

RICHCO INVESTORS INC.

3882 Lawrence Place
North Vancouver, BC
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(604) 684-8450

MANAGEMENT INFORMATION CIRCULAR AS AT September 1, 2020

MANAGEMENT SOLICITATION OF PROXIES

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY AND ON BEHALF OF THE MANAGEMENT OF RICHCO INVESTORS INC. ("the Company") for use at the Annual General Meeting to be held at Unit 520, 409 Granville Street, Vancouver, British Columbia V6Z 3A4 on Wednesday October 14, 2020 at the hour of 10:00 a.m. and any adjournment thereof, for the purposes set forth in the attached Notice of Meeting. Except where otherwise indicated, the information contained is stated as of September 1, 2020.

All cost of this solicitation will be borne by the Company. In addition to the solicitation of proxies by mail, directors, officers and some regular employees may solicit proxies personally, by telephone or telegraph, but will not receive compensation for so doing.

APPOINTMENT OF PROXYHOLDER

The persons named as proxyholder in the accompanying form of proxy were designated by the management of the Company ("Management proxyholder"). **A shareholder desiring to appoint some other person ("Alternate Proxyholder") to represent him at the Meeting may do so by inserting such other person's name in the space indicated or by completing another proper form of proxy.** A person appointed as proxyholder need not be a shareholder of the Company. All completed proxy forms must be deposited with the Company, 3882 Lawrence Place, North Vancouver, B.C. V6K 2X2 or with Computershare not less than forty-eight (48) hours, excluding Saturdays, Sundays, and holidays, before the time of the Meeting.

REVOCATION OF PROXY

Every proxy may be revoked by an instrument in writing

- (a) executed by the shareholder or by his attorney authorized in writing or, where the member is a corporation, by a duly authorized officer, or attorney, of the corporation; and
- (b) 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 of it, at which the proxy is to be used, or to the chairman of the meeting on the day of the meeting or any adjournment of it,

or in any other manner provided by law.

EXERCISE OF DISCRETION BY PROXYHOLDER

The proxyholder will vote for or against or withhold from voting the shares, as directed by a shareholder on the proxy, on any ballot that may be called for. **In the absence of any such direction, the Management Proxyholder will vote in favour of matters described in the proxy. In the absence of any direction as to how to vote the shares, an Alternate Proxyholder has discretion to vote them as he or she chooses.**

The enclosed form of proxy confers discretionary authority upon the proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and other matters which may properly come before the Meeting. At present, Management of the Company knows of no such amendments, variations or other matters. The form of proxy affords the Shareholder an opportunity to specify that the shares registered in his/her name be voted or withheld from voting in respect of the election of directors and the appointment of auditors and the authorization of the directors to pay the remuneration of the auditors. The form of proxy also affords the Shareholder an opportunity to specify that the shares registered in his/her name shall be voted for or against any other matter identified in the accompanying notice of meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

On September 1, 2020 there were 5,310,191 multiple voting shares and 16,705,050 subordinate shares issued and outstanding, each multiple voting share carrying the right to one hundred votes and each subordinate voting share carrying the right to one vote. Only shareholders of record at the Close of Business on September 9th, 2020 will be entitled to vote by proxy at the Meeting or any adjournment thereof, except to the extent that a person has transferred shares after that date and the transferee of such shares establishes proper ownership and requests not later than ten days before the Meeting that his/her name be included in the list of Shareholders for the Meeting.

To the knowledge of the Directors or Senior Officers of the Company, there are no persons directly or beneficially exercising control or direction over Company shares carrying more than 10% of the outstanding voting rights except as set forth below: the following table sets out the number of securities owned, controlled or directed by each such person, the percentage of each class of outstanding voting securities of the Company represented by the number of voting securities so owned, controlled or directed and the percentage of voting rights attached to all voting securities of the Company held by each such person.

<u>Shareholder</u>	<u>Multiple Voting Shares</u>			<u>Subordinate Voting Shares</u>			<u>Percentage of Voting Rights</u>
	<u>Shares Held</u>	<u>Percentage of Class</u>		<u>Shares Held</u>	<u>Percentage of Class</u>		
Raoul N. Tsakok	4,069,998	76.65%	(1)	2,000,000	11.97%	(1)	74.67%

NOTE:

(1) based on information supplied by the shareholder

INFORMATION FOR NON-REGISTERED SHAREHOLDERSThe information set out in this section is important to many shareholders as a substantial number of shareholders do not hold their common shares in their own name.

