouver, British Columbia or at any adjournment or postponement thereof.

Date and Currency

The date of this Information Circular is August 27, 2014. Unless otherwise stated, all amounts herein are in Canadian dollars.

MANAGEMENT SOLICITATION OF PROXIES

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made, without special compensation, by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company may reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The Company will bear the cost of the solicitation.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

APPOINTMENT AND REVOCATION OF PROXY

Appointment of Proxy

Registered shareholders are entitled to vote at the Meeting. A shareholder is entitled to one vote for each common share that such shareholder holds on the record date of August 18, 2014 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the "Designated Persons") in the enclosed form of proxy are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE

MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.

TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc. (the "Transfer Agent") at their offices located at 510 Burrard St, 3rd Floor Vancouver BC, V6C 3B9 by mail or fax, no later than 10:00 a.m. (Vancouver time) on September 26, 2014.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder's attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

Revocation of Proxies

A shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

VOTING OF PROXIES

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. **The common shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly.**

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF THE COMPANY'S BOARD OF DIRECTORS FOR DIRECTORS AND AUDITOR.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the

Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the common shares on any matter, the common shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

NOTICE AND ACCESS

The Company has elected to use the 'Notice and Access' provisions for the Meeting pursuant to National Instrument 54-101 with respect to the mailing to its registered shareholders and beneficial shareholders. The Notice and Access provisions are a new set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing the Company to post the Information Circular and any additional materials on a non-SEDAR website rather than deliver such materials by mail.

The Information Circular is available on SEDAR (www.sedar.com) or on the Company's website (http://www.naturallysplendid.com/agm). Shareholders may obtain, without any charge to them, a paper copy of the Information Circular (and the audited financial statements and related management's discussion and analysis for the Company's last financial year and any documents referred to in the Information Circular) and further information on Notice and Access by contacting the Company as follows:

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chuck@naturallysplendid.com	(604) 909-1163	(604) 685-6375 (collect calls with be accepted)

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ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting. 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 Company. Such common shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name of CDS & Co., being the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms. **Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person well in advance of the Meeting.**

Regulatory polices require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "NOBOs") or objecting to their Intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or "OBOs").

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the notice of meeting, this Information Circular and a request for voting instructions (a "VIF"), instead of a proxy (the notice of Meeting, Information Circular and VIF or proxy are collectively referred to as the "Meeting Materials") directly to the NOBOs. The Company will not be paying to send the Meeting Materials to OBOs. OBOs will not receive a copy of the Meeting Materials unless their

Intermediaries (or their service companies) assume the cost of delivery. A VIF enables a Beneficial Shareholder to provide instructions to the registered holder of its common shares as to how those shares are to be voted at the Meeting and allow the registered holder to provide a Proxy voting the common shares in accordance with those instructions. A VIF should be completed and returned in accordance with its instructions. The results of the VIFs received from NOBOs will be tabulated and appropriate instructions respecting voting of common shares to be represented at the Meeting will be provided to the registered shareholders.

Intermediaries are required to seek voting instructions from OBOs in advance of the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by OBOs to ensure that their common shares are voted at the Meeting. Most brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Investor Communications Solutions ("Broadridge"), which mails the materials for the Meeting to OBOs and asks them to return a VIF to Broadridge. An OBO receiving a VIF from Broadridge may use that VIF to vote common shares directly at the Meeting if the OBO inserts their name as the name of the person to represent them at the Meeting. The VIF must be returned to Broadridge well in advance of the meeting in order to have the common shares voted.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the shares which they beneficially own. A Beneficial Shareholder receiving a VIF cannot use that form to vote common shares directly at the Meeting. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder will need to write their name (or their nominee's name) in the space provided in the VIF and return it in accordance with the instructions of the VIF.

Only registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its VIF on its behalf.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company 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 on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding 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 the request for voting instructions.

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

No director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of common shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value. As of the record date, being the close of business on August 18, 2014, a total of 36,498,999 common shares were issued and outstanding. Each common share carries the right to one vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to the outstanding common shares of the Company, other than as set forth below:

Name of Shareholder	Number of Common Shares Owned	Percentage of Outstanding Common Shares
J. Craig Goodwin	4,413,762	12.1%
Bryan Carson	4,453,990	12.2%

NUMBER OF DIRECTORS

The Articles of the Company provide for a board of directors of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval of the shareholders.

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at seven (7). The number of directors will be approved if the affirmative vote of the majority of common shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at seven (7).

