

# **BLACK LION CAPITAL CORP.**

## **NOTICE OF MEETING**

**AND**

## **MANAGEMENT INFORMATION CIRCULAR**

**FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS**

**To be held on Monday, June 18, 2018**

**BLACK LION CAPITAL CORP.**  
Suite 409 - 221 West Esplanade  
North Vancouver, British Columbia  
V7M 3J3

**BLACK LION CAPITAL CORP.**  
**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING**  
**OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT** an annual general and special meeting (the "**Meeting**") of the shareholders of Black Lion Capital Corp. (the "**Company**") will be held at Suite 409 - 221 West Esplanade, North Vancouver, British Columbia V7M 3J3 on Monday, June 18, 2018 at 11:00 a.m. (Vancouver time) for the following purposes:

1. To receive and consider the financial statements of the Company for the year ended October 31, 2017, and the auditor's report thereon;
2. To set the number of directors to be elected at the Meeting at six (6) and to elect the directors of the Company until the Company's next annual meeting of shareholders;
3. To appoint Davidson & Company LLP, Chartered Professional Accountants as auditors of the Company and to authorize the directors of the Company to fix their remuneration;
4. To consider and, if deemed advisable, approve, with or without variation, an ordinary resolution of disinterested shareholders, the full text of which is set forth in the Company's information circular dated May 18, 2018 (the "**Circular**"), authorizing the Company to transfer to the NEX board of the TSX Venture Exchange ("**TSX-V**");
5. To consider and, if deemed advisable, approve, with our without variation, an ordinary resolution of disinterested shareholders, the full text of which is set forth in the Circular, authorizing the Company to cancel certain Seed Shares (as defined in TSX-V Policy 1.1) of the Company; and
6. To transact such further or other business as may properly come before the Meeting or any adjournment thereof.

The details of the matters proposed to be put before the Meeting are set forth in the accompanying Circular, which is supplemental to and expressly made a part of this notice. Shareholders of record as of the close of business on May 18, 2018 (the record date) will be entitled to vote at the Meeting and at any adjournment or adjournments thereof.

**DATED** at Vancouver, British Columbia, as of the 18<sup>th</sup> day of May, 2018.

By Order of the Board of Directors  
of **BLACK LION CAPITAL CORP.**

*(signed) Sean Mitchell*

Sean Mitchell  
President, CEO and Director

**SHAREHOLDERS WHO ARE UNABLE TO ATTEND THE MEETING ARE REQUESTED TO COMPLETE, DATE AND SIGN THE ENCLOSED FORM OF PROXY OR OTHER APPROPRIATE FORM OF PROXY AND RETURN IT TO THE COMPANY'S TRANSFER AGENT, AST TRUST COMPANY (CANADA), SUITE 1600 – 1066 W. HASTINGS STREET, VANCOUVER, BC V6E 3X1, SUCH THAT IT IS RECEIVED AT LEAST 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND STATUTORY HOLIDAYS IN THE PROVINCE OF BRITISH COLUMBIA) PRIOR TO THE COMMENCEMENT OF THE MEETING OR ANY ADJOURNMENT THEREOF, IN DEFAULT OF WHICH IT MAY BE TREATED AS INVALID. IN ORDER TO BE REPRESENTED BY PROXY, SHAREHOLDERS MUST COMPLETE AND SUBMIT THE ENCLOSED FORM OF PROXY OR OTHER APPROPRIATE FORM OF PROXY.**

*If you are a non-registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.*

**BLACK LION CAPITAL CORP.**  
Suite 409 - 221 West Esplanade  
North Vancouver, British Columbia  
V7M 3J3

**INFORMATION CIRCULAR**  
as of  
**May 18, 2018**  
(unless otherwise noted)

**MANAGEMENT SOLICITATION OF PROXIES**

**This Information Circular ("Circular") is furnished to you in connection with the solicitation of proxies by management of Black Lion Capital Corp. ("we", "us", "Black Lion" or the "Company") for use at the Annual General and Special Meeting (the "Meeting") of shareholders of the Company to be held on Monday, June 18, 2018, at the time and place and for the purposes set forth in the accompanying Notice of Meeting.** We will conduct the solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse shareholders, nominees or agents (including brokers holding shares on behalf of clients) for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.

**APPOINTMENT OF PROXY HOLDER**

The individuals named in the accompanying form of proxy (the "**Proxy**") are directors or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER'S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER PROXY.** A Proxy will not be valid unless it is completed, dated and signed and delivered to AST Trust Company (Canada), of 1066 West Hastings Street, Suite 1600, Vancouver, BC V6E 3X1, Canada not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment of it or to the chair of the Meeting on the day of the Meeting or any adjournment of it.

**NON-REGISTERED SHAREHOLDERS**

Only shareholders whose names appear on our records or validly appointed proxyholders are permitted to vote at the Meeting. Most of our shareholders are "non-registered" shareholders because their shares are registered in the name of nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a "**Nominee**"). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as "**NOBOs**". Those non-registered Holders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as "**OBOs**".

In accordance with the securities regulatory policy, we have distributed copies of the Meeting materials, being the Notice of Meeting, this Circular, and the form of proxy, directly to the NOBOs and to the Nominees for onward distribution to OBOs.

**The Company does not intend to pay for a Nominee to deliver to OBOs, therefore an OBO will not receive the materials unless the OBOs Nominee assumