

# **SKYHARBOUR RESOURCES LTD.**

## **MANAGEMENT INFORMATION CIRCULAR FOR THE 2016 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

This information is given as of **September 13, 2016**

### **I. SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the management of **SKYHARBOUR RESOURCES LTD.** (the "Company") for use at the Annual General Meeting (the "Meeting") of the shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

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.

### **II. PERSONS OR COMPANIES MAKING THE SOLICITATION**

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

### **III. APPOINTMENT AND REVOCATION OF PROXIES**

#### **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 employees of the Company. The Company 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 will 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 officers and/or directors of the Company. **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. If your shares are held in physical (i.e. paper) form and are actually registered in your name, then you are a registered shareholder. However, if, like most shareholders, you keep your**

**shares in a brokerage account, then you are a Beneficial Shareholder. The process for voting is different for registered and Beneficial Shareholders and you will need to carefully read the instructions below.**

### **Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the 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 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 that properly comes before the Meeting and for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the shares represented by the Proxy in their discretion.

### **Registered Shareholders**

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9;
- (b) using a touch-tone phone to transmit voting choices to the toll free number given in the enclosed Proxy. Registered shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll free number, the holder's account number and the proxy access number; or
- (c) using the internet at Computershare's website, [www.computershare.com/ca/proxy](http://www.computershare.com/ca/proxy). Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy for the holder's account number and the proxy access number,

in all cases ensuring that the proxy is received at least **48 hours** (excluding Saturdays, Sundays and holidays) before the Meeting or any 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 shares in their own name.** If shares are listed in an account statement provided to a shareholder by an intermediary, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Company. Such shares will more likely be registered under the names of the shareholder's intermediary or an agent of that intermediary. In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many 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).

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 Company as the registered holders of shares). Beneficial shareholders who wish to vote their shares at the Meeting should follow the instructions set out in this Section.

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

There are two kinds of beneficial shareholders - 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).

### ***NOBOs***

The Company 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 deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from Computershare, the Company's transfer agent. To vote their shares, NOBOs should complete the VIF and return it to Computershare in accordance with the instructions provided in the VIF. In addition, Computershare provides for both telephone voting and internet voting as described in the VIF. The VIF will name the same persons as the Company's Proxy to represent your shares at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company) other than any of the persons designated in the VIF, to represent your shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive. If you receive a VIF from Computershare, the VIF must be completed and returned to Computershare in accordance with its instructions in order to have your shares voted at the Meeting or to have an alternative representative duly appointed to attend the Meeting and to vote your shares at the Meeting.

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

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF to Computershare in accordance with the instructions provided to you.

### ***OBOs***

Beneficial shareholders who are OBOs will receive instructions from their intermediary as to how to vote their shares. OBOs who wish to vote at the Meeting should follow the instructions of their intermediary carefully to ensure that their shares are voted at the Meeting.

If you are an OBO, the form of proxy supplied to you by your intermediary will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on

how to vote your shares on your behalf. Most brokers 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 Company. The VIF will name the same persons as the Company's Proxy to represent your shares at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company) other than any of the persons designated in the VIF, to represent your shares at the Meeting and that person may be you. To exercise this right, 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 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 shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your shares at the Meeting.**

### **Notice to Shareholders in the United States**

The solicitation of proxies in this Information Circular 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 the securities laws of certain provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the applicable provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended (the "**BCBCA**"), certain of its directors and executive officers are residents of Canada and a substantial portion of the assets of such persons are located outside of 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.

### **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 at its address shown on the preceding page, or at the address of the registered office of the Company at 1610-777 Dunsmuir Street, Vancouver, British Columbia, V7Y 1K4, 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 chairperson 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 shares.

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

## **VI. VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

### **A. Voting Securities**

On September 13th, 2016, **44,053,165** common shares without par value were issued and outstanding, each share carrying the right to one vote. At a general meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each share of which he is the holder.

### **B. Record Date**

Only shareholders of record at the close of business on **September 7<sup>th</sup>, 2016** who either personally attend the Meeting or who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

### **C. Principal Holders**

To the knowledge of the directors and executive officers of the Company, other than as listed below, there are no shareholders who beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

<u>Name of Principal Holder</u>	<u>Number of Shares</u>	<u>% of Ownership</u>
Denison Mines Corp <sup>(1)</sup>	5,000,000 shares	11.35% <sup>(2)</sup>

(1) Denison Mines Corp. is a publicly traded company shares of which are traded on the TSX and NYSE ("DML"). David Cates, a Director of the Company, is an Officer of Denison Mines Corp. Mr. Cates was appointed a Director of the Company on August 15, 2016.

(2) Pursuant to an agreement dated July 13, 2016, (the "Agreement") Denison Mines Corp. acquired 4,500,000 shares of the Company (the "Consideration Shares") in exchange for acquiring an interest in a uranium exploration project located in the eastern portion of the Moore Lake area, Athabasca Basin region of Saskatchewan. The Consideration Shares were issued on a post-consolidation basis at a ratio of four (4) old for one (1) new share. Denison had an existing balance of 500,000 post consolidated shares prior to entering into the Agreement.

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

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

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

For the purposes of this Information Circular, "informed person" means:

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

The Company was a party to the following material transactions with informed persons:

- (a) certain of the directors and executive officers of the Company may be paid pursuant to written management agreements or, consulting agreements, or receive directors fees or wages. See the notes following "Statement of Executive Compensation" for further details;
- (b) all directors and officers will be eligible to be granted stock options under the Stock Option Plan in the future. See "Incentive Stock Option Plan" under XVI Particulars of Matters to be Acted Upon.

Other than as disclosed elsewhere in this Information Circular, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

## **IX. STATEMENT OF EXECUTIVE COMPENSATION**

### **A. General Provisions**

For the purposes of this Information Circular:

"CEO" of the Company means an individual who acted as Chief Executive Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"CFO" of the Company means an individual who acted as Chief Financial Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"equity incentive plan" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Canadian Institute of Chartered Accountants Handbook;

"executive officer" of the Company means an individual who is the Chairman or Vice-Chairman of the Board, the President, a Vice-President in charge of a principal business unit, division or function including sales,

finance or production, an officer of the Company or any of its subsidiaries who performed a policy-making function in respect of the Company, or any other individual who performed a policy-making function in respect of the Company;

“incentive plan” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“incentive plan award” means compensation awarded, earned, paid or payable under an incentive plan;

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

- (a) a CEO;
- (b) a CFO;
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year;

“non-equity incentive plan” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“option-based award” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“plan” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

“replacement grant” means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

“re-pricing” means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

“share-based award” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

## **B. Compensation Discussion and Analysis**

### **Compensation Program Objectives**

The Company's compensation policies and programs are designed to be competitive with similar junior mineral exploration companies and to recognize and reward executive performance consistent with the success of the Company. These policies and programs are intended to attract and retain capable and experienced people. The Compensation Committee's role and philosophy is to ensure that the Company's goals and objectives, as applied to the actual compensation paid to the Company's President and Chief Executive Officer are aligned with the

Company's overall business objectives and with shareholders' interests. The Company's Compensation Committee as at the 2016 fiscal year end was comprised of two directors, **Donald Huston** and **Amanda Chow**.

### **Comparator Group and Benchmarking**

The Compensation Committee believes that it is appropriate to establish compensation levels based in large part on benchmarking against similar companies, both in terms of compensation practices as well as levels of compensation. In this way, the Company can gauge if its compensation is competitive in the marketplace for talent, as well as to ensure that the Company's compensation is reasonable. Accordingly, the Compensation Committee reviews compensation levels for the Named Executive Officers against compensation levels of the comparison companies.

For the fiscal year ended **March 31, 2016**, the proposed total direct compensation for each NEO was evaluated against the total direct compensation of similar positions held at the comparator group companies to ensure compensation was competitive. Given the tight talent supply in the mining industry, compensation recommendations are also validated against different samples taken from the comparator group, particularly the companies in the North American mining explorations category. The Compensation Committee believes that the compensation policy and its principles provide for competitive and reasonable compensation levels.

#### *Comparator Group*

The Company used the following criteria for choosing the comparator group:

- junior publicly-traded companies;
- companies that reflect the competitive marketplace for executive management talent;
- companies that are facing similar industry dynamics, *i.e.*, capital intensive and subject to commodity price cycles; and
- companies that are engaged in mining or the resources industry and are headquartered in North America.

Based on information in part obtained from documents available publicly on SEDAR, companies that the Board considers comparable include Eagle Plains Resources Ltd. (TSX-V: EPL), Riverside Resources Ltd. (TSX-V: RRI), Amador Gold Corp. (TSX-V: AGX), Abzu Gold Ltd. (TSX-V: ABS), Alliance Mining Corp. (TSX-V: ALM), Alphamin Resources Corp. (TSX-V: AFM), Canterra Minerals Corporation (TSX-V: CTM) and Nexgen Energy Ltd. (TSX-V: NXE).

### **Elements of the Compensation Program**

The total compensation plan for executive officers is comprised of two components: base salary or consulting fees and incentive stock options. There is no policy or target regarding cash and non-cash elements of the Company's compensation program. The Compensation Committee annually reviews the total compensation of each of the Company's executives on an individual basis, against the backdrop of the compensation goals and objectives described above and make recommendations to the Board of Directors concerning the individual components of their compensation. The Company does not currently provide the executive officers with personal benefits nor does the Company provide any additional compensation to the named executive officers for serving as directors or as members of other committees.

#### **Base Salary**

As a general rule for establishing base salaries or consulting fees, the Compensation Committee reviews competitive market data for each of the executive positions and determines placement at an appropriate level



within a range. Compensation levels are typically negotiated with the candidate for the position prior to his or her selection as an executive officer or consultant. Salaries or consulting fees for the executive officers are reviewed annually to reflect external factors such as inflation as well as the overall corporate performance and the results of internal performance reviews.

### **Consulting Fees**

As a general rule for establishing consulting fees, the Compensation Committee reviews competitive market data for each of the executive positions and determines placement at an appropriate level within a range. Consulting fees for the executive officers are reviewed annually to reflect external factors such as inflation as well as overall corporate performance and the results of internal performance reviews.

### **Stock Options**

The Company has a Stock Option Plan (the Plan) for the granting of stock options to the directors, officers, employees and consultants of the Company. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating such persons and to closely align the personal interest of such persons to that of the Company's shareholders. The allocation of options under the Plan is determined by the Compensation Committee which, in determining such allocations, considers such factors as previous grants to individuals, overall company performance, peer company performance, share price performance, the business environment and labour market, the role and performance of the individual in question and, in the case of grants to non-executive directors, the amount of time directed to the Company's affairs and time expended for serving on the Company's audit and compensation committees.

### **Risk Considerations**

The Board of Directors have adopted a plan to review from time to time and at least once annually, the risks, if any, associated with the Company's compensation policies and practices at such time. Implicit in the Board of Directors' mandate is that the Company's policies and practises respecting compensation, including those applicable to the Company's executives, be designed in a manner which is in the best interests of the Company and its shareholders and risk implications is one of many considerations which are taken into account in such design.

