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## **INFORMATION CIRCULAR**

**AS AT MAY 16, 2018**

This Information Circular is furnished in connection with the solicitation of proxies by the Management of **FJORDLAND EXPLORATION INC.** (the "Company") for use at the Annual General and Special Meeting (the "Meeting") of the shareholders of the Company (the "Shareholders"), 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. Except where otherwise indicated, the information contained herein is stated as of May 16, 2018.

In this Information Circular, references to the "Company", "we" and "our" refer to Fjordland Exploration Inc. "Common Shares" means common shares without par value in the capital of the Company. "Registered Shareholders" means shareholders whose names appear on the records of the Company as the registered holders of Common Shares. "Non-Registered Shareholders" means shareholders who do not hold Common Shares in their own name. "Intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

### **GENERAL PROXY INFORMATION**

#### **Solicitation of Proxies**

THE ENCLOSED PROXY IS BEING SOLICITED BY MANAGEMENT OF THE COMPANY. 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 will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners). As a result, objecting beneficial owners will not receive the Information Circular and associated meeting materials unless their Intermediary assumes the costs of delivery. The Company is relying on the Notice-and-Access provisions of NI 54-101 to send proxy-related materials to Registered Shareholders or Non-Registered Shareholders in connection with the Meeting.

#### **Appointment and Revocation of Proxies**

The persons named in the accompanying form of Proxy (the "Proxy") are Directors or Officers of the Company. If you are a Registered Shareholder, you have the right to attend the meeting or vote by proxy and to appoint a person or company other than the person 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. Registered Shareholders electing to submit a Proxy may do so by:

- i) Completing, dating and signing the enclosed Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), by fax in North America at 1-866-249-7775, or by mail or hand delivery at 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Canada;
- ii) Using a touch-tone phone to transmit voting choices to the toll-free number given in the 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 Registered Shareholder's account number and the Proxy Control Number; or
- iii) Using the internet through the website of Computershare at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders who choose this option must follow the instructions that appear on the screen and

refer to the enclosed Proxy for the Registered Shareholder's account number and the Proxy Control Number.

In all cases you should ensure the Proxy is received at least 48 hours before the Meeting or the adjournment thereof at which the Proxy is to be used.

Every Proxy may be revoked by an instrument in writing:

- i) executed by the Registered Shareholder or by his/her attorney authorized in writing or, where the Registered Shareholder is a company, by a duly authorized officer or attorney of the company; and
- ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof;

or in any other manner provided by law.

**Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.** If you are a Non-Registered Shareholder, see "Non-Registered Shareholders" below for further information on how to vote your Common Shares.

#### **Exercise of Discretion by Proxyholder**

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

- i) each matter or group of matters identified therein for which a choice is not specified;
- ii) any amendment to or variation of any matter identified therein;
- iii) any other matter that properly comes before the Meeting; and
- iv) exercise of discretion of proxyholder.

#### **Non-Registered Shareholders**

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, 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 name of the Non-Registered Shareholder's Intermediary or an agent of that Intermediary. In Canada, the majority of such Common Shares are registered 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), and in the United States, 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).

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company. If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary if they have assumed the cost of delivering the meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in Canada and the United States.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the voting instruction form received from Broadridge in order to ensure that your Common Shares are voted at the Meeting. The voting instruction form supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The voting instruction form sent by Broadridge will name the same persons as the Company's Proxy to represent you at the Meeting. Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your intermediary, you, or a person designated by you (who need not be a Shareholder), may attend the Meeting as Proxyholder for your Intermediary and vote your Common Shares in that capacity. To exercise this right to attend the Meeting or appoint a Proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as Proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form.

**If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Common Shares voted.**

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

On **May 16, 2018**, 47,213,339 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.

Only Shareholders of record on the close of business on **May 16, 2018** who either personally attend the Meeting or who complete and deliver a Proxy in the manner and subject to the provisions set out under the heading "General Proxy Information" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

To the knowledge of the Directors and Senior Officers of the Company, only the following 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:

| Name  | Number of Shares        | Percentage |
|---|-------------------------|------------|
| Richard C. Atkinson<br>1100 – 1111 Melville Street<br>Vancouver B.C. V6E 3V6    | 5,680,425 <sup>1</sup>  | 12.03%     |
| Ivanhoe Industries, LLC<br>654 – 999 Canada Place<br>Vancouver, B.C.<br>V6C 1E1 | 14,000,000 <sup>2</sup> | 29.65%     |

<sup>1</sup>14,365,559 shares are held by Les Entreprises de Richard Atkinson Ltée., a company wholly owned by Richard C. Atkinson; 1,192,866 shares are held by Richard C. Atkinson; 122,000 of these shares are held by members of Richard C. Atkinson's immediate family.

<sup>2</sup>14,000,000 shares are held by HPX BC Holdings Ltd., a private company indirectly controlled by Ivanhoe Industries, LLC.

#### **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 Senior Officers of the Company, no proposed nominee for election as a Director of the Company, none of the persons who have

been Directors or Senior 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.

### **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.

Other than as set forth herein, 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.