This Information Circular and the accompanying materials are being sent to registered shareholders and unregistered shareholders, that is shareholders who hold common shares through a broker, agent, nominee or other intermediary (collectively, the "Beneficial Shareholders"). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the share register of the Company will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in such shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (The registration name for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the beneficial Shareholders. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares of the brokers' clients.

Additional Information for Beneficial Holders

Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("Objecting Beneficial Owners", or "OBOs") and those who do not object to their identity being made known to the issuers of the securities they own ("Non-Objecting Beneficial owners", or "NOBOs"). Subject to the provision of National Instrument 54-101, communication with Beneficial Owners of Securities of a Reporting Issuer ("NI 54-101"), issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agent.

Securities regulatory policies require brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (ie. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly to such NOBOs. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information

about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (formerly ADP Investor Communications Services) ("Broadridge") Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (byway of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who received a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of common shares must be communicated to Broadridge (well in advance of the Meeting in order to have the common shares voted.**

Accordingly, each Beneficial Shareholder should:

carefully review the voting procedures that the shareholder's broker, agent, nominee or other intermediary has

furnished with this Information Circular; and

provide instructions as to the voting of the shareholder's common shares in accordance with those instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his/her broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. Beneficial shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker. All references to shareholders in this Information Circular and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

ELECTION OF DIRECTORS

Management proposes to fix the number of Directors of the Company at three (3) and to nominate the persons listed below for election as Directors. Each Director will hold office until the next Annual General Meeting, unless his office is earlier vacated. 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.

The following table sets out the names of the Management nominees; their positions and offices in the Company; principal occupations; the period of time that they have been Directors of the Company; and the number of shares of the Company which each beneficially owns or over which control or direction is exercised. All of the nominees for director are residents of Canada and British Columbia.

	Director Since	# of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised at the Date of This Information Circular	Principal Occupation and if not at Present an Elected Director, Occupation During the Past Five (5) Years
Sandra Tsakok, B.Comm., MBA, CFA Director * Vancouver, B.C.	2003	Nil	Vice-President and Director of Sagit Investment Management Ltd.
Christopher Tsakok, B.Comm, MBA, CFA * Director, President, Vancouver, B.C.	2007	Nil	Vice-President of Sagit Investment Management Ltd.
Robert Smiley, B.A., J.D. Director * West Vancouver, B.C.	2003	Nil	Self-employed Business Consultant, director of several private and public companies

*Member of Audit Committee.

NOTES:

- (a) The information as to shareholdings has been furnished by the respective nominees.
- (b) Except as indicated in the table, each of the above nominees is now a director of the Company and was so elected at the preceding Annual General Meeting.

Advance Notice of Annual General Meeting of the Company was published in a newspaper in Toronto, Ontario and in Vancouver, B.C.

CORPORATE GOVERNANCE DISCLOSURE

The Board of Directors of the Company maintain independent supervision over the management of the Company by having a majority of independent directors on the Board. Of the current members Ms. Tsakok is independent in that she is not located in the Company office and does not manage the day to day affairs of the Company. Mr. Smiley is a director and independent, Mr. Tsakok, as a director, manages the day to day affairs of the Company, and is located in the offices of the Company.

The Board members attempt to keep up to date with the mandated corporate governance regimes by reading the latest bulletins relating to same. Two directors have MBAs and the Certified Financial Analyst designation and the third has a Juris Doctor degree and has many years of corporate legal experience.

The Board has experience with ethical business rules, in particular, one director formerly acted as compliance consultant for a mutual fund while two others are governed by the ethics rules of the CFA Institute.

There have been no new candidates for directors for some time as such new positions may be related solely to new projects as such may be acquired.

The Company has not paid compensation to directors as directors.

Due to the limited operations of the Company no other committees except the audit committee have been formed and as the Board is limited in size it is very functional and lends itself to regular reviews of quality of performance.