A portion (set at a level consistent with its industry peers) of the Company's executive compensation will consist of options granted under the Plan. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is extremely limited.

The other element of compensation, salary, represents the remaining portion of an executive's total compensation. While salary is not "long term" or "at risk", as noted above, these components of compensation represent a relatively small part of total compensation and as a result it is unlikely that an executive would take inappropriate or excessive risks at the expense of the Company and its shareholders that would be beneficial to them from the standpoint of their short term compensation when their long term compensation might be put at risk from their actions.

Due to the small size of the Company, and the current level of the Company's activity, the Board of Directors is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any may be identified and mitigated through regular Board meetings during which, financial and other information of the Company are reviewed, and which review includes executive compensation. No risks have been identified arising from the Company's compensation policies and practices

that are reasonably likely to have a material adverse effect on the Company.

There are no policies in place pursuant to which an NEO or director is permitted to purchase financial instruments including for greater certainty, prepaid variable forward contracts, equity swaps, collars, 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 an NEO or director.

### C. Summary Compensation Table

Jordan Trimble, the Company's current CEO and President and James G. Pettit, the Company's Chairman of the Board and acting CFO are the NEOs of the Company for the purposes of the following disclosure. The compensation for the NEOs, directly or indirectly, for the Company's three (3) most recently-completed financial years is as follows:

Name	Year	Salary (\$)	Share Based Awards (\$)	Option Based Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Jordan Trimble President and CEO	2016	Nil	Nil	\$ 2,555 <sup>(2)</sup>	Nil	Nil	\$42,000 <sup>(4)</sup>	\$44,555
	2015	Nil	Nil	\$27,354 <sup>(2)</sup>	Nil	Nil	\$57,759 <sup>(4)</sup>	\$85,113
	2014	Nil	Nil	\$41,172 <sup>(2)</sup>	Nil	Nil	\$47,750 <sup>(4)</sup>	\$88,922
James G. Pettit Chairman and Acting CFO	2016	Nil	Nil	\$ 2,555 <sup>(3)</sup>	Nil	Nil	\$ 6,000 <sup>(5)</sup>	\$ 8,555
	2015	Nil	Nil	\$21,554 <sup>(3)</sup>	Nil	Nil	\$11,000 <sup>(5)</sup>	\$32,554
	2014	Nil	Nil	\$43,531 <sup>(3)</sup>	Nil	Nil	\$12,000 <sup>(5)</sup>	\$55,531

\* The Company completed a consolidation of its share capital subsequent to the financial year ended March 31<sup>st</sup>, 2016, therefore all information disclosed herein is on a pre-consolidated basis.

- (1) The figures thus shown for March 31, 2016 are based on the fair value estimated at the date of option grant using the Black-Scholes pricing model.
- (2) During the financial year ending March 31, 2016, Mr. Trimble was granted an option to purchase 100,000 shares of the Company exercisable for a period of five years at an exercise price of \$0.075. During the preceding two financial years ending March 31<sup>st</sup>, the following options were granted to Mr. Trimble: on March 16, 2015, the Company granted Mr. Trimble an option to purchase 190,000 shares exercisable for five years at an exercise price of \$0.075 per share; on July 8, 2014 Mr. Trimble was granted an option to purchase 70,000 shares exercisable for a period of five years at an exercise price of \$0.10 per share; on April 28, 2014 was granted an option to purchase 100,000 shares exercisable for five years at an exercise price of \$0.10 per share; on February 18, 2014 Mr. Trimble was granted an option to purchase 160,000 shares at an exercise price \$0.115 per share exercisable for a period of five years; on September 5, 2013 Mr. Trimble was granted an option to purchase 70,000 shares exercisable for a period of five years at an exercise price of \$0.10 per share; on August 30, 2013 Mr. Trimble was granted an option to purchase 220,000 shares at an exercise price of \$0.10 exercisable for a period of five years.
- (3) During the financial year ending March 31, 2016, Mr. Pettit was granted an option to purchase up to 100,000 shares for a period of five years at an exercise price of \$0.075. During the preceding two financial years ending March 31<sup>st</sup>, the following options were granted to Mr. Pettit: on March 16, 2015, the Company granted Mr. Pettit an option to purchase 160,000 shares exercisable for five years at a price of \$0.075 per share; on July 8, 2014 Mr. Pettit was granted an option to purchase 45,000 shares exercisable for a period of five years at an exercise price of \$0.10; on April 28, 2014 was granted an option to purchase 80,000 shares exercisable for five years at an exercise price of \$0.10; on February 18, 2014 Mr. Pettit was granted an option to purchase 345,000 shares at an exercise price of \$0.115 per share exercisable for five years; on September 5, 2013 Mr. Pettit was granted an option to purchase 15,000 shares at an exercise price of \$0.10 for an exercise period of five years; on August 30, 2013 Mr. Pettit was granted an option to purchase 40,000 shares at an exercise price of \$0.10 per share exercisable for a period of five years.
- (4) Mr. Jordan Trimble, Chief Executive Officer, President and a director of the Company, is paid a monthly consulting fee of \$3,500 pursuant to the terms of a consulting agreement dated August 1, 2013. In addition, Mr. Trimble also receives compensation through a management company that provides office and administration services to various public companies. Refer to the section entitled "Management Contracts" for further details of this contract.
- (5) Mr. James G. Pettit, Chairman, acting Chief Financial Officer and a director of the Company, is paid a monthly consulting fee of \$500, plus pursuant to a consulting agreement dated January 1, 2012.