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **A. General Provisions**

For the purposes of this Information Circular:

"CEO" of the Company means an individual who served as Chief Executive Officer of the Company, or performed functions similar to a Chief Executive Officer, for any part of the most recently completed financial year;

"CFO" of the Company means an individual who served as Chief Financial Officer of the Company, or performed functions similar to a Chief Financial Officer, for any part of the most recently completed financial year;

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

"executive officer" of the Company means an individual who is the Chairman or Vice-Chairman of the Board, the President, a CEO, a CFO, a Vice-President in charge of a principal business unit, division or function including sales, finance or production, or any other individual who performed a policy-making function in respect of the Company;

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most

recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;

- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

“underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

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

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

The Company’s Compensation Committee, which is comprised of G. Ross McDonald, Victor A. Tanaka and Peter Krag-Hansen, is solely responsible for the compensation program for the Company’s Named Executive Officers. At the request of the Compensation Committee, other directors may, from time to time, provide recommendations to the Compensation Committee with respect to compensation for the Company’s NEOs.

The compensation program’s objectives are:

- Attract and retain qualified and experienced executives to drive the continued development of the Company and its current and future mineral exploration assets, thereby creating shareholder value; and
- Provide executives, through independent research and analysis, with appropriate salaries and incentives and encourage the achievement of specific milestones with respect to the development of the Company.

The deliberations of the Compensation Committee are private. Compensation for the Company’s NEOs consists generally of: (i) base cash salary or consulting fee; (ii) cash bonus payments for achievement of specific milestones or benchmarks; and (iii) option grants pursuant to the Company’s Stock Option Plan. The Company does not provide the NEOs with personal benefits nor does the Company provide any additional compensation to its NEOs for serving as directors of the Company.

## **C. Summary Compensation Tables**

Richard C. Atkinson, President and CEO, Patricia Tanaka, CFO and G. Ross McDonald, former CFO, are the NEOs of the Company for the purposes of the following disclosure. Note Mr. McDonald resigned as CFO effective June 26, 2017 and Mrs. Tanaka was appointed CFO on that date. The compensation for the NEOs and directors of the Company who are not NEOs, directly or indirectly, for the Company’s two most recently-completed financial years is as follows:

| <b>Table of Compensation (excluding compensation securities)</b> |                 |  |                   |                                     |                                  |   |                                |
|--|-----------------|--|-------------------|-------------------------------------|----------------------------------|---|--------------------------------|
| <b>Name and Position</b>   | <b>Year</b>     | <b>Salary, Consulting Fee, Retainer or Commission (\$)</b> | <b>Bonus (\$)</b> | <b>Committee or Meeting Fees \$</b> | <b>Value of Perquisites (\$)</b> | <b>Value of all other compensation (\$)</b> | <b>Total compensation (\$)</b> |
| Richard C. Atkinson<br>President & CEO<br>and Director           | Dec 31,<br>2017 | Nil  | Nil               | Nil                                 | Nil                              | 41,207                                      | 41,207                         |
|  | Dec 31,<br>2016 | Nil  | Nil               | Nil                                 | Nil                              | Nil   | Nil                            |
| Patricia Tanaka<br>CFO   | Dec 31,<br>2017 | 36,000   | Nil               | Nil                                 | Nil                              | 54,943                                      | 90,943                         |
|  | Dec 31,<br>2016 | 36,000   | Nil               | Nil                                 | Nil                              | Nil   | 36,000                         |

|  |                 |     |     |     |     |        |        |
|--|-----------------|-----|-----|-----|-----|--------|--------|
| G. Ross McDonald<br>Director and Former<br>CFO | Dec 31,<br>2017 | Nil | Nil | Nil | Nil | 21,977 | 21,977 |
|  | Dec 31,<br>2016 | Nil | Nil | Nil | Nil | Nil    | Nil    |
| Peter Krag-Hansen<br>Director                  | Dec 31,<br>2017 | Nil | Nil | Nil | Nil | 96,150 | 96,150 |
|  | Dec 31,<br>2016 | Nil | Nil | Nil | Nil | Nil    | Nil    |
| Victor A. Tanaka<br>Director                   | Dec 31,<br>2017 | Nil | Nil | Nil | Nil | 41,757 | 41,757 |
|  | Dec 31,<br>2016 | Nil | Nil | Nil | Nil | Nil    | Nil    |

The following table discloses all compensation securities granted or issued to each NEO and Director by the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company.

