

**BHK MINING CORP.**  
717 – 1030 West Georgia Street  
Vancouver, B.C., V6E 2Y3

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

*This information is given as at May 25, 2016*

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

**PERSONS MAKING THIS SOLICITATION OF PROXIES**

This solicitation is made on behalf of Management of the Company. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by employees of the Company. Cost of the Solicitation will be borne by the Company. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Company who will not be directly compensated therefore. The Company has arranged for intermediaries to forward meeting materials to beneficial owners of the Shares held of record by those intermediaries and the Company may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

**PROXY INSTRUCTIONS**

**Appointment of Proxy**

The persons named in the accompanying form of proxy are directors, officers, or legal counsel of the Company. **A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed form of proxy. To exercise this right, a shareholder shall strike out the names of the persons named in the form of proxy and insert the name of his nominee in the blank space provided, or complete another form of proxy.**

**The completed form of proxy must be dated and signed and the duly completed form of proxy must be deposited at the Company's Transfer Agent, COMPUTERSHARE INVESTOR SERVICES INC., at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 no later than forty eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or adjournment thereof or may be accepted by the Chairman of the Meeting prior to the commencement of the Meeting.**

The form of proxy must be signed by the shareholder or by his duly authorized attorney. If signed by a duly authorized attorney, the form of proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the shareholder is a corporation, the form of proxy must be signed by a duly authorized attorney, officer, or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives his power, as the case may be, or a notarially certified copy thereof.

The articles of the Company confer discretionary authority upon the Chairman of the Meeting to accept proxies which do not strictly conform to the foregoing requirements and certain other requirements set forth in the articles.

## Voting by Proxy and Exercise of Discretion

On any poll, the persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

**In the absence of any direction in the form of proxy, it is intended that such shares will be voted in favour of the motions proposed to be made at the Meeting and for the election of the management nominees for directors and auditor, as stated under the headings in this Information Circular.** The form of proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting. At the time of printing of this Information Circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

## REVOCATION OF PROXIES

Any registered shareholder who has returned a proxy may revoke it at any time before it has expired. In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy either by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the form of proxy is required to be executed as set out in the notes to the form of proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders (as defined below under "Non-Registered Holders of Common Shares") who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.**

## NON-REGISTERED HOLDERS OF COMPANY'S SHARES

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders ("Non-Registered Holders") because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their shares. In addition, a person is not a registered shareholder in respect of shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 ("NI 54-101") of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the form of proxy (collectively, the "Proxy Solicitation Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Proxy Solicitation Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them or unless there is a special meeting involving abridged timing under NI 54-101. Very often, Intermediaries will use service companies, such as ADP Independent Investor Communication Corporation ("ADP"), to forward the Proxy Solicitation Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Proxy Solicitation Materials, or where there is a special meeting involving abridged timing under NI 54-101, will either:

- (a) be given a form of proxy which **has already been signed by the Intermediary** (typically by facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise incomplete. Because the Intermediary has already signed the form of Proxy, this form of Proxy is not required to be signed by the Non-Registered Holder when submitting the Proxy. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete the form of Proxy and **deposit it with the Transfer Agent as provided above;** or

- (b) more typically, be given a voting instruction form which is **not signed by the Intermediary**, and which when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company** (such as ADP), will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. In the alternative, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of Proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of Proxy, properly complete and sign the form of Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who received one of the above mentioned forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders named in the form and insert their own name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary or its agents, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

#### INTEREST OF CERTAIN PERSONS 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.

#### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at May 25, 2016, there are 67,169,063 common shares issued and outstanding. Each Common Share carries 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 the 20<sup>th</sup> day of May, 2016, who either personally attend the Meeting or who complete and deliver a form of proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and senior officers of the Company the following shareholders beneficially own, directly or indirectly, or exercise control or discretion over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company as at May 25, 2016:

Shareholder Name	Number of Common Shares Owned	Percentage of Common Shares Outstanding
First Resources Corporation Limited	35,000,000	52.1%

#### DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar regulatory authorities in British Columbia Alberta and Ontario are specifically incorporated by reference into, and form an integral part of, this information circular:

- Audited Annual Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2015

- Interim Financial Statements and Management's Discussion and Analysis for the period ended September 30, 2015
- Interim Financial Statements and Management's Discussion and Analysis for the period ended June 30, 2015
- Interim Financial Statements and Management's Discussion and Analysis for the period ended March 31, 2015

Copies of the documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company at 717 – 1030 West Georgia Street, Vancouver, B.C., V6E 2Y3. These documents are also available through the internet on SEDAR, which can be accessed at [www.sedar.com](http://www.sedar.com).