Management recommends the approval of the resolution to set the number of directors of the Company at seven (7).

ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal. In the absence of instructions to the contrary, the enclosed Form of Proxy will be voted for the nominees listed in the Form of Proxy, all of whom are presently members of the Board of Directors.

Management of the Company proposes to nominate the persons named in the table below for election by the shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name Province, Country of Residence and Current Position(s) with the Company	Periods During which Nominee has Served as a Director and/or Officer	Principal Occupation for Past Five Years	Number of Common Shares Owned
J. CRAIG GOODWIN Burnaby, BC *CEO, President and Director*	CEO, President and Director since February 28, 2013	CEO and Director of Naturally Splendid Enterprises Ltd. (operating company) since January 2008.	4,413,762 (Direct)

Name Province, Country of Residence and Current Position(s) with the Company	Periods During which Nominee has Served as a Director and/or Officer	Principal Occupation for Past Five Years	Number of Common Shares Owned
CHUCK JENKINS(1) Vancouver, BC *CFO, Secretary and Director*	Director since December 21, 2010 & CFO and Secretary since January 25, 2011	CFO of Evolving Gold Corp., a mineral exploration company, since December 2010; CFO of Rock Tech Lithium Inc since July 2006; CFO of White Mountain Titanium Corp. from September 2006 to September 2012 and director from August 2007 to September 2012; CFO of Oremex Resources from September 2006 to February 2009.	32,500 (Direct)
BRYAN CARSON Burnaby, BC *None*	Nominee	Vice President of Operations of Naturally Splendid Enterprises (2013) Ltd. since March 2012. President of Naturally Splendid Enterprises Ltd. (operating company) from January 2008 to March 2012.	4,453,990 (Direct)
RUSS CRAWFORD Calgary, AB *Director*	Director since July 3, 2013	President of Agrinomics IT Consulting Ltd., information technology company providing services in the agriculture industry, since September 1999.	957,175 (Direct)
PETER HUGHES Vancouver, BC *Director*	Director since December 21, 2010	CEO and Director of Finore Mining Inc. (formerly Otterburn Ventures Inc.), a mineral exploration company from April 2010 to September 2012; Director of Pan American Fertilizer Ltd. (formerly Bastion Resources Ltd.), a mineral exploration company from December 2009 to February 2013; CEO of Molystar Resources Inc., a mineral exploration company, from November 2005 to November 2011; Director of Kelso Technologies Inc., an enviro-tech company since October 2010; Director and CEO of BHK Resources Inc. since December 2012; Director and CEO of Broome Capital Inc. since March 2012; CEO and Director of Gourmet Ocean Products Inc. February 2014 to present.	80,000 (Direct)
PETER HOWES(1) Vancouver, BC *Director*	Director since July 3, 2013	Self-Employed Finance Advisor since 2000.	10,000 (Direct)
FRANK SIEMENS(1) Langley, BC *Director*	Director since February 28, 2013	Director of Operations of Landmark Transport Inc., a transport and trucking company, since August 1990.	15,691 (Direct)

Note:
(1) Member of the Audit Committee.

Management recommends the approval of each of the nominees listed above for election as directors of the Company until the next annual general meeting.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

Cease Trade Orders

Other than as disclosed below, no director or executive officer of the Company, is or has been, within the ten years preceding the date of this Information Circular, a director, chief executive officer, chief financial officer of any company that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of this Information Circular, an "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to an exemption under securities legislation, and such order was in effect for a period of more than 30 consecutive days.

White Mountain Titanium Corporation

Mr. Jenkins served as CFO of White Mountain Titanium Corporation ("White Mountain"), a mineral exploration company quoted on the OTC Bulletin Board, from September 2006 to September 2012, and as a director of White Mountain from August 2007 to September 2012. On January 16, 2008, the British Columbia Securities Commission (the "BCSC') issued a cease trade order against White Mountain for its failure to file a Technical Report in compliance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* to support a previous disclosed mineral resource estimate. Following the filing of the Technical Report, the BCSC lifted the cease trade order on April 30, 2008.

Molystar Resources Inc.

Peter Hughes served as CEO of Molystar Resources Inc. ("Molystar") from November 2005 to November 2011, which is a reporting company in British Columbia and Alberta. After its prospectus was receipted in 2008, Molystar was unable to complete its offering in the fall of 2008 due to the state of the capital markets. As a result, Molystar did not have the funds to carry on its business. Molystar is subject to cease trade orders issued between May and August 2009 by the British Columbia, Ontario and Alberta Securities Commissions for failure to file audited financial statements for the year ended December 31, 2008.