### D. Incentive Plan Awards

The Company has in place a Stock Option Plan for the purpose of attracting and motivating Directors, Officers, Employees and Consultants of the Company and advancing the interests of the Company by affording such persons the opportunity to acquire an equity interest in the Company through rights granted under the Plan to purchase shares of the Company. See "C. Incentive Stock Option Plan" under "XVI. Particulars of Matters to be Acted Upon" below for details relating to the Company's existing Stock Option Plan.

## OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table discloses the particulars of all awards for each NEO outstanding at the end of the Company's financial year ended **March 31, 2016**, including awards granted before this most recently completed financial year. It should be noted that the Company completed a share consolidation subsequent to the year end, however, for ease of reference the following information has been prepared on post consolidated basis:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$) <sup>(1)</sup>	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Jordan Trimble <sup>(1)</sup>	17,500	\$0.40	July 8, 2019	N/A	N/A	N/A
	25,000	\$0.40	April 28, 2019			
	40,000	\$0.46	February 18, 2019			
	17,500	\$0.40	September 5, 2018			
	55,000	\$0.40	August 30, 2018			
	47,500	\$0.30	March 16, 2020			
	25,000	\$0.30	July 9, 2020			
James G. Pettit <sup>(1)</sup>	11,250	\$0.40	July 8, 2019	N/A	N/A	N/A
	20,000	\$0.40	April 28, 2019			
	98,750	\$0.46	February 18, 2019			
	3,750	\$0.40	September 5, 2018			
	10,000	\$0.40	August 30, 2018			
	40,000	\$0.30	March 16, 2020			
	25,000	\$0.30	July 9, 2020			

<sup>(1)</sup> The market price of the Company's shares as at **March 31, 2016** was \$0.045 as such there were no "in-the-money" options outstanding as at the year ending March 31, 2016.

## INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

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

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
(a)			
Jordan Trimble	N/A	N/A	N/A
James G. Pettit	N/A	N/A	N/A

<sup>(1)</sup> There are no stock options outstanding that are subject to vesting.

**E. Pension Plan Benefits**

The Company has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement. The Company also does not have any deferred compensation plans relating to any NEO.

**F. Termination and Change of Control Benefits**

Other than as disclosed herein, the Company does not have any pension or retirement plan which is applicable to the NEOs. The Company has not provided compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as an NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company. The Company is not party to any compensation plan or arrangement with an NEO resulting from the resignation, retirement or termination of employment of any such person. In the event there is a "Change of Control" of the Company, defined as the acquisition of common shares or other voting securities of the Company ("Voting Securities") such that a person or persons come to hold, of record or beneficially, at least twenty per cent (20%) of the Voting Securities and act in concert with respect to voting such Voting Securities, the NEO may give a notice of termination to the Company. In which event the Company will be required to pay to the NEO on the last day of his employment the lump sum of \$100,000 and shall also pay, at the option of the NEO, the value of any in-the-money outstanding stock options held by the NEO as at the date of the notice.

The Company has no pension plan or other arrangement for non-cash compensation for its directors who are not NEOs, except incentive stock options.

The following table discloses all amounts of compensation provided by the Company to its directors **who are not NEOs** for the financial year ended **March 31, 2016**:

Name and Principal Position  (a)	Year  (b)	Salary (\$)  (c)	Share based awards (\$)  (d)	Option-based awards <sup>(1)</sup> (\$)  (e)	Non-equity incentive plan compensation \$  (f)		Pension value (\$)  (g)	All other compensation (\$)  (h)	Total compensation (\$)  (i)
					Annual incentive plans	Long-term incentive plans			
Donald C. Huston	2016	Nil	Nil	\$ 2,555 <sup>(2)</sup>	Nil	Nil	N/A	\$ 6,000 <sup>(3)</sup>	\$ 8,555
	2015	Nil	Nil	\$21,554 <sup>(2)</sup>	Nil	Nil	N/A	\$ 6,000 <sup>(3)</sup>	\$27,554
	2014	Nil	Nil	\$38,630 <sup>(2)</sup>	Nil	Nil	N/A	\$ 8,000 <sup>(3)</sup>	\$46,630
Donald G. Myers <sup>(4)</sup>	2016	Nil	Nil	\$ 2,555 <sup>(5)</sup>	Nil	Nil	N/A	\$20,108 <sup>(6)</sup>	\$22,663
	2015	Nil	Nil	\$21,554 <sup>(5)</sup>	Nil	Nil	N/A	\$24,639 <sup>(6)</sup>	\$46,193
	2014	Nil	Nil	\$38,630 <sup>(5)</sup>	Nil	Nil	N/A	\$25,075 <sup>(6)</sup>	\$63,705
Amanda B. Chow	2016	Nil	Nil	\$ 1,277 <sup>(7)</sup>	Nil	Nil	N/A	\$6,000 <sup>(8)</sup>	\$ 7,277
	2015	Nil	Nil	\$14,460 <sup>(7)</sup>	Nil	Nil	N/A	\$6,000 <sup>(8)</sup>	\$20,460
	2014	Nil	Nil	\$25,217 <sup>(7)</sup>	Nil	Nil	N/A	\$6,000 <sup>(8)</sup>	\$31,217

Richard Kusmirski	2016	Nil	Nil	\$ 2,555 <sup>(9)</sup>	Nil	Nil	N/A	\$50,300 <sup>(10)</sup>	\$ 52,855
	2015	Nil	Nil	\$21,554 <sup>(9)</sup>	Nil	Nil	N/A	\$110,400 <sup>(10)</sup>	\$131,954
	2014	Nil	Nil	N/A	Nil	Nil	N/A	N/A	N/A

\* The Company completed a consolidation of its share capital subsequent to the financial year ended March 31<sup>st</sup>, 2016, therefore all information disclosed herein is on a pre-consolidated basis.