| Compensation Securities  |   |   |                        |  |  |   |             |
|--|---|---|------------------------|--|--|---|-------------|
| Name and position  | Type of compensation security                 | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry date |
| Richard C. Atkinson<br>President and CEO                           | Stock Options<br>Underlying Shs<br>% of class | 75,000<br>75,000<br>7.76%   | Sep 12/17              | 0.55                                     | 0.55   | 0.295   | Sep 12/22   |
| Patricia Tanaka<br>CFO   | Stock Options<br>Underlying Shs<br>% of class | 100,000<br>100,000<br>10.35%  | Sep 12/17              | 0.55                                     | 0.55   | 0.295   | Sep 12/22   |
| G. Ross McDonald<br>Director and former<br>Chief Financial Officer | Stock Options<br>Underlying Shs<br>%          | 40,000<br>40,000<br>4.14%   | Sep 12/17              | 0.55                                     | 0.55   | 0.295   | Sep 12/22   |
| Peter Krag-Hansen<br>Director                                      | Stock Options<br>Underlying Shs<br>%          | 175,000<br>175,000<br>18.11%  | Sep 12/17              | 0.55                                     | 0.55   | 0.295   | Sep 12/22   |
| Victor A. Tanaka<br>Director                                       | Stock Options<br>Underlying Shs<br>%          | 76,000<br>76,000<br>7.87%   | Sep 12/17              | 0.55                                     | 0.55   | 0.295   | Sep 12/22   |

The following table discloses each exercise of compensation securities by NEOs and directors during the most recently completed financial year.

| Exercise of Compensation Securities by Directors and NEOs |                               |   |                                  |                  |   |  |                                   |
|---|-------------------------------|---|----------------------------------|------------------|---|--|-----------------------------------|
| Name and position   | Type of compensation security | Number of underlying securities exercised | Exercise price per security (\$) | Date of exercise | Closing price per security on date of exercise (\$) | Difference between exercise price and closing price on date of exercise (\$) | Total value on exercise date (\$) |
| N/A   | N/A                           | N/A                                       | N/A                              | N/A              | N/A   | N/A  | N/A                               |

There were no exercises of stock options by NEOs and directors during the year ended December 31, 2017.

The Company's current Stock Option Plan is a 20% fixed plan (refer to the section "Stock Option Plan" under "Particulars of Matters to be Acted Upon").

There were no re-pricings or cancellations of Stock Options under the Stock Option Plan or otherwise during

the year ended December 31, 2017.

The Company has no pension plans that provide for payments or benefits to NEOs and directors.

**D. Employment, Consulting and Management Agreements of Directors and NEOs**

The Company has no employment, consulting or management agreements in place with respect to the directors and NEOs.

There are no triggering events that could lead to possible future payments in respect of any of the directors and NEOs.

**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 most recently completed financial year.

| <b>Plan Category</b>                                       | <b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b> | <b>Weighted-average exercise price of outstanding options, warrants and rights</b> | <b>Number of securities remaining available for future issuance under equity compensation plans</b> |
|--|--|--|---|
| Equity compensation plans approved by security holders     | 15,663,000   | \$0.23   | 846,276   |
| Equity compensation plans not approved by security holders | Nil  | \$Nil  | Nil   |
| <b>Total</b>   | <b>15,663,000</b>  | <b>\$0.23</b>  | <b>846,276</b>  |

The Company's equity compensation plan consists only of stock options.

**INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, and no associates or affiliates of any of them, is or has been indebted to the Company or its subsidiaries at any time since the beginning of the Company's last completed financial year.

**CORPORATE GOVERNANCE DISCLOSURE**

**General**

A summary of the responsibilities and activities and the membership of each of the Committees is set out below. National Instrument 58-201 – Corporate Governance Guidelines establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the board of directors (the "**Board**") considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 – Disclosure of Corporate Governance Practices mandates disclosure of corporate governance practices, which disclosure is set out below.

**A. Independence of Members of the Board**

The Company's Board consists of four directors, of whom Peter Krag-Hansen and Victor A. Tanaka are independent based upon the tests for independence set forth in National Instrument 52-110 – Audit

Committees (“NI 52-110”). Richard C. Atkinson, President and CEO and G. Ross McDonald, former Chief Financial Officer, are not considered independent.

**B. Management Supervision by the Board**

The size of the Company is such that all the Company’s operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing the operations of the Company and have regular and full access to management. The independent directors are able to meet at any time without any members of management including the non-independent directors, being present. Further supervision is performed through the audit committee which is composed of two independent directors who meet with the Company’s auditors annually or as required throughout the fiscal year.

**C. Participation of Directors In Other Reporting Issuers**

The participation of the directors in other reporting issuers is described in the table provided under "Particulars of Matters to be Acted Upon – Elections of Directors" in this Information Circular.

**D. Orientation and Continuing Education**

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board and committees;
2. access to recent, publicly filed documents of the Company; and
3. access to management.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management’s assistance; and to attend related industry seminars and visit the Company’s operations. Board members have full access to the Company’s records.

**E. Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to Shareholders. The Company has adopted a Code of Business Conduct and Ethics, a Whistleblower Policy, and an Insider Trading Policy, copies of which are available upon request.

**F. Nomination of Directors**

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mining exploration industry are consulted for possible candidates.

**G. Compensation**

Compensation paid to NEOs and directors is described in Items B and C of the section entitled “Statement of Executive Compensation”.

**H. Board Committees**

In addition to the Audit Committee, and the Compensation Committee the Board has a Corporate Governance Committee consisting of Richard C. Atkinson, Peter Krag-Hansen and Victor A. Tanaka. The Corporate Governance Committee reviews corporate policies and has incorporated a code of ethics and conduct for employees to ensure that high business standards are maintained and that the Company is compliant with regulatory requirements.