Bankruptcies

No director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or has been, with the ten years preceding the date of this Information Circular:

(a) a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency; or

(b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

Penalties or Sanctions

No director or officer of the Company, or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has:

(a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This discussion describes the Company's compensation program for each person who has acted as Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the three most highly compensated executive officers (or three most highly compensated individuals acting in a similar capacity), other than the CEO and CFO, whose compensation was more than $150,000 during the financial year ended December 31, 2013 (each a "Named Executive Officer").

Significant Elements

Executive compensation awarded to the Named Executive Officers consists of two components: (i) management fees and (ii) stock options. The Company does not presently have a long-term incentive plan for its Named Executive Officers. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The Board of Directors is solely responsible for determining compensation to be paid to the Company's Named Executive Officers. In addition, the Board of Directors reviews annually the total compensation package of each of the Company's executives on an individual basis.

Management Fees

In setting compensation rates for Named Executive Officers, the Company compares the amounts paid to them with the amounts paid to executives in comparable positions at other comparable corporations. The Company's compensation payable to the Named Executive Officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each Named Executive Officer and varies with the amount of time spent by each Named Executive Officer in carrying out his or her functions on behalf of the Company.

Option-Based Awards

The Company has adopted a Stock Option Plan (the "Stock Option Plan") whereby a maximum of 10% of the Company's issued and outstanding common shares are reserved at any time for issuance on the exercise of stock options. The Stock Option Plan is intended to emphasize management's commitment to growth of the Company.

Summary Compensation Table

The following table sets forth information about compensation paid to, or earned by, the Company's Named Executive Officers during the fiscal years ended December 31, 2013, 2012 and 2011:

Name and Principal Position	Year	Salary ($)	Share-based Awards ($)	Option-based Awards ($)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compen-sation ($)	Total Compen-sation ($)
					Annual Incentive Plans	Long-term Incentive Plans			
J. Craig Goodwin CEO and President	2013	64,925	-	46,677	-	-	-	-	111,602
	2012	55,800	-	-	-	-	-	-	55,800
	2011	60,000	-	-	-	-	-	-	60,000
Chuck Jenkins CFO and Secretary	2013	42,000	-	29,173	-	-	-	-	71,173
	2012	-	-	-	-	-	-	-	-
	2011	-	-	-	-	-	-	-	-
Bryan Carson VP of Operations of Subsidiary	2013	64,925	-	46,677	-	-	-	-	111,602
	2012	55,800	-	-	-	-	-	-	55,800
	2011	60,000	-	-	-	-	-	-	60,000

Notes:

(1) Mr. Goodwin was appointed as Chief Executive Officer, President and a director on February 28, 2013. The Company entered into a verbal arrangement with Mr. Goodwin on June 1, 2013, whereby Mr. Goodwin agreed to act as the Company's Chief Executive Officer in consideration of an annual salary of $60,000.
(2) The Company entered into an employment agreement on February 28, 2013, with Mr. Jenkins whereby Mr. Jenkins agreed to act as the Company's Chief Financial Officer in consideration of an annual salary of $48,000.

Incentive Plan Awards

The following table sets forth all outstanding share based and option based awards to the Named Executive Officers as at the fiscal year ended December 31, 2013.

	Option Based Awards				Share Based Awards		
Name	Number of Securities underlying unexercised options (#)	Option Exercise Price ($)	Option Expiration Date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Craig Goodwin, CEO[(1)]	400,000	$0.175	March 4, 2018	-	-	-	-
Charles E. Jenkins, CFO[(2)]	250,000	$0.175	March 4, 2018	-	-	-	-
Bryan Carson VP of Operations of Subsidiary[(3)]	400,000	$0.175	March 4, 2018	-	-	-	-

Notes:
(1) Subsequent to the fiscal year ended December 31, 2013, the Company granted to Mr. Goodwin options to purchase 50,000 common shares at a price of $0.20 until March 24, 2016.
(2) Subsequent to the fiscal year ended December 31, 2013, the Company granted to Mr. Jenkins options to purchase 50,000 common shares at a price of $0.20 until March 24, 2016.
(3) Subsequent to the fiscal year ended December 31, 2013, the Company granted to Mr. Carson options to purchase 50,000 common shares at a price of $0.20 until March 24, 2016.