## **AUDIT COMMITTEE**

The audit committee has various responsibilities as set forth in National Instrument 52-110 ("NI 52-110").

### **Audit Committee Charter and Composition of the Audit Committee**

The audit committee's charter is set out below:

#### **1.0 Purpose of the Committee**

1.1 The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries.

#### **2.0 Members of the Committee**

2.1 The Audit Committee shall consist of no less than three Directors a majority of whom shall be "independent" as defined under National Instrument 52-110, while the Company is in the developmental stage of its business. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.

2.2 Each Member of the Audit Committee must be "financially literate" as defined under Multilateral Instrument 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the 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.

#### **3.0 Meeting Requirements**

3.1 The Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically, and shall be at such times and places as the Committee determines. Without meeting, the Committee may act by unanimous written consent of all members which shall constitute a meeting for the purposes of this charter.

3.2 A majority of the members of the Committee shall constitute a quorum.

#### **4.0 Duties and Responsibilities**

The Audit Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of the Company (the "auditors") who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee;

- (b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;
- (c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;
- (d) review and discuss with management and the auditors the Company's audited financial statements and accompanying Management's Discussion and Analysis of Financial Conditions ("MD&A"), including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;
- (e) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;
- (f) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;
- (g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;
- (h) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;
- (i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;
- (j) oversee and annually review the Company's Code of Business Conduct and Ethics;
- (k) approve material contracts where the Board of Directors determines that it has a conflict;
- (l) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;
- (m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;
- (n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;
- (o) review and monitor all related party transactions which may be entered into by the Company; and
- (p) periodically review the adequacy of its charter and recommending any changes thereto to the Board.

## **5.0 Miscellaneous**

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

The members of the audit committee are Candrawijaya Kartorahardjo and Davide Salvatore. All are independent members of the audit committee. All members are considered to be financially literate.

A member of the audit committee is *independent* if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's board of directors, reasonably interfere with the exercise of a member's independent judgment.

A member of the audit committee is considered *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.

### Relevant Education and Experience

**Candrawijaya Kartorahardjo** – Mr. Kartorahardjo has been in the tax consulting business since 1996 starting when he joined the Tax Division of Arthur Andersen SC in Indonesia. He worked at Prijoandojo, Boentoro & Co until 2001 before joining Ernst & Young in their tax division. In 2002 Mr. Kartorahardjo co-founded Pentatrust, a tax consultant. He advises mostly foreign owned companies in merger and acquisition, restructuring and cross border transactions.

**Davide Salvatore** - Mr. Salvatore has been a partner of Ernst & Young Financial Business advisors in Italy from 1998 to 2011 and currently holds the position of Managing Director at Orange Capital Development Srl. An Italian citizen, Davide Salvatore is based in Milan. Mr. Salvatore holds a Degree in Business Administration from the Università degli Studi "Gabriele d'Annunzio".

### Audit Committee Oversight

The audit committee has not made any recommendations to the board of directors to nominate or compensate any external auditor.

### Reliance of Certain Exemptions

The Company's auditors have provided tax compliance services to the company, the aggregate amount of which does not exceed 5% of the total fees paid to the auditor.

### Pre-Approval Policies on Certain Exemptions

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

### External Auditor Services Fees

The audit committee has reviewed the nature and amount of the services provided by MNP LLP, Chartered Professional Accountants to the Company to ensure auditor independence. Fees incurred with MNP LLP for audit services in the last two fiscal years are outlined below:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2015	Fees Paid to Auditor in Year Ended December 31, 2014
Audit Fees <sup>(1)</sup>	\$ 37,505	\$ 16,506
Audit Related Fees <sup>(2)</sup>	\$ 4,000	\$ 39,375
Tax Fees <sup>(3)</sup>	\$900	\$ Nil
All other Fees <sup>(4)</sup>	\$ Nil	\$ Nil
Total	\$ 42,405	\$ 55,881

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" includes all other non-audit services".