**I. Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company’s development.



## **AUDIT COMMITTEE DISCLOSURE**

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 below.

The Company's audit committee is governed by an audit committee charter, the text of which is attached as Schedule "A" to this Information Circular.

The Company's audit committee is comprised of three directors: G. Ross McDonald, Peter Krag-Hansen and Victor A. Tanaka. As defined in NI 52-110, Peter Krag-Hansen and Victor A. Tanaka are considered "independent" directors, G. Ross McDonald is considered a non "independent" director and all of the members are considered "financially literate". The audit committee meets the requirements applicable to a "venture issuer" (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*).

The educational background or experience of the respective audit committee members that has enabled each to perform his responsibilities as an audit committee member and has provided the member with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as experience preparing, auditing, analyzing 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, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting is as follows:

**G. Ross McDonald** is a chartered accountant providing audit and tax services to businesses, primarily clients involved in the mining industry. Mr. McDonald is a director of a number of resource issuers.

**Peter Krag-Hansen** was previously a Senior Vice President and Director of Canaccord Capital Corporation, the largest independent investment firm in Canada. Mr. Krag-Hansen has over 20 years of experience in the securities field.

**Victor A. Tanaka** is a geologist with over thirty years experience managing and directing junior exploration companies across North America. Mr. Tanaka is a director of a number of resource issuers.

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.

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 or an exemption from NI 52-110 in whole or in part, granted under Part 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.

The audit committee has specific policies and procedures for the engagement of non-audit services, as described in its audit committee charter.

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 paid by the Company to its 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 |
|-----------------------|------------|--------------------|----------|----------------|
| December 31, 2017     | \$14,000   | \$Nil              | \$2,000  | \$280          |
| December 31, 2016     | \$12,500   | \$Nil              | \$6,750  | \$250          |

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### FINANCIAL STATEMENTS

The audited financial statements of the Company for the financial year ended December 31, 2017, together with the Auditors' Report thereon, will be presented to the shareholders at the Meeting.

#### ELECTION OF DIRECTORS

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of Directors at **four (4)**.

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. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY THE PERSON NAMED IN THE PROXY AS NOMINEE TO VOTE THE SHARES REPRESENTED BY PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS.

Management proposes that the number of directors for the Company be determined at four for the ensuing year subject to such increases as may be permitted by the Articles of the Company, and the Management nominees for the Board of Directors and information concerning them as furnished by the individual nominees are as follows:

| NAME, PROVINCE AND COUNTRY OF RESIDENCE AND OFFICE HELD                                    | PRINCIPAL OCCUPATION OR EMPLOYMENT  | DATE APPOINTED | HOLDINGS IN VOTING SECURITIES OF THE ISSUER <sup>1</sup> |
|--|---|----------------|--|
| Richard C. Atkinson,<br>P.Eng. <sup>(6)</sup><br>B.C., Canada<br>President, CEO & Director | Independent investor, Les Entreprises de Richard Atkinson Ltée., 1987 to present.                                   | June 27, 1996  | 5,680,425 <sup>2</sup>                                   |
| Peter Krag-Hansen <sup>(4)(5)(6)</sup><br>B.C., Canada<br>Director                         | Independent investor; Senior Vice President and Director, Canaccord Capital Corporation, January 1986 to July 2003. | Aug 15, 2003   | 1,095,002  |
| G. Ross McDonald <sup>(4)(5)</sup><br>B.C., Canada<br>Director                             | Chartered Accountant  | Jan 31, 2005   | 390,000 <sup>3</sup>                                     |

|   |  |               |           |
|---|--|---------------|-----------|
| Victor A. Tanaka,<br>P.Geo. <sup>(4)</sup> <sup>(5)</sup> <sup>(6)</sup> B.C., Canada<br>Director | President, Bayswater Uranium Corp.,<br>Dec 2012 to present; Vice President,<br>Bayswater Uranium Corp, August 2006<br>to Dec 2012. | June 27, 1996 | 1,000,107 |
|---|--|---------------|-----------|

<sup>1</sup>Information furnished by individuals.

<sup>2</sup>4,365,559 shares are held by Les Entreprises de Richard Atkinson Ltée., a company wholly owned by Richard C. Atkinson; 1,192,866 shares are held by Richard C. Atkinson; 122,000 of these shares are held by members of Richard C. Atkinson's immediate family

<sup>3</sup>110,000 of these shares are held by G. Ross McDonald Inc., a company wholly owned by G. Ross McDonald.

<sup>4</sup>Member of Audit Committee.

<sup>5</sup>Member of Compensation Committee.