- (1) The figures thus shown for March 31, 2016 are based on the fair value estimated at the date of option grant using the Black-Scholes pricing model.
- (2) During the Company's financial year ended March 31, 2016, Mr. Huston was granted an option to purchase up to 100,000 shares of the Company at an exercise price of \$0.075 exercisable for a period of five years. During the preceding two financial years ending March 31<sup>st</sup>, the following options were granted to Mr. Huston: on March 16, 2015, the Company granted Mr. Huston an option to purchase 160,000 shares exercisable for a period of five years at an exercise price of \$0.075 per share; on July 8, 2014 Mr. Huston was granted an option to purchase 45,000 shares exercisable for a period of five years at an exercise price of \$0.10; on April 28, 2014 was granted an option to purchase 80,000 shares exercisable for a period of five years at an exercise price of \$0.10; on February 18, 2014 Mr. Huston was granted an option to purchase 345,000 shares at an exercise price \$0.115 per share exercisable for a period of five years; on September 5, 2013 Mr. Huston was granted an option to purchase 15,000 shares at an exercise price of \$0.10 exercisable for a period of five years; on August 30, 2013 Mr. Huston was granted an option to purchase 40,000 shares at an exercise price of \$0.10 per share exercisable for a period of five years.
- (3) Mr. Huston is paid a monthly consulting fee of \$500 pursuant to the terms of a consulting agreement dated January 1, 2012 wherein he provides consulting services to the Company.
- (4) Mr. Myers resigned as a Director subsequent to the year end on July 20, 2016.
- (5) During the Company's year ended March 31, 2016, Mr. Myers was granted the following options: on March 16, 2015, the Company granted Mr. Myers an option to purchase 160,000 shares exercisable for a period of five years at an exercise price of \$0.075 per share. During the preceding two financial years ending March 31<sup>st</sup>, the following options were granted Mr. Myers: on July 8, 2014 Mr. Myers was granted an option to purchase 45,000 shares exercisable for a period of five years at an exercise price of \$0.10; on April 28, 2014 Mr. Myers was granted an option to purchase 80,000 shares exercisable for five years at an exercise price of \$0.10; on February 18, 2014 Mr. Myers was granted an option to purchase 345,000 shares at \$0.115 per share for five years; on September 5, 2013 Mr. Myers was granted an option to purchase 15,000 shares at \$0.10 for a period of five years; on August 30, 2013 Mr. Myers was granted an option to purchase 40,000 shares at \$0.10 per share for a period of five years.
- (6) Prior to his resignation, Mr. Myers received a monthly consulting fee of \$2,000 pursuant to the terms of a consulting agreement dated June 30, 2015. In addition, Mr. Myers received compensation through a management company that provides office and administration services to various public companies. Refer to the section entitled "Management Contracts" for further details of this contract. Mr. Myers' consulting agreement was cancelled subsequent to the financial year ended March 31, 2016.
- (7) During the Company's financial year ended March 31, 2016, Ms. Chow was granted the following options: on March 16, 2015, the Company granted Ms. Chow an option to purchase 100,000 shares exercisable for a period of five years at an exercise price of \$0.075 per share. During the preceding two financial years ending March 31<sup>st</sup>, the following options were granted to Ms. Chow: on July 8, 2014 Ms. Chow was granted an option to purchase 35,000 shares exercisable for a period of five years at an exercise price of \$0.10; on April 28, 2014 Ms. Chow was granted an option to purchase 55,000 shares exercisable for a period of five years at an exercise price of \$0.10; on February 18, 2014 Ms. Chow was granted an option to purchase 225,000 shares at an exercise price of \$0.115 per share exercisable for five years; on September 5, 2013 Ms. Chow was granted an option to purchase 15,000 shares at an exercise price of \$0.10 exercisable for a period of five years; on August 30, 2013 Ms. Chow was granted an option to purchase 25,000 shares at an exercise price of \$0.10 per share exercisable for a period of five years.
- (8) Ms. Chow is paid a monthly consulting fee of \$500 pursuant to the terms of a consulting agreement dated January 1, 2012 wherein she provides consulting services to the Company.
- (9) During the Company's financial year ended March 31, 2016, Mr. Kusmirski was granted the following options: on March 16, 2015, the Company granted Mr. Kusmirski an option to purchase 160,000 shares exercisable for period of five years at an exercise price of \$0.075 per share. During the preceding two financial years ending March 31<sup>st</sup>, the following options were granted to Mr. Kusmirski: on July 8, 2014 Mr. Kusmirski was granted an option to purchase 35,000 shares for an exercise period of five years at an exercise price of \$0.10; on April 28, 2014 Mr. Kusmirski was granted an option to purchase 45,000 shares exercisable for five years at an exercise price of \$0.10; on April 28, 2014 Mr. Kusmirski was granted an option to purchase 80,000 shares exercisable for a period of five years at an exercise price of \$0.10.
- (10) During the Company's financial year ended March 31, 2016, consulting fees of \$50,300 were paid to Mr. Kusmirski, or private companies of which Mr. Kusmirski is principal, for fees in consideration of providing geotechnical services to the Company on as "as needed" basis.