Termination and Change of Control Benefits

The Company has no contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in the Named Executive Officer's responsibilities.

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth the compensation paid to the Company's directors for the fiscal year ended December 31, 2013:

Name	Fees Earned ($)	Share-based Awards ($)	Option-based Awards ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Peter Hughes[(1)]	27,000	-	17,504	-	-	-	44,504
Frank Siemens[(2)]	-	-	11,669	-	-	-	11,669

Russell Henry Crawford[3,5]	-	-	35,008	-	-	-	35,008
Peter Joseph Howes[3]	-	-	17,504	-	-	-	17,504
Livio Susin[4]	-	-	-	-	-	-	-

Notes:

(1) We entered into a director fee agreement with Mr. Hughes whereby Mr. Hughes is paid $3,000 per month for his services for the year ended December 31, 2013.
(2) Mr. Siemens was appointed as a director on February 28, 2013.
(3) Mr Crawford and Mr. Howes were appointed as directors on July 7, 2013.
(4) Mr. Susin resigned as a director on February 28, 2013.
(5) Mr. Crawford was paid $31,000 in fees for consulting services rendered in 2013.

Incentive Plan Awards For Directors

The following table sets forth all outstanding share based and option based awards to the directors of the Company as at the fiscal year ended December 31, 2013.

	Option Based Awards				Share Based Awards		
Name	Number of Securities underlying unexercised options (#)	Option Exercise Price ($)	Option Expiration Date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Peter Hughes[1]	150,000	$0.175	03/04/2018	-	-	-	-
Frank Siemens	100,000	$0.175	03/04/2018	-	-	-	-
Russell Henry Crawford[2]	300,000	$0.175	03/04/2018	-	-	-	-
Peter Joseph Howes	150,000	$0.175	03/04/2018	-	-	-	-
Livio Susin[3]	-	-	-	-	-	-	-

Notes:

(1) Subsequent to the fiscal year ended December 31, 2013, the Company granted to Mr. Hughes options to purchase 35,000 common shares at a price of $0.20 until March 28, 2016.
(2) Subsequent to the fiscal year ended December 31, 2013, the Company granted to Mr. Crawford options to purchase 50,000 common shares at a price of $0.20 until March 28, 2016.
(3) Mr. Susin resigned as a director of February 28, 2013.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of all the Company's equity compensation plans as of December 31, 2013. As at December 31, 2013, the Company's equity compensation plan consisted of the Company's Stock Option Plan, which was approved by the Company's shareholders on July 3, 2013.

Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))**
Equity compensation plans approved by security holders	-	-	-

Equity compensation plans not approved by security holders	1,750,000	$0.175	1,123,110
Total	**1,750,000**	$0.175	**1,123,110**

APPOINTMENT OF AUDITOR

Shareholders will be asked to vote for the appointment of Smythe Ratcliffe LLP, Chartered Accountants, to serve as auditors of the Company to hold office until the next annual general meeting of the shareholders or until such firm is removed from office or resigns as provided by law and to authorize the Board of Directors of the Company to fix the remuneration to be paid to the auditors. Smythe Ratcliffe LLP was appointed as the Company's auditor on March 14, 2013.

Management recommends shareholders to vote for the ratification of the appointment of Smythe Ratcliffe LLP, Chartered Accountants, as the Company's auditors until the next annual general meeting at a remuneration to be fixed by the Company's board of directors.

PARTICULARS OF MATTERS TO BE ACTED UPON

Ratification and Approval of Stock Option Plan

The Company received shareholder approval, on July 3, 2013, of its "rolling" stock option plan (the "Stock Option Plan") whereby 10% of the number of issued and outstanding shares of the Company at any given time may be reserved for issuance pursuant to the exercise of options. The TSX Venture Exchange requires that listed companies that have "rolling" stock option plans in place receive shareholder approval of such plans on a yearly basis at the Company's annual general meeting. The shareholders of the Company will be asked at the Meeting to ratify and approve the Stock Option Plan.

The Stock Option Plan was established to provide incentive to directors, officers, employees, management company employees and consultants who provide services to the Company. The intention of management in proposing the Stock Option Plan is to increase the proprietary interest of such persons in the Company and thereby aid the Company in attracting, retaining and encouraging the continued involvement of such persons with the Company.