<sup>6</sup>Member of Corporate Governance Committee.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

The following directors of the Company hold directorships in other reporting issuers as set out below:

| <b>Name of Director</b> | <b>Name of Other Reporting Issuer</b>  |
|-------------------------|--|
| Peter Krag-Hansen       | Highway 50 Gold Corp.<br>Consolidated Woodjam Copper Corp.   |
| G. Ross McDonald        | Bravada Gold Corporation<br>Constantine Metal Resources Ltd.   |
| Victor A. Tanaka        | Bayswater Uranium Corporation<br>Consolidated Woodjam Copper Corp.<br>Impact Silver Corp.<br>Westhaven Ventures Inc. |

To the knowledge of management of the Company, no proposed director of the Company is, or within the ten years prior to 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:

- i) was the subject of a cease trade order 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;
- ii) 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;
- iii) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- iv) has individually, within the 10 years prior to 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 director, officer or shareholder.

To the knowledge of management of the Company, no proposed director of the Company is, or within the 10 years prior to this Information Circular has:

- i) 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; or
- ii) been subject to:
  - (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
  - (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **APPOINTMENT OF AUDITOR**

Management proposes the re-appointment of Davidson & Company LLP, Chartered Accountants, as auditors of the Company for the ensuing year and that the directors be authorized to fix their remuneration. Davidson & Company LLP were appointed auditors for the Company on January 9, 2007.

***The persons named as proxies in the enclosed form of proxy intend to cast the votes represented by proxy in favour of the foregoing resolution unless the holder of shares who has given such proxy has directed that the votes be otherwise cast.***

## **STOCK OPTION PLAN**

The policies of the TSX Venture Exchange (the "Exchange") provide that all listed companies adopt an incentive stock option plan, and that options may only be granted under such a plan after it has been accepted by the Exchange.

The Company already has an incentive stock option plan in place, which has been approved by shareholders, and which currently provides that options may be granted in respect of up to an aggregate of 4,151,276 shares.

The Company proposes a new rolling 10% incentive stock option plan (the "Plan") pursuant to which the number of Common Shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding Common Shares of the Company at the time of the grant. In addition, the maximum number of options which may be granted to any one individual may not exceed 5% of the issued Common Shares in a 12 month period or 2% if the optionee is engaged in investor relations activities or is a consultant, and the maximum number of options granted to insiders of the Company in a 12 month period may not exceed 10% of the issued Common Shares. Based on the issued and outstanding Common Shares of the Company as at May 16, 2018, options exercisable to acquire an aggregate of 4,721,334 Common Shares of the Company are currently authorized to be granted under the Plan of which options exercisable to acquire an aggregate of 3,305,000 Common Shares of the Company have been granted and are currently outstanding.

Under TSX Venture Exchange policy, all such rolling stock option plans which set the number of Common Shares issuable under the plan at a maximum of 10% of the issued and outstanding Common Shares must be approved and ratified by Shareholders on an annual basis. Therefore, at the Meeting, Shareholders will be asked to pass a resolution in substantially the following form:

**"RESOLVED that, subject to TSX Venture Exchange acceptance, the Company's Plan is approved."**

The purpose of the Plan is to allow the Company to grant options to directors, officers, employees and consultants as additional compensation and as an opportunity to participate in the success of the Company.

The granting of such options is intended to align the interests of such persons with that of the Shareholders. Options will be exercisable over periods of up to ten years as determined by the Board of the Company and are required to have an exercise price no less than the closing market price of the Shares prevailing on the day that the option is granted less the allowable discount, the amount of the discount varying with market price in accordance with the policies of the TSX Venture Exchange. Pursuant to the Plan, the Board may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion. The Plan provides that if a change of control, as defined therein, occurs, all Shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

The full text of the Plan, subject to any revisions required by the TSX Venture Exchange, is available for viewing by request to the Company at Suite 1100, 1111 Melville Street, Vancouver, BC V6E 3V6 and will be available for viewing at the Meeting.

***The directors of the Company believe the passing of the foregoing ordinary resolution is in the best interests of the Company and recommend that Shareholders of the Company vote in favour of the resolution.***

***The persons named as proxies in the enclosed form of proxy intend to cast the votes represented by proxy in favour of the foregoing resolution unless the holder of Common Shares who has given such proxy has directed that the votes be otherwise cast.***

**Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Instrument of Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.**

#### **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 December 31, 2017.

Shareholders wishing to obtain a copy of the Company's financial statements and Management's Discussion and Analysis may contact the Company at Tel. (604) 893-8365 or by email at [info@fjordlandex.com](mailto:info@fjordlandex.com).

#### **BY ORDER OF THE BOARD OF DIRECTORS**

*"Richard C. Atkinson"*

Richard C. Atkinson, P.Eng.  
President & CEO

## **SCHEDULE**

**TO INFORMATION CIRCULAR AS AT MAY 16, 2018**

### **FJORDLAND EXPLORATION INC. CORPORATE GOVERNANCE POLICIES**

- 1. Code of Business Conduct and Ethics**
- 2. Committee Charters**
  - a. Audit Committee**
  - b. Whistleblower Policy**

## **CODE OF BUSINESS CONDUCT AND ETHICS**

### **I. INTRODUCTION**

We require high standards of professional and ethical conduct from our employees. Our reputation with our shareholders and prospective investors for honesty and integrity is key to the success of our business. No employee, contractor, or consultant will be permitted to achieve results through violations of laws or regulations, or through unscrupulous dealings.