Other than as set forth in the foregoing or elsewhere herein, no director of the Company who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

The following table discloses the particulars of all awards for its directors who are **not NEOs**, outstanding at the end of the Company's financial year ended **March 31, 2016**, including awards granted before this most recently completed financial year. For ease of reference the following information has been prepared on post consolidated basis:

Option-based Awards					Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$) <sup>(1)</sup>	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Donald C. Huston	11,250	\$0.40	July 8, 2019	N/A	N/A	N/A
	20,000	\$0.40	April 28, 2019			
	86,250	\$0.46	February 18, 2019			
	6,000	\$0.40	September 5, 2018			
	10,000	\$0.40	August 30, 2018			
	40,000	\$0.30	March 16, 2020			
	25,000	\$0.30	July 9, 2020			
Donald G. Myers <sup>(2)</sup>	11,250	\$0.40	July 8, 2019	N/A	N/A	N/A
	20,000	\$0.10	April 28, 2019			
	86,250	\$0.46	February 18, 2019			
	6,000	\$0.40	September 5, 2018			
	10,000	\$0.40	August 30, 2018			
	40,000	\$0.30	March 16, 2020			
	25,000	\$0.30	July 9, 2020			
Amanda B. Chow	8,750	\$0.40	July 8, 2019	N/A	N/A	N/A
	13,750	\$0.40	April 28, 2019			
	63,750	\$0.46	February 18, 2019			
	3,750	\$0.40	September 5, 2018			
	6,250	\$0.40	August 30, 2018			
	20,000	\$0.30	March 16, 2020			
	12,500	\$0.30	July 9, 2020			
Richard Kusmirski	11,250	\$0.40	July 8, 2019	N/A	N/A	N/A
	20,000	\$0.40	April 28, 2019			
	40,000	\$0.30	February 18, 2019			
	25,000	\$0.30	July 9, 2020			

(1) The market price of the Company's shares as at March 31, 2016 was \$0.045 as such there were no "in-the-money" options outstanding as at the year ending March 31, 2016.

(2) Donald Myers resigned as a director of the Company subsequent to the financial year ending March 31<sup>st</sup>, 2016.

## X. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Company's compensation plans under which equity securities of the Company were authorized for issuance at the end of the Company's financial year ended **March 31, 2016**. For ease of reference the following information has been prepared on post consolidated basis:

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
Equity compensation plans approved by securityholders	1,851,687	\$0.38	374,403
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	1,851,687	NA	374,403

## **XI. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No executive officer, director, employee, former executive officer, former director, former employee, proposed nominee for election as a director, or associate of any such person has been indebted to the Company or its subsidiaries at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company or its subsidiaries at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

## **XII. MANAGEMENT CONTRACTS**

In addition to those management and/or consulting agreements referred under the section herein entitled "Executive Compensation", the Company has entered into the following management and/or consulting agreements which still remain current:

1. As at March 31, 2016 the Company operated from the premises of a private company, 98 Corporate Group Resources Ltd. ("98 Corporate"), that provided office and administration services to the Company and various other public companies on a short-term contract basis. 98 Corporate incurred costs which were reimbursed by the Company and charged an administration fee. 98 Corporate is a private company controlled by William A. Trimble. During the year ended March 31, 2016, Donald Myers received \$5,013 and Jordan Trimble received \$18,494 for administration purposes through 98 Corporate, those amounts were then reimbursed by the Company. The agreement with 98 Corporate was terminated on June 30, 2016.
2. On July 1, 2016 the Company entered into an agreement with Sentinel Market Services Ltd. ("Sentinel") to provide the Company with similar office and administrative services as with 98. Sentinel is a private company controlled by James Pettit, the Chairman and a Director of the Company.

## **XIII. LIABILITY INSURANCE**

The Company has purchased, at its expense, directors' and officers' liability insurance in the aggregate amount of \$1,000,000 for the protection of its directors and officers against liability incurred by them in their capacities as directors and officers of the Company and its subsidiaries. During its most recent financial year end, the Company paid a premium of \$4,900 for this insurance coverage.

## **XIV. CORPORATE GOVERNANCE**

Pursuant to National Policy 58-101 *Disclosure of Corporate Governance Practices* the Company is required to and hereby discloses its corporate governance practices as follows.

### **1. Board of Directors**

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

During the Company's financial year ended **March 31, 2016**, **Mr. Donald Huston** and **Mr. Donald Myers** were "independent" in that they were independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company, other than the interests and relationships arising from shareholdings.

## 2. Directorships

Certain directors are presently directors in one or more other reporting issuers, as follows:

Directors	Other Issuers
James Pettit	Aben Resources Ltd., Cuba Ventures Corp., Cypress Development Corp., Gold Reach Resources Ltd., (all TSX Venture Issuers).
Donald Huston	Aben Resources Ltd., Cuba Ventures Corp., Cypress Development Corp., (all TSX Venture Issuers).
Amanda Chow	Aben Resources Ltd., Cuba Ventures Corp., Cypress Development Corp., (all TSX Venture Issuers)
Donald Myers *	Cuba Ventures Corp., Cypress Development Corp., (both TSX Venture Issuers).
Richard Kusmirski	Troymet Exploration Corp., JNR Resources Inc., Noka Resources Ltd. (all TSX Venture Issuers).

\* Mr. Myers resigned as a Director subsequent to the year end on July 20, 2016.

## 3. Orientation and Continuing Education

The Board of Directors of the Company briefs all new directors with respect to the policies of the Board of Directors, and other relevant corporate and business information. The board does not provide any continuing education.

## 4. Ethical Business Conduct

The Board 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 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 Company.

## 5. Nomination of Directors

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

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

## 6. Compensation

The Compensation Committee is responsible for setting compensation paid to directors and executive officers, establishing and reviewing incentive plans for directors, officers and management, providing guidance to the Company on corporate governance matters. The Committee is composed of two directors. The current members are **Donald G. Myers** and **Amanda B. Chow**. The process determining compensation includes comparison with compensation in entities comparable to the Company. The Committee meets at least annually to fulfill its mandate.