The Stock Option Plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the Exchange. As of the date of this Information Circular, the Company was eligible to grant up to 3,649,899 options under its Stock Option Plan. There are presently 2,409,750 options outstanding and 1,240,149 options reserved and available under the Stock Option Plan.

Terms of the Stock Option Plan

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise price of option grants will be determined by the Board of Directors, but cannot be lower than the price permitted by the TSX Venture Exchange. The Stock Option Plan provides that the number of common shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. Subject to earlier termination, all options granted under the Stock Option Plan will expire not later than the date that is five years from the date that such options are granted. In the event that an optionee ceases to be a director, officer, employee or consultant, the option will terminate within ninety days. In the event of the death of an optionee, the options will only be exercisable within 12 months of such death. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Disinterested Shareholder Approval

Under the policies of the TSX Venture Exchange, if the grant of options under the proposed Stock Option Plan to insiders of the Company, together with all of the Company' outstanding stock options, could result at any time in:

(a) the number of shares reserved for issuance pursuant to stock options granted to insiders of the Company exceeding 10% of the issued common shares of the Company;

(b) the grant to insiders of the Company, within a 12 month period, of a number of options exceeding 10% of the issued common shares of the Company; or

(c) the issuance to any one optionee, within a 12 month period, of a number of shares exceeding 5% of the issued common shares of the Company,

the Company must obtain disinterested shareholder approval. The policies of the TSX Venture Exchange and the terms of the proposed Stock Option Plan also provide that disinterested shareholder approval will be required for any agreement to decrease the exercise price of options previously granted to insiders of the Company. The term disinterested shareholder approval means approval by a majority of the votes cast at the Meeting other than votes attaching to shares of the Company beneficially owned by insiders of the Company to whom options may be granted under the proposed Stock Option Plan.

Proposed Resolution Ratifying and Approving the Stock Option Plan

The text of the ordinary resolution which management intends to place before the Meeting for the ratification and approval of the Stock Option Plan is set forth below:

"RESOLVED as an ordinary resolution of the Company that:

1. the Company's 10% rolling Stock Option Plan, including the reservation for issuance under the 10% rolling Stock Option Plan at any time of a maximum of 10% of the issued shares of the Company, be and is hereby approved, confirmed and ratified, subject to the acceptance of the Stock Option Plan by the TSX Venture Exchange; and

2. any one director or officer is hereby authorized and directed to do all such acts and things and to execute all such documents, deeds or instruments to give effect to the foregoing resolution."

A copy of the Stock Option Plan will be available for inspection at the Meeting.

Management recommends the ratification and approval of the Stock Option Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee, proposed nominee for election to the board of directors, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, common shares or who exercises control or direction of common shares, or a combination of both carrying more than ten percent of the voting rights attached to the common shares outstanding (an "Insider"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of common shares where such person or company will

receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of common shares.

MANAGEMENT CONTRACTS

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

AUDIT COMMITTEE DISCLOSURE

Pursuant to National Instrument 52-110 – *Audit Committees*, the Company is required to disclose certain information concerning the constitution of its Audit Committee and its relationship with its independent auditors.

The Audit Committee Charter

The Company's audit committee charter is set out in Schedule "A" of this Information Circular.

Composition of the Audit Committee

Following the Meeting, the following persons will be confirmed as members of the Company's audit committee:

Chuck Jenkins	Not Independent	Financially Literate
Peter Howes	Independent	Financially Literate
Frank Siemens	Independent	Financially Literate

Relevant Education and Experience

All proposed members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements, and have an understanding of internal controls.

In addition to each member's general business experience, the education and experience of each proposed Audit Committee member that is relevant to the performance of his/her responsibilities as an Audit Committee member is as follows:

Chuck Jenkins. Mr. Jenkins is the Company's CFO, Secretary and a director. Mr. Jenkins has broad experience in accounting, banking and corporate finance. Currently, Mr. Jenkins is the CFO of Evolving Gold Corp., a company engaged in the exploration and development of a number of mineral properties throughout the United States. Mr. Jenkins has also served as a director and officer of other public companies including, White Mountain Titanium Corp., Rock Tech Lithium Inc., Aurcana Corporation, Oremex Resources Inc. and ISX Resources. Mr. Jenkins is a Certified General Accountant. As a result, Mr. Jenkins is financially literate.