STATEMENT OF EXECUTIVE COMPENSATION

For purposes of this section:

"executive officer" of the Company means an individual who at any time during the year was the chairman or a vice-chairman of the board of directors, where such person performed the functions of such office on a full-time basis, the president, any vice-president in charge of a principal business unit such as sales, finance or production, or any officer of the Company or of a subsidiary or other person who performed a policy-making function in respect of the Company;

"SAR" or "stock appreciation right" means a right, granted by the Company or any of its subsidiaries, as compensation for services rendered or otherwise in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of its securities; and

"LTIP" or "long term incentive plan" means any plan which provides compensation intended to serve as an incentive for performance to occur over a period longer than one financial year, but does not include option or stock appreciation right plans.

The following table is a summary of the compensation paid to the chief executive officer of the Company and each executive officer who earned over \$100,000 in total salary and bonus during the three most recently completed financial years, for services rendered to the Company or a subsidiary of the Company.

SUMMARY COMPENSATION TABLE

Name and Principal Position (a)	Annual Compensation				Long Term Compensation			
	Year (b)	Salary (\$) (c)	Bonus (\$) (d)	Other Annual Compensation (\$) (e)	Awards	Payouts		
					Securities Under Options/ SARs Granted (#) (f)	Restricted Shares or Restricted Share Units (\$) (g)	LTIP Payouts (\$) (h)	All other Compensation (\$) (i)
Christopher Tsakok	/13	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Robert G. Smiley President	/12	Nil	Nil	\$31,500	Nil	Nil	Nil	Nil
Robert G. Smiley President	/11	Nil	Nil	\$42,000	Nil	Nil	Nil	Nil
Robert G. Smiley President	/10	Nil	Nil	\$42,000	Nil	Nil	Nil	Nil

OPTION/SAR GRANTS DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

No options were granted to Executive Officers during the most recently completed financial year.

AGGREGATED OPTION/SAR EXERCISES DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR AND FINANCIAL YEAR-END OPTION/SAR VALUES

Executive officers exercised no stock options during the most recently completed financial year.

Compensation of Directors

The Company has not paid any compensation to the Directors for their services as Directors during the most recently completed fiscal year and has no standard arrangement to compensate them for such services other than the granting of Director Stock Options.

Since the commencement of the Company's last completed financial year, no options were exercised by directors who were not executive officers and no options were granted to directors, who were not executive officers.

MANAGEMENT CONTRACTS

The Company is not a party to a Management Contract with anyone other than Directors or Executive Officers of the Company.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the Directors, Senior Officers, proposed nominees for election as directors or their associates have been indebted to the Company since the beginning of the last completed financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No insider of the Company, nominee for election as a Director, or associate or affiliate of them, has any material beneficial interest, in any transaction since the commencement of the Company's last financial year or in any proposed transaction, which has or will materially affect the Company. Effective January 1, 2006, the Company entered into a Services Agreement with a director/officer of the Company to pay \$3,000 per month for management services. This remuneration was increased in January 2009 to \$3,500 per month. The contract was amended on September 30, 2012 so that the management services are provided gratis to the Company until it was terminated in 2012.

APPOINTMENT OF AUDITORS

Management is recommending that shareholders vote to appoint Crowe MacKay LLP, Chartered Accountants, as Auditors for the Company and to authorize the Directors to fix their remuneration. Crowe MacKay LLP, Chartered Accountants were first appointed as Auditors for the Company in 1980.

AUDIT COMMITTEE

The Company is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers or employees of the Company or of an affiliate of the Company. The Company's current Audit Committee consists of, Christopher Tsakok, Sandra Tsakok and Robert Smiley. Two thirds of the audit committee members are considered to be independent.

The Audit Committee reviews the annual and quarterly financial statements of the Company, oversees the annual audit process, the Company's internal accounting controls, the resolution of issues identified by the Company's auditors and recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders at the next annual general meeting. In addition, the Audit Committee meets annually with the external auditors of the Company, without the presence of any other members of management. The Board of Directors of the Company has adopted an Audit Committee Charter.

Audit Committee Charter

The text of the audit committee's charter along with the information required to be disclosed by Form 58-101F2 is attached as Schedule "A" to this Information Circular. The Audit Committee Charter is also available upon request to the Company's Corporate Secretary.

Independence

Multilateral Instrument 52-110 Audit Committees, ("MI 52-110") provides that a member of an Audit Committee is "independent" if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of the member's independent judgment.