## **7. Other Board Committees**

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

## **8. Assessments**

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

The Company has published its Corporate Disclosure Policy on its website at [www.skyharbourltd.com](http://www.skyharbourltd.com).

## **XV. AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

The Company is relying upon the exemption in section 6.1 of National Instrument 52-110 ("NI 52-110"), which states that venture issuers are exempt from the requirements in Part 3 of NI 52-110 and the reporting obligations in Part 5 of NI 52-110. National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following.

### **1. The Audit Committee's Charter**

The Audit Committee reviews all financial statements of the Company prior to their publication, oversees audits, considers the adequacy of audit procedures, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by them and reviews fees for audit services. The Audit Committee Charter has set criteria for membership which all members of the Audit Committee are required to meet consistent with NI 52-110 and other applicable regulatory requirements. The Audit Committee, as needed, meets separately (with the Company's auditors to discuss the various aspects of the Company's financial statements. A copy of the Audit Committee Charter is attached to this Information Circular.

### **2. Composition of Audit Committee**

As at the fiscal year ending March 31, 2016, the members of the Audit Committee were **James Pettit, Donald Huston, and Donald Myers**. **Mr. Donald Huston** and **Mr. Donald Myers** were "independent" in that they were independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company, other than the interests and relationships arising from shareholdings. All of the members of the Audit Committee are financially literate and all are experienced mining executives and have experience serving on various Boards and Audit Committees.

### **3. Relevant Education and Experience of Audit Committee**

#### **Donald C. Huston**

Mr. Donald C. Huston is a director on the boards of four junior resource companies which trade on the TSX Venture Exchange and has thirty years of experience within the industry. He has significant audit committee experience and has been involved in a variety of matters requiring financial literacy.

#### Donald G. Myers

Mr. Myers has over twenty years of experience in public company management and corporate communications working with companies listed on the TSX Venture Exchange, NASDAQ, and Toronto Stock Exchange. Mr. Myers is currently a director and/or officer and audit committee member of four junior public companies.

#### James Pettit

Mr. Pettit is a director on the boards of five junior resource companies which trade on the TSX Venture Exchange and has over twenty years of experience within the industry. He has significant audit committee experience and has been involved in a variety of matters requiring financial literacy.

As a result of their education and experience, each member of the audit committee has familiarity with, an understanding of, or experience in:

- (a) the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) reviewing or evaluating financial statements, that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, and
- (c) an understanding of internal controls and procedures for financial reporting.

#### **4. Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

#### **5. Reliance on Certain Exemptions**

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

#### **6. Pre-approval of Policies and Procedures**

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable the Audit Committee, on a case-by-case basis.

#### **7. External Auditor Service Fees (By Category)**

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 or 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 fees billed by the Company's auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
March 31, 2015	\$21,420	Nil	\$2,500	Nil
March 31, 2016	\$17,340	Nil	\$1,500	Nil

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

### **A. Election of Directors**

Management intends to propose for adoption an ordinary resolution that the number of directors of the Company be fixed at **six (6)**.

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by proxy will, on a poll, be voted for the nominees herein listed. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Information Circular:

Name of Nominee, Residence and Present Positions Held	Principal Occupation	Director Since	Number of Shares Beneficially Owned or Controlled <sup>(1)(2)</sup>
<b>Jordan Trimble, B.Sc., CFA</b> Vancouver, British Columbia <i>Chief Executive Officer and President</i>	President and Chief Executive Officer of Skyharbour Resources. Ltd. from June 4 2013 to present; corporate development executive from 2010 to present, 98 Corporate Group Resources Ltd. (a private management services company).	June 4, 2013	656,250 Shares
<b>James G. Pettit</b> North Vancouver, British Columbia <i>Chairman and Acting Chief Financial Officer</i>  <i>Audit Committee Member</i>	Director and/or officer of Aben Resources Ltd., Cypress Development Corp., and Cuba Ventures Corp., Gold Reach Resources Ltd. and Skyharbour Resources Ltd and former Director and Officer of Bayfield Ventures Corp, all reporting mineral resource companies the shares of which are listed on the TSX Venture Exchange.	June 15, 1999	208,000 Shares
<b>Donald C. Huston</b> North Vancouver, British Columbia  <i>Audit Committee Member</i>	Director and/or officer of Aben Resources Ltd., Cypress Development Corp., Cuba Ventures Corp. and Skyharbour Resources Ltd. and former Director of Bayfield Ventures Corp., all reporting mineral resource companies the shares of which are listed on the TSX Venture Exchange.	December 6, 2001	132,375 Shares

Name of Nominee, Residence and Present Positions Held	Principal Occupation	Director Since	Number of Shares Beneficially Owned or Controlled <sup>(1)(2)</sup>
<b>Amanda B. Chow, BBA, CPA, CMA</b> Port Moody, British Columbia  <i>Compensation Committee Member</i>	Chartered Professional Accountant, Director and/or officer of Aben Resources Ltd., Cypress Development Corp., Cuba Ventures Corp. and Skyharbour Resources Ltd. and former Director of Bayfield Ventures Corp., all reporting mineral resource companies the shares of which are listed on the TSX Venture Exchange	October 13, 2005	Nil
<b>Richard T. Kusmirski, M.Sc., P. Geo.</b> Saskatoon, Saskatchewan	Head of Advisory Board; Self-employed consulting geologist; Director of Troymet Exploration Corp. and former CEO and Director of JNR Resources Inc., Director of Noka Resources Ltd., all reporting mineral resource companies, the shares of which are listed on the TSX Venture Exchange.	April 1, 2014	462,500 Shares
<b>David D. Cates, CPA, CA, MAcc</b> Etobicoke, Ontario	President and CEO of Denison Mines Corp. and Uranium Participation Corp.	August 15, 2016	140,000 Shares

(1) post-consolidated shares.