Peter Howes. Mr. Howes is a director of the Company. Mr. Howes graduated from UBC with a Commerce Degree in Finance in 1962 and earned his Chartered Accountant designation at Peat Marwick Mitchell in Vancouver, BC. Currently, Mr. Howes is a self-employed finance adviser. Mr. Howes was Vice President of the Jim Pattison Sign Company – Neon Products Ltd. where he worked for 16 years. Mr. Howes is a non-practicing Chartered Accountant. As a result, Mr. Howes is financially literate.

Frank Siemens. Mr. Siemens has been an advisor to Naturally Splendid since 2008. Mr. Siemens is the owner, director and manager of operations for Landmark Transport Inc. ("Landmark"), a company which provides transportation and trucking services. Based on his business experience, Mr. Siemens is financially literate with respect to industrial issuers.

Audit Committee Oversight

At no time since the commencement of the Company's most recent completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 *(De Minimis Non-audit Services)*, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company's external auditor in the last two fiscal years, by category, are as follows:

	Year Ended December 31, 2013	Year Ended January 31, 2013
Audit Fees	$33,000	$25,000
Audit-Related Fees	-	-
Tax Fees	5,740	-
All Other Fees	-	-
Total	$38,740	$25,000

Exemption

The Company is relying on the exemption contained in part 6 of NI 52-110.

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practice*s, the Company is required to disclose its corporate governance practices as follows:

Board of Directors

The Board of Directors is currently comprised of six members. Securities legislation recommends that the Board of Directors of a public company be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a director's independent judgment. Peter Hughes, Frank Siemens, Russ Crawford and Peter Howes are independent directors of the Company as they have no ongoing interest or relationship with the Company other than serving as a director. J. Craig Goodwin and Chuck Jenkins are not independent directors because of their respective positions as CEO and CFO of the Company.

Directorships

The following directors of the Company are directors and/or officers of other reporting issuers:

Name of Director of the Company	Names of Other Reporting Issuers
J. Craig Goodwin	None.
Chuck Jenkins	Evolving Gold Corp. Rock Tech Lithium Inc.
Peter Hughes	Broome Capital Inc. BHK Resources Inc. Kelso Technologies Inc. Gourmet Ocean Products Inc.
Frank Siemens	None.
Russ Crawford	None.
Peter Howes	None.

Orientation and Continuing Education

The Board of Directors provides an overview of the Company's business activities, systems and business plan to all new directors. New director candidates have free access to any of the Company's records, employees or senior management in order to conduct their own due diligence and will be briefed on the strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies of the Company. The directors are encouraged to update their skills and knowledge by taking courses and attending professional seminars.

Ethical Business Conduct

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

Certain directors of the Company may also be directors and officers of other companies, and conflicts of interest may arise between their duties. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as applicable under the *Business Corporations Act* (British Columbia).

Nomination of Directors

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

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

Compensation

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

Other Board Committees

The Board of Directors has no other committees other than the Audit Committee.

Assessments

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

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Shareholders may contact the Company at its office by mail at Suite 605 – 1166 Alberni Street, Vancouver, BC V6E 3Z3, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "MD&A"). Financial information is provided in the Company's audited financial statements and MD&A for the years ended December 31, 2013 and 2012.

OTHER MATTERS

Other than the above, management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board of Directors of the Company.

Dated at Vancouver, British Columbia as of August 27, 2014.

ON BEHALF OF THE BOARD

NATURALLY SPLENDID ENTERPRISES LTD.

"Chuck Jenkins"

Chuck Jenkins
Chief Financial Officer, Secretary and Director

Schedule "A"

NATURALLY SPLENDID ENTERPRISES LTD.

AUDIT COMMITTEE CHARTER
(Adopted March 16, 2011)

I. MANDATE

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Naturally Splendid Enterprises Ltd. (the "Company") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;

2. The compliance of such statements and information with legal and regulatory requirements;

3. The qualifications and independence of the Company's independent external auditor (the "Auditor"); and

4. The performance of the Company's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

C. Appointment and Removal

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Meetings

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

1) Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.

2) Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.

3) Require the Auditor to report directly to the Committee.

4) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.

2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.

3. Recommend to the Board the compensation of the Auditor.

4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

Internal Financial Controls & Operations of the Company

1. Establish procedures for:

   (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

   (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.

3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:

   5) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.

   6) The management inquiry letter provided by the Auditor and the Company's response to that letter.

   7) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

1. Review the Company's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.

2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.

3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.

4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.

5. Make regular reports to the Board.

6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

7. Annually review the Committee's own performance.

8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.

9. Not delegate these responsibilities.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.