We intend that the Company's business practices will be compatible with the economic and social priorities of each location in which we operate. Although customs vary by country and standards of ethics may vary in different business environments, honesty and integrity must always characterize our business activity. If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation.

This Code reflects our commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees, contractors, and consultants are expected to comply. Please read this Code carefully.

In addition to following this Code in all aspects of your business activities, you are expected to seek guidance in any case where there is a question about compliance with both the letter and the spirit of our policies and applicable laws. This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees, contractors, and consultants of the Company. This Code does not supersede the specific policies and procedures that are covered in the Company's operating manuals or in separate specific policy statements. References in this Code to the "Company" means the Company or any of its subsidiaries. Reference to "employees" includes officers, contractors, independent accounting contractors, and consultants.

Those who violate the standards set forth in this Code will be subject to disciplinary action up to and including dismissal. *If you are in a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described in Section XVII below.*

Your cooperation is necessary to the continued success of our business and the cultivation and maintenance of our reputation as a good corporate citizen.

### **II. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Compliance with the letter and spirit of all laws, rules and regulations applicable to our business is critical to our reputation and continued success. All employees must respect and obey the laws of the cities, provinces, states and countries in which we operate and avoid even the appearance of impropriety. Not all employees are expected to know the details of these laws, but it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. The Company holds information and training sessions to promote compliance with laws, rules and regulations, including insider trading laws.

### **III. CONFLICTS OF INTEREST**

A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with the interests of the Company. A conflict situation can arise when an employee or director takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest also arise when an employee or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, such persons are likely to pose conflicts of interest, as are transactions of any kind between the Company and any other organization in which you or any member of your family have an interest.

It may be perceived as a conflict of interest for an employee to work simultaneously for a competitor, customer or supplier. Therefore, working for a competitor, as a consultant or director, is discouraged by the Company. The best policy is to avoid any direct or indirect business connection with our customers, suppliers or competitors,

except on behalf of the Company. However, should you find yourself in a situation as such, you are expected to disclose the potential conflict of interest to both the Company, and the other party.

Activities that could give rise to conflicts of interest are prohibited unless specifically approved by the Board of Directors or the Audit Committee. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interests should be reported immediately to senior management or the Company's general legal counsel.

Given that the Directors are engaged in a wide range of activities, each Director or officer is required to disclose to the Company any interest in a material contract or transaction or proposed material contract or transaction with the Company or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Company. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In any case, a Director who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his remuneration as a Trustee, one for indemnity under the Declaration of Trust or one for insurance

#### **IV. CORPORATE OPPORTUNITIES**

Employees and directors are prohibited from taking for themselves personally opportunities that arise through the use of corporate property, information or position and from using corporate property, information or position for personal gain. Employees and directors are also prohibited from competing with the Company directly or indirectly. Employees and directors owe a duty to the Company to advance the legitimate interests of the Company when the opportunity to do so arises.

#### **V. CONFIDENTIALITY**

Employees must maintain the confidentiality of information entrusted to them by the Company or that otherwise comes into their possession in the course of their employment, except when disclosure is authorized or legally mandated. Employees are required to execute a confidentiality agreement upon employment and from time to time during the course of employment. The obligation to preserve confidential information continues even after you leave the Company.

Confidential information includes all non-public information that may be of use to competitors, or harmful to the Company or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us.

#### **VI. PROTECTION AND PROPER USE OF COMPANY ASSETS**

All employees should endeavour to protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation.

Company assets, such as equipment, funds or computers, may only be used for legitimate business purposes or other purposes approved by management. Company assets may never be used for illegal purposes.

The obligation to protect Company assets includes proprietary information. Proprietary information includes any information that is not generally known to the public or would be helpful to our competitors. Examples of proprietary information include intellectual property, such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, proprietary geological concepts, engineering and manufacturing ideas, designs, contact lists, databases, records, salary information and any unpublished geological, geophysical, geochemical, financial data or reports. Unauthorized use or distribution of this information is a violation of Company policy. It may also be illegal and may result in civil and criminal penalties. The obligation to preserve proprietary information continues even after you leave the Company.



**VII. INSIDER TRADING**

Employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of the business of the Company. All material undisclosed information about the Company should be considered confidential. To use material undisclosed information for personal financial benefit or to “tip” others who might make an investment decision on the basis of this information, is not only unethical, but also illegal. Further reference can be made to the [TSX Venture Exchange Policy 3.1, Section 5.

**VIII. FAIR DEALING**

We seek to outperform our competition fairly and honestly and to acquire, explore and develop mineral projects in a fair and honest manner. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information obtained without the owner’s consent or inducing the disclosures of proprietary information or trade secrets by past or present employees of other companies is prohibited. Each employee should endeavor to deal fairly with the Company’s business associates, option partners, joint venture partners, suppliers, competitors and employees. No employee should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

**IX. DISCRIMINATION AND HARASSMENT**

We value the diversity of our employees and are committed to providing equal opportunity in all aspects of employment. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Employees are encouraged to speak out when a co-worker’s conduct makes them uncomfortable, and to report harassment when it occurs.

**X. SAFETY AND HEALTH**

We are all responsible for maintaining a safe and healthy workplace by following safety and health rules and practices, and more specifically detailed in the Company’s Safety Manual/Field Guide and Fuel Spill Contingency Plan. The Company is committed to keeping its workplaces and project areas free from hazards. Please report any accidents, injuries, unsafe equipment, practices or conditions immediately to a supervisor or other designated person. Threats or acts of violence or physical intimidation are prohibited.

In order to protect the safety of all employees, employees must report to work in condition to perform their duties and free from the influence of any substance that could prevent them from conducting work activities safely and effectively. The use of alcohol or illegal drugs in the workplace is prohibited. Likewise, employees are prohibited from being under the influence of alcohol or illegal drugs during the course of their duties.

**XI. RECORDKEEPING**

Honest and accurate recording and reporting of information is critical to our financial reporting and our ability to make responsible business decisions. The Company’s accounting records are relied upon to produce reports for the Company’s management, shareholders, creditors, governmental agencies and others. Our financial statements and the books and records on which they are based must truthfully and accurately reflect all corporate transactions and conform to all legal and accounting requirements and our system of internal controls.

All employees have a responsibility to ensure that the Company’s records, including accounting records, do not contain any false or intentionally misleading entries. We do not permit intentional misclassification of transactions as to accounts, departments or accounting periods. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.

All Company books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect Company transactions and must conform to both applicable legal requirements and the system of internal controls of the Company. Unrecorded or “off the books” funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications may become public through legal or regulatory investigations or the media. Exaggeration, derogatory remarks, legal conclusions or inappropriate characterizations of people and companies must be avoided. This applies to communications of all kinds, including email and informal notes or interoffice memos. Records should be retained and destroyed in accordance with the Company's records retention policy.

## **XII. USE OF E-MAIL AND INTERNET SERVICES**

E-Mail systems and Internet services are provided to help us do work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. You may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit material or jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. Also remember that "flooding" our systems with junk mail and trivia hampers the ability of our systems to handle legitimate Company business and is prohibited.

Employees should not download copyrighted materials, should not copy material that is not licensed to the Company and should follow the terms of a licence when using material that is licenced to the Company. No changes should be made to licensed materials without the prior consent of the Company. In addition, employees are prohibited from downloading games and screensavers as these are common sources of viruses.

Your messages (including voice mail) and computer information are considered the Company's property and you should not have any expectation of privacy. Unless prohibited by law, the Company reserves the right to access and disclose this information as necessary for business purposes. Use good judgment, and do not access, send messages or store any information that you would not want to be seen or heard by other individuals.

## **XIII. POLITICAL ACTIVITIES AND CONTRIBUTIONS**

We respect and support the right of our employees to participate in political activities. However, these activities should not be conducted on Company time or involve the use of any Company resources such as telephones, computers or supplies. Employees will not be reimbursed for personal political contributions.

We may occasionally express our views on local and national issues that affect our operations. In such cases, Company funds and resources may be used, but only when permitted by law and by our strict guidelines. The Company may also make limited contributions to political parties or candidates in jurisdictions where it is legal and customary to do so. No employee may make or commit to political contributions on behalf of the Company without the approval of the Board of Directors.

## **XIV. GIFTS AND ENTERTAINMENT**

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, travel, accommodation and other merchandise or services. In some cultures they play an important role in business relationships. However, a problem may arise when such courtesies compromise — or appear to compromise — our ability to make objective and fair business decisions.

Offering or receiving any gift, gratuity or entertainment that might be perceived to unfairly influence a business relationship should be avoided. These guidelines apply at all times, and do not change during traditional gift-giving seasons. No gift or entertainment should ever be offered, given, provided or accepted by any director or employee of the Company, or by any family member of a director or employee, unless it:

- (a) is not a cash gift;
- (b) is consistent with customary business practices;
- (c) is not excessive in value;
- (d) cannot be construed as a bribe or payoff; and
- (e) does not violate any applicable laws or regulations.

Please discuss with your supervisor any gifts or proposed gifts if you are uncertain whether they are appropriate.

#### **XV. WAIVERS OF THIS CODE OF BUSINESS CONDUCT AND ETHICS**

Any waiver of this Code with respect to a director or officer of the Company may be made only by the Board of Directors or the Audit Committee. Any such waiver will be promptly disclosed to the extent required by applicable law or stock exchange regulation.

#### **XVI. REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR**

We have a strong commitment to conduct our business in a lawful and ethical manner. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation and to report violations of laws, rules, regulations or this Code. We prohibit retaliatory action against any employee who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

#### **XVII. COMPLIANCE PROCEDURES**

This Code cannot, and is not intended to, address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of action.