(2) information obtained from [www.Sedi.ca](http://www.Sedi.ca).

The information has been furnished by the respective nominees or obtained from insider reports available at [www.sedi.ca](http://www.sedi.ca).

The terms of office of those nominees who are presently Directors will expire as of the date of the Meeting. All of the Directors who are elected at the Meeting will have their term of office expire at the next Annual General Meeting of the Company.

No proposed director of the Company is, or within the 10 years before the date of this Information Circular has been, a director or executive officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject

to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Directorships**

As previously disclosed, several directors of the Company also serve as directors of one or more other resource companies involved in mineral exploration and/or development. It may occur from time to time that, as a consequence of his or her activity in the mineral industry and serving on such other boards, a director may become aware of potential resource property opportunities which are of interest to more than one of the companies on whose boards that person serves. Furthermore, it is possible that the directors of the Company and the directors of one or more such other companies (many of which are described herein) may also agree to allow joint participation on the Company's properties or the properties of that other company. Accordingly, situations may arise in the ordinary course, which involve a director in an actual or potential conflict of interest as well as issues in connection with the general obligation of a director to make corporate opportunities available to the company whose board the director serves. In all such events, any director is required to disclose a financial interest in a contract or transaction by virtue of office, employment or security holdings or other such interest in another company or in a property interest under consideration by the Board, and is obliged to abstain from voting as a director of the Company in respect of any transaction involving that other company or in respect of any property in which an interest is held by him or her. The directors will use their best business judgment to avoid situations where conflicts or corporate opportunity issues might arise and they must at all times fulfil their duties to act honestly and in the best interests of the Company as required by law

### **B. Appointment of Auditor**

Management proposes that Davidson & Company, Chartered Accountants, of 1270 – 609 Granville Street, Vancouver, British Columbia, be re-appointed auditor of the Company for the ensuing year.

### **C. Incentive Stock Option Plan**

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution approving the renewal of the Company's Stock Option Plan (the "Plan"). It is a condition of Exchange approval of the Plan that shareholder approval be obtained annually. The purpose of the Plan is to assist the Company in attracting, retaining and motivating directors, officers and employees of the Company and to closely align the personal interests of such directors, officers and employees with the interests of the Company and its shareholders. Options granted under the Plan are non-assignable and may be granted for a term not exceeding that permitted by the Exchange (currently ten years). A summary of the material aspects of the Plan are as follows:

1. the Plan will be administered by the Company's Board of Directors or, if the Board so designates, a Committee of the Board appointed in accordance with the Plan to administer the Plan;
2. the maximum number of shares in respect of which options may be outstanding under the Plan at any given time is equivalent to 10% of the issued and outstanding shares of the Company at that time, less the number of shares, if any, subject to Prior Options;
3. following termination of an optionee's employment, directorship, consulting agreement or other qualified position, the optionee's option shall terminate upon the expiry of such period of time following termination, not to exceed 90 days (30 days if the optionee is engaged in providing investor relations services), as has been determined by the directors;
4. an option granted under the Plan will terminate one year following the death of the optionee. These provisions do not have the effect of extending the term of an option which would have expired earlier in accordance with its terms, and do not apply to any portion of an option which had not vested at the time of death or other termination;

5. as long as required by Exchange policy, no one individual may receive options on more than 5% of the issued and outstanding shares of the Company (the "Outstanding Shares") in any 12 month period, no one consultant may receive options on more than 2% of the Outstanding Shares in any 12 month period, and options granted to persons employed to provide investor relations services may not exceed, in the aggregate, 2% of the Outstanding Shares in any 12 month period;
6. options may not be granted at prices that are less than the Discounted Market Price as defined in Exchange policy which, subject to certain exceptions, generally means the most recent closing price of the Company's shares on the Exchange, less a discount of from 15% to 25%, depending on the trading value of the Company's shares;
7. any amendment of the terms of an option shall be subject to any required regulatory and shareholder approvals; and
8. in the event of a reorganization of the Company or the amalgamation, merger or consolidation of the shares of the Company, the Board of Directors shall make such appropriate provisions for the protection of the rights of the optionee as it may deem advisable.

A copy of the Company's current Plan will be available for review at the meeting. The directors recommend that shareholders approve the renewal of the Company's Option Plan.

#### **XVII OTHER MATTERS TO BE ACTED UPON**

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. The Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy.

#### **XVIII ADDITIONAL INFORMATION**

Additional Information concerning the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial Information concerning the Company is provided in the Company's comparative financial statements and Management's Discussion and Analysis for the financial year ended March 31, 2016.

Shareholders wishing to obtain a copy of the Company's financial statements and Management's Discussion and Analysis may contact the Company as follows:

SKYHARBOUR RESOURCES LTD.  
1610 – 777 Dunsmuir Street, Vancouver, B.C. V7Y 1K4  
Telephone: (604) 687-3376 Fax: (604) 687-3119  
E-mail: [info@skyharbourltd.com](mailto:info@skyharbourltd.com)

**BOARD APPROVAL**

The contents of this Information Circular have been approved and its mailing has been authorized by the directors of the Company.

**DATED** at Vancouver, British Columbia, this 13<sup>th</sup> day of September, 2016.

**ON BEHALF OF THE BOARD**

***“Jordan Trimble”***

**Jordan Trimble,**  
Chief Executive Officer and President