## **Exemptions**

The Issuer is relying on the exemptions provided for in Section 6.1 of NI 52-110 in respect of the composition of its audit committee and in respect of certain of its reporting obligations under NI 52-110.

## **CORPORATE GOVERNANCE**

### **General**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 Corporate Governance Guidelines establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

The Board believes that good corporate governance improves corporate performances and benefits all shareholders. The Canadian Securities Administrators (the "CSA") have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

### **Board of Directors**

The Board of Directors (the "Board") facilitates its exercise of independent supervision over management by ensuring that the Board is composed of a majority of independent directors. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. The Board is composed of three directors, two of which are considered to be independent. Candrawijaya Kartorahardjo, and Davide Salvatore, are considered to be independent directors for the purposes of NI 58-101 and the Company's Chairman, Acting President and CEO, Tim Sudjie is not considered to be independent.

The mandate of the Board is to act in the best interests of the Company and to supervise management. The Board is responsible for approving long-term strategic plans and annual operating budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions. Any responsibility which is not delegated to management or to the committees of the Board remains with the Board. The Board meets on a regular basis consistent with the state of the Company's affairs and also from time to time as deemed necessary to enable it to fulfill its responsibilities.

### **Directorship**

None of the directors is also a director of other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction.

### **Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's

properties, business and industry and on the responsibilities of directors. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business. The Board has established a Corporate Governance and Compensation Committee. (the "Governance Committee"). As part of its governance responsibilities, the Governance Committee may develop an orientation and education program for new recruits to the Board when necessary. The members of the Governance Committee are Davide Salvatore and Soebali Sudjie (chair).

### **Ethical Business Conduct**

The Board has approved a Code of Business Conduct and Ethics "(the "Code") to be followed by the Company's directors, officers, employees and principal consultants and those of its subsidiaries. The Code is also to be followed, where appropriate, by the Company's agents and representatives, including consultants where specifically required. The purpose of the Code is to, among other things, promote honest and ethical conduct, avoid conflict of interest, protect confidential or proprietary information and comply with the applicable government laws and securities rules and regulations, including matters relating to anti-bribery and anti-corruption. A copy of the Code is available on the Company's website at [www.bhkminingcorp.com](http://www.bhkminingcorp.com) and may be requested directly from the Company via email at [info@bhkminingcorp.com](mailto:info@bhkminingcorp.com) or by sending a written request to the Company at 717 – 1030 West Georgia Street, Vancouver, B.C. V6E 2Y3.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### **Compensation**

The Governance Committee is, among other things, responsible for determining all forms of compensation to be granted to the Chief Executive Officer of the Company and other senior management and executive officers of the Company, for evaluating the Chief Executive Officer's performance in light of the corporate goals and objectives set for him/her, for reviewing the adequacy and form of the compensation and benefits of the directors in their capacity as directors of the Company to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director, and for reviewing and making periodic recommendations to the Board as to the general compensation and benefits policies and practices of the Company, including incentive compensation plans and equity based plans.

As noted above, the current members of the Governance Committee are Davide Salvatore and Soebali Sudjie (chair). The independent member of the Compensation Committee is Davide Salvatore. A summary of the compensation received by the Named Executive Officers of the Company for the financial year ended December 31, 2015 is provided in this Circular under the heading: "Statement of Executive Compensation". The summary includes compensation received by the directors for the financial year ended December 31, 2015.

### **Other Board Committees**

Other than the Governance Committee described above, and the audit committee described in this Circular under the heading "Audit Committee", the Board has no other committees, other than a disclosure committee. The members of the disclosure committee are Davide Salvatore and Candrawijaya Kartorahardjo (chair). The purpose of the disclosure committee is to oversee the Company's disclosure practices and ensure compliance with the Company's disclosure policy, a copy of which is available on the Company's website at [www.bhkminingcorp.com](http://www.bhkminingcorp.com) and may be requested directly from the Company via email at [info@bhkminingcorp.com](mailto:info@bhkminingcorp.com) or by sending a written request to the Company at 717 – 1030 West Georgia Street, Vancouver, B.C. V6E 2Y3.

## Assessments

The Board regularly assesses its own effectiveness and the effectiveness and contribution of each Board committee member and Director.