Since we cannot anticipate every situation that may arise, it is important for the Company to set forth a general way to approach a new question or problem. These are the steps to keep in mind:

- *Make sure you have all of the facts.* In order to reach the right solutions, you must be as fully informed as possible.
- *Ask yourself what you are specifically being asked to do.* This analysis will enable you to focus on the specific issues that are raised and the available alternatives. Use your judgment and common sense. If something seems unethical or improper, it probably is.
- *Clarify your responsibility and role.* In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and to discuss the problem.
- *Discuss the problem with your supervisor.* This approach is best in most if not all situations. Your supervisor may be more knowledgeable about the issue and will appreciate being brought into the process. It is a supervisor's responsibility to help you to solve problems.
- *Seek help from Company resources.* In the rare instance in which it may not be appropriate to discuss an issue with your supervisor, or in which you feel uncomfortable approaching your supervisor, discuss the problem with the Company's general legal counsel. If you prefer to write, address your concerns to the Company's general legal counsel or the President.
- *You may report ethical violations in confidence and without fear of retaliation.* If your situation requires that your identity be kept secret, the Company will protect your anonymity. The Company does not permit retaliation of any kind against employees for good faith reports of ethical violations.
- *Ask first.* If you are unsure of the proper course of action, seek guidance before you act.

## AUDIT COMMITTEE CHARTER

### PURPOSE OF THE COMMITTEE

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Fjordland Exploration Inc. (the “Company”) is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company’s articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

### AUTHORITY AND RESPONSIBILITIES

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company’s Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Company’s accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
  - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.

## **WHISTLEBLOWER POLICY**

### **General**

Fjordland Exploration Inc. (the "Company") requires its directors, officers and employees to observe high standards of professionalism and ethical conduct in maintaining the financial records of the Company. Pursuant to its Charter, the Audit Committee of the Board of Directors of the Company is responsible for reviewing (on a confidential basis if necessary) all complaints or submissions received from employees of the Company regarding accounting or auditing matters concerning the Company. In order to carry out its responsibilities under its Charter, the Audit Committee has adopted this Whistleblower Policy (the "Policy").

For the purposes of this Policy, all accounting or auditing matters which are the subject of a complaint or submission are referred to as an "Accounting Irregularity".

### **No Retaliation**

No officer or employee who in good faith reports an Accounting Irregularity shall suffer harassment, retaliation or adverse employment consequence. An officer or employee who retaliates against someone who has reported an Accounting Irregularity in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Company rather than seeking resolution outside the Company.

## **Reporting Violations**

It is the responsibility of all directors, officers and employees to report all suspected Accounting Irregularities in accordance with this Whistleblower Policy. The Company maintains an open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. An employee's supervisor may be more knowledgeable about the issue and will appreciate being brought into the process. It is the supervisor's responsibility to help you to solve the problem.

However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with anyone in management whom you are comfortable in approaching. Supervisors and managers are required to report suspected Accounting Irregularities to the Company's Whistleblower, Peter Krag-Hansen, or to any member of the Audit Committee. Mr. Krag-Hansen's direct telephone line is (604) 657-2997. The Audit Committee has specific and exclusive responsibility to investigate all reported violations. For suspected fraud or securities law violations, or when you are not satisfied or uncomfortable with following the Company's open door policy, individuals should contact the Chairman of the Company or any member of the Company's Audit Committee directly. All complaints will be reported to the Audit Committee within five days of receipt.

## **Investigations of Complaints**

The Company's Audit Committee is responsible for investigating and resolving all reported complaints and allegations concerning Accounting Irregularities. The Audit Committee may retain independent legal counsel, accountants or others to assist in its investigations.

## **Accounting and Auditing Matters**

Pursuant to its Charter, the Audit Committee is responsible for addressing all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The President is required to immediately notify the Audit Committee of any complaint of which he or she is aware and to work with the Committee until the matter is resolved.

## **Acting in Good Faith**

Anyone filing a complaint concerning a suspected Accounting Irregularity must be acting in good faith and have reasonable grounds for believing the information disclosed indicates an Accounting Irregularity. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

## **Confidentiality**

Complaints or submissions concerning a suspected Accounting Irregularity may be submitted on a confidential basis by the complainant or may be submitted anonymously. All complaints or submissions will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

## **Handling of Reported Violations**

The Chair of the Audit Committee will notify the sender and acknowledge receipt of the reported suspected Accounting Irregularity within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

The Company shall retain records of complaints for a period of no less than seven years as a separate part of the records of the Audit Committee.

## **Privacy Violations**

In addition to these rules regarding accounting, internal accounting controls and auditing matters, recent privacy legislation, the *Personal Information Protection and Electronic Documents Act* (Canada) ("*PIPEDA*") and the *Personal Information Protection Act* (British Columbia) ("*PIPA*"), provide that any person who has reasonable grounds to believe that there has been a contravention of either of *PIPEDA* or *PIPA* may notify the relevant Privacy Commissioner.

An organization must not dismiss, suspend, discipline, harass or otherwise disadvantage an employee or deny an employee a benefit because the employee, acting in good faith and on the basis of reasonable belief, has disclosed to the Privacy Commissioner that the organization has contravened or is about to contravene either of *PIPEDA* or *PIPA*. Members of the public may lodge anonymous complaints to avoid the possibility of retaliation.