Financial Literacy

MI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The Company believes that all of the members of the Audit Committee are financially literate as that term is defined.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the audit committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the board of directors of the Company.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Amended 2004 STOCK OPTION PLAN

The Shareholders of the Company approved the Amended 2004 stock option plan (the "2004 Plan") at the last Annual General Meeting. A copy of the Amended 2004 Plan is available for review up to the time of the Meeting at the Company's office, located at 3882 Lawrence Place, North Vancouver, British Columbia. Pursuant to TSX Venture Exchange policies the Company wishes to have the Shareholders approve the Amended 2004 Plan annually.

The Amended 2004 Plan provides for the granting of options to purchase common shares of the Company to those directors, officers, employees and consultants of the Company who are responsible for the growth and success of the Company that are designated by the Board of Directors (the "Eligible Persons"), in order to provide a strong incentive for the future growth and success of the Company. Subject to shareholder approval of the amended 2004 Plan at the Meeting as set forth below and the approval of the TSX Venture Exchange, the intention of the Board is to grant all future options pursuant to the Amended 2004 Plan.

The Amended 2004 Plan provides that the Board may grant options to purchase common shares of the Company to directors, officers, employees and consultants (the "Optionees") of the Company and its subsidiaries on terms that the Board may determine within the limitations set forth in the Amended 2004 Plan.

The Board of Directors has the ability, subject to the provisions of the Amended 2004 Plan, to designate Eligible Persons, and to determine the time or times when options will be granted, the number of common shares of the Company for which any option may be granted, the option exercise price at which common shares of the Company may be purchased under any option, the conditions, if any, to be satisfied before any option may be exercised and the expiry date of any option and to enter into an option agreement evidencing each option which will incorporate such terms as the Board in its discretion deems consistent with the Amended 2004

Plan.

The total number of common shares of the Company which may be offered pursuant to the Plan is 10% of the total issued and outstanding at any given time thus making the Plan a rolling plan. Options may be granted under the Amended 2004 Plan for any term as determined by the Board, but will not exceed five years from the date of grant. The Board may also determine and impose terms upon which options granted under Amended 2004 Plan will become vested

The expiration of any option is accelerated if the optionee's employment or other relationship with the Company terminates for any reason. The Amended 2004 Plan provides in most cases that the Optionee has 30 days from the date of such event to exercise all existing options, with exceptions being made where termination occurs for cause, or due to complete disability or death of an optionee. Under such circumstances, the time permitted to exercise options ranges from automatic expiration in the event of termination for just cause to the lesser of 365 days and the original expiry time in case of death or complete disability.

No option may be granted under the Amended 2004 Plan if it would result in the Optionee holding options or rights to acquire in excess of 5% of the issued and outstanding common shares of the Company. Options are not assignable or transferable by an Optionee.

The exercise price of an option is set by the Board of Directors at the time of grant based upon the closing price per share of the Company's common shares on the day preceding the date of such grant. The rules and policies of the TSX Venture Exchange allow the exercise price to be set at a limited discount to the aforesaid closing price at the discretion of the Board.

The Board may suspend, amend or terminate the Amended 2004 Plan provided that no outstanding options are adversely affected thereby or as may be required by the regulatory authorities bearing jurisdiction.

To be effective, the Amended 2004 Plan and the options granted thereunder must be approved by a majority of votes cast at the Meeting other than votes attaching to common shares beneficially owned by insiders to whom common shares may be issued pursuant to share compensation arrangements or their associates. Approximately 8,939,999 common shares held by insiders will not be voted on this matter at the Meeting. To date **no** stock options have been granted pursuant to the 2004 Plan or the Amended 2004 Plan. The Board of Directors recommends that shareholders vote to approve the Amended 2004 Plan and any grants thereunder.

Board Increase and Capital Restructuring

The Board is seeking the authority to increase the size of the Board and to elect additional members to fill said positions at its discretion. It seeks said authority to facilitate the adoption of any potential new business. For the same reason, the Board also seeks the authority to restructure the Company's Capital Structure such that only common shares remain outstanding.

DATED at Vancouver, British Columbia, this 1st day of September, 2020.

CERTIFICATE

The contents and sending of this information circular have been approved by the board of Directors of the Company.

"Christopher Tsakok"
President and Director

Schedule “A”

AUDIT COMMITTEE CHARTER

Introduction and Purpose

Richco Investors Inc. (the “Company”) is a publicly-held company and operates in a highly competitive and regulated environment. The Company’s business involves an environment that is highly regulated at the provincial level in Canada.