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

This compensation discussion and analysis describes and explains the Company's policies and practices with respect to the 2015 compensation of its named executive officers, being its former Chief Executive Officer (the "CEO"), Claus Andrup, and its former Chief Financial Officer (the "CFO"), Brian Richardson. No other individuals are considered "Named Executive Officers" as such term is defined in Form 51-102F6 – Statement of Executive Compensation for the financial year ended December 31, 2015.

### Compensation Philosophy, Objectives and Process

The primary goal of the Company's executive compensation process is to attract and retain the key executives necessary for its long term success, to encourage executives to further the development of the Company and its operations, and to motivate top quality and experienced executives. The Company does not have a formal compensation program and pursuant to the policies of the TSX Venture Exchange governing capital pool companies, was not permitted to pay remuneration to its directors or officers until it completed its qualifying transaction, other than through the grant of stock options. The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis.

### Stock Options

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

### Summary Compensation Table

In accordance with the provisions of applicable securities legislation, the Company had two "Named Executive Officers" during the financial year ended December 31, 2015, namely Claus Andrup, former President and CEO and Brian Richardson, former CFO. For the purpose of this information circular:

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

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

"Executive Officer" of an entity means an individual who is:

- (a) the chair of the Company, if any;
  - (b) the vice-chair of the Company, if any;
  - (c) the president of the Company;
  - (d) a vice-president of the Company in charge of a principal business unit, division or function including sales, finance or production;
  - (e) an officer of the Company (or subsidiary, if any) who performs a policy-making function in respect of the Company;
- or

- (f) any other individual who performs a policy-making function in respect of the Company;

“Named Executive Officers or NEOs” means:

- (g) the CEO of the Company;  
(h) the CFO of the Company;  
(i) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000;  
(j) any additional individuals for whom disclosure would have been provided under paragraph (i) above except that the individual was not serving as an executive officer of the Company, nor in a similar capacity, as at the end of the most recently completed financial year end.

The following table (presented in accordance with National Instrument Form 51-102F6V, Statement of Executive Compensation – Venture Issuers, which came into force on December 31, 2008 (the “New Form 51-102F6V”) sets forth all annual and long term compensation paid to NEO’s and Directors for services in all capacities to the Company for the two most recently completed financial years ended December 31, 2014 and December 31, 2015.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)¹	Value of all other compensation (\$)	Total compensation (\$)
Claus Andrup, Former President and CEO²	2015	62,165	27,750	Nil	Nil	Nil	89,915
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Peter Hughes, Former President and CEO²	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Brian Richardson, former CFO³	2015	50,850	22,500	Nil	Nil	Nil	73,350
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Candra Kartorahardjo, Director	2015	5,633	Nil	Nil	Nil	Nil	5,633
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Soebalie Sudjie, Director	2015	5,633	Nil	Nil	Nil	Nil	5,633
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Davide Salvatore, Director	2015	5,633	Nil	Nil	Nil	Nil	5,633
	2014	Nil	Nil	Nil	Nil	Nil	Nil

(1) The value of perquisites and benefits, if any, for each Named Executive Officer was less than \$15,000.

(2) Effective January 23, 2015 Peter Hughes resigned as President and CEO of the Company and was replaced by Claus Andrup. Claus Andrup resigned as President and CEO effective February 26, 2016, at which time Soebali Sudjie (Chairman) assumed the role of acting President and CEO.

(3) Brian Richardson’s contract terminated on January 23, 2016, at which time Michael O’Brien was appointed CFO.

### **Stock Options and other Compensation Securities**

A stock option plan has been established to attract and retain employees, consultants, officers or directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company. The Plan is administered by the directors of the Company. The Plan was recently converted from a 10% rolling plan to a fixed plan that provides that the number of Shares issuable under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements may not exceed 2,750,000, being the aggregate number of shares reserved for issuance pursuant to options currently outstanding at the date of adoption of plan. All options expire on a date not later than five years after the date of grant of such option. For further information regarding the terms of the Plan, refer to the heading "Particulars of Other Matters to be Acted Upon – Approval of Conversion of Stock Option Plan from a 10% Rolling Stock Option Plan to a Fixed Option Plan" below.

There were no options issued to a Director or NEO during the financial year ended December 31, 2015.

### **Exercise of Compensation Securities by Directors and NEOs**

There were no options exercised by a Director or NEO during the financial year ended December 31, 2015.