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities to the shareholders, potential investors and to the investment community. The Audit Committee will assist the Board in the oversight of (1) the integrity of the financial statements of the Company, (2) the independent auditor’s qualifications and independence, and (3) the compliance by the Company with legal and regulatory requirements.

Composition and Membership

The Audit Committee shall be comprised of at least three (3) members, a majority of whom shall meet the independence requirements as established by the TSX Venture Exchange, applicable laws and the rules and regulations of the British Columbia Securities Commission. Audit Committee members shall fully comply with the requirements of the British Columbia Securities Commission’s regulations. At least one member of the Audit Committee shall be an “audit committee financial expert” as that term is defined in applicable rules. Members and a Chair of the Audit Committee are appointed by the full Board of Directors.

Meetings

The Audit Committee shall meet at least four (4) times annually, in person, telephonically, or electronically and more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting.

Responsibilities and Duties

The Audit Committee shall:

- Make regular reports to the Board of Directors of the Company.
- Appoint the independent auditors to be engaged by the Company, establish the audit fees of the independent auditors, pre-approve any non-audit services provided by the independent auditors, including tax services, before the services are rendered.
- Review the scope of the independent auditor’s audit examination, including their engagement letter, prior to the annual audit of the Company’s financial statements.
- Instruct the independent auditors to report directly to the Audit Committee any serious difficulties or disputes with management, and ensure they are appropriately resolved.
- Review and evaluate the performance of the independent auditors and review with the Board of Directors all proposed discharges of the independent auditors.
- Review each annual audit with the independent auditor at the conclusion of the audit. The review shall include all comments or recommendations of the independent auditor, all audit problems or difficulties and management’s response.
- Review and discuss with management the procedures undertaken in connection with the required certifications for regulatory filings and other reports including their evaluation of the Company’s disclosure controls and procedures and internal controls, as well as any and all fraud, whether or not material, that involves management or others who have a significant role in the Company’s internal controls.
- Review management’s assessment of the effectiveness of the Company’s internal controls over financial reporting and disclosure, and the independent auditor’s related attestation. Consider with management and the independent auditors whether any changes to such internal controls are appropriate.
- Review with management the Company’s quarterly and annual financial results prior to regulatory filings and the issuance of related press releases.
- Produce the report of the Audit Committee to the shareholders in the Company’s annual proxy statement on those matters required by regulatory agencies.
- Be authorized to hire outside counsel or other consultants as necessary.
- Perform such other duties as are assigned by the Board of Directors.
- Review the Audit Committee’s charter annually and recommend all proposed changes to the Board of Directors.
- Periodically evaluate and take steps to improve the effectiveness of the Audit Committee in meeting its responsibilities under this Charter.

Public Disclosure

This Charter is available to investors upon request to the Company’s Corporate Secretary.

CORPORATE GOVERNANCE DISCLOSURE

The following is a summary of the Company's corporate governance disclosure required by Form 58-101F2 of National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

Board of Directors

The Board, at present, is composed of three directors, two of whom are considered to be "independent", as that term is defined in applicable securities legislation. Ms. Sandra Tsakok and Mr. Robert Smiley are considered to be an independent director. In determining whether a director is independent, the Board chiefly considers whether the director has a relationship which could be perceived to interfere with the director's ability to objectively assess the performance of management.

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

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

Directorships

Certain of the directors of the Company are also directors of other reporting issuers (or equivalent) in the jurisdiction or a foreign jurisdiction as follows:

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)
Robert Smiley.	Silver Grail Resources Ltd., Canadian Imperial Venture Corp. Teuton Resources Corp., Sterling Group Ventures Inc.
Sandra Tsakok	Nil
Christopher Tsakok	Sterling Group Ventures Inc.

Orientation and Continuing Education

The Company has not yet developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Company by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

Ethical Business Conduct

The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board has not appointed a nominating committee because the Board fulfils these functions.

Compensation

The Company does not have a compensation committee as the Board of Directors is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the Chief Executive Officer, the Chief Financial Officer and the directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general.

Committees of the Board of Directors

The Board has appointed an Audit Committee the members of which are the following: Robert Smiley, Sandra Tsakok and Christopher Tsakok. A description of the function of the Audit Committee can be found in this Circular under Audit Committee.

Assessments

The Board has not, as yet, adopted formal procedures for assessing the effectiveness of the Board, its Audit Committee or individual directors.