### **Pension Plan Benefits**

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

### **Termination of Employment, Change in Responsibilities and Employment Contracts**

Twelve-month contracts were put in place effective January 23, 2015 with Claus Andrup, the former President and CEO, and Brian Richardson, the former CFO. If the NEO was terminated in connection with or within twelve months after change in control, the NEO was entitled to twelve months compensation. No termination compensation was payable in connection with the termination of either of Claus Andrup or Brian Richardson's employment with the Company.

### **INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS**

No person who is or at any time during the most recently completed financial year was a director, executive officer or senior officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any of the foregoing persons has been indebted to the Company at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

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

Other than as previously disclosed in an Information Circular, no informed person ( a director , officer or holder of 10% or more of the Shares) or proposed nominee for election as a director of the Company or an associate or affiliate of any such informed person or proposed nominee, 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.

### **MANAGEMENT CONTRACTS**

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

## PARTICULARS OF MATTERS TO BE ACTED UPON

### RECEIPT OF FINANCIAL STATEMENTS

The Financial Statements of the Company for the financial year ended December 31, 2015 and the auditors' report thereon will be presented to the Meeting. A copy is available online at [www.sedar.com](http://www.sedar.com).

### APPOINTMENT OF AUDITORS

It is proposed that MNP LLP, Chartered Professional Accountants of Vancouver, British Columbia be appointed as the auditors of the Company to hold office until the next annual meeting of the shareholders or until a successor is appointed, and that the directors be authorized to determine the auditor's remuneration.

Unless otherwise specified, the persons named in the enclosed Form of Proxy will vote for the appointment of MNP LLP, Chartered Accountants, of Vancouver, BC as auditor of the Company until the next Annual General Meeting of Shareholders, at a remuneration to be fixed by the directors.

### ELECTION OF DIRECTORS

Management intends to propose for adoption an ordinary resolution that the number of directors of the Company be fixed at three. If there are more nominees for election than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected until all such vacancies have been filled.

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

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Corporation and the number of shares of the Corporation beneficially owned each, directly or indirectly, or over which each exercised control or direction, as at the date of this Information Circular:

Name of Nominee and Present Offices Held	Present Principal Occupation <sup>(a)</sup>	Director Since	Shares Beneficially Owned or Controlled <sup>(b)</sup>
Soebali Sudjie, Jakarta, Indonesia, Acting President and CEO, Director and Chairman	President Director of PT Megaprima Persada, a private Indonesian coal mining company, from January 2007 to Present, President Director of PT Multi Mining Utama, a private Indonesian exploration company, from January 2007 to Present; President Director of PT Trimega Utama, a private Indonesian coal mining company from January 2007 to Present; Director of PT Prima Sarana Gemilang, a private Indonesian construction and mining contractor company, from April 2010 to Present	January 23, 2015	1,530,000 directly 1,000,000 <sup>(5)</sup> indirectly
Candrawijaya Kartorahardjo <sup>(2)</sup> , Jakarta, Indonesia, Director	Partner of Pentatrust, a tax advisory firm based in Surabaya, Indonesia since 2003; Director of Hampton Technology PTE Ltd, a Singapore based IT consulting company from 2006 to 2009; Director of Kayumanis Kapital, PT, an Indonesia investment holding company since 2009; Director of Global Premier Solusi, PT, an Indonesia based	December 10, 2012	1,400,000 directly 1,000,000 <sup>(4)</sup> indirectly

Name of Nominee and Present Offices Held	Present Principal Occupation <sup>(4)</sup>	Director Since	Shares Beneficially Owned or Controlled <sup>(5)</sup>
	financial advisory consulting company since 2010; Director of Arcadia Ventures PTE Ltd., a Singapore based investment holding company since 2012		
Davide Salvatore <sup>(2)</sup> , Milan, Italy, Director	Managing Director of Orange Capital Development SRL, a private investment company from May 2011 to Present; Partner at Ernst & Young, Milan, Italy from November 1998 to May 2011	January 23, 2015	Nil

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) Member of Audit Committee.
- (3) The approximate number of shares of the Company carrying the right to vote in all circumstances beneficially owned directly or indirectly, or over which control or direction is exercised by each proposed nominee as at the date hereof is based on information furnished by the transfer agent of the Company and by the nominees themselves.
- (4) Director and majority shareholder of Arcadia Ventures Ltd. which holds 1,000,000 common shares.
- (5) Director of PT Multi Mining Utama which holds 1,000,000 common shares.

Pursuant to the provisions of the *Business Corporations Act* of British Columbia, the Company is required to have an audit committee which, at the present time, is comprised of Candrawijaya Kartorahardjo and Davide Salvatore. For additional information regarding the Company's Audit Committee, please see below. The Company does not have an executive committee.

Except as disclosed below, as at the date of this Information Circular and within the ten years before the date of this Information Circular, no proposed director:

- (a) is or has been a director or executive officer of any company (including the 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. 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; or
- (b) has within 10 years before the date of the Information Circular become 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 the assets of the director, officers or shareholders.

## APPROVAL OF CONVERSION OF STOCK OPTION PLAN FROM 10% ROLLING STOCK OPTION PLAN TO A FIXED OPTION PLAN

The directors approved a rolling Stock Option Plan (the "Fixed Plan") on May 28, 2013, under which the Directors were authorized to grant options for 10% of the issued and outstanding shares of the Company from time to time. The Board has determined that it is in the best interest of the Company to limit the number shares available for issuance under the plan, and on May 28, 2015 adopted an amended plan which limited the number of options that can be issued to 2,750,000 being the aggregate number of shares reserved for issuance pursuant to options currently outstanding at the date of adoption of the new plan.

Under the Policies of the TSX Venture Exchange (the "Exchange") options granted under such a plan are not required to have a vesting period, although the directors may continue to grant options with vesting periods, as the circumstances require. The Plan authorizes the Board of Directors to grant stock options to the Optionees on the following terms:

1. The number of shares subject to each option is determined by the Board of Directors provided that the Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12 month period, result in:
  - (a) the number of shares reserved for issuance pursuant to stock options granted to any one person exceeding 5% of the issued shares of the Company;
  - (b) the issuance, within a one year period, to insiders of the Company of a number of shares exceeding 10%, or to one insider of a number exceeding 5%, or to a consultant of a number exceeding 2%; or to all employees (as defined by the Exchange) who provide Investor Relations services of a number exceeding 2% of the issued shares of the Company.
2. The aggregate number of shares which may be issued pursuant to options granted under the Fixed Plan may not exceed 2,750,000.
3. The exercise price of an option may not be set at less than the closing market price during the trading day immediately preceding the date of grant of the option less a maximum discount of 25% if the Company is listed on Tier 2, TSX Venture Exchange or without any allowable discount if the Company is listed on Tier 1, TSX Venture Exchange or on the TSX.
4. The options may be exercisable for a period of up to 10 years.
5. The options are non-assignable, except in certain circumstances. The options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Fixed Plan or within a period of not more than 90 days (30 days for providers of investor relations services) after ceasing to be an eligible optionee or, if the optionee dies, within one year from the date of the optionee's death.
6. On the occurrence of a takeover bid, issuer bid or going private transaction, the Board of Directors will have the right to accelerate the date on which any option becomes exercisable.

Shareholder approval of the Plan requires a simple majority of the votes cast by the Shareholders.

The text of the Fixed Option Plan is available for review by any Shareholder up until the day preceding the Meeting at the Company's registered and records offices at 2080 – 777 Hornby Street, Vancouver, British Columbia.

Shareholders will be asked at the Meeting to consider and, if deemed advisable, approve with or without variation the following resolution:

**"BE IT RESOLVED THAT** the Stock Option Plan authorizing the directors to grant options on shares up to a maximum of 2,750,000 of the Company's shares issued and outstanding be and it is hereby approved, together with all options granted thereunder as at the date hereof, and that the board of directors be and

they are hereby authorized, without further shareholder approval, to carry out the intent of this resolution.”

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

It is not known that any other matters will come before the Meeting other than as set forth above and in the Notice of Meeting, but if such should occur the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the meeting or any adjournment thereof.

#### **ADDITIONAL INFORMATION**

The audited financial statements of the Company for the year ended December 31, 2015 and the report of the auditor thereon will be placed before the Meeting.

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at 717 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 to request copies of the Company's financial statements and MD&A. Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

#### **BOARD APPROVAL**

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

DATED at Vancouver, British Columbia, this 25<sup>th</sup> day of May, 2016.

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

*"Soebali Sudjie"*

Soebali Sudjie, Chairman, Acting President and  
CEO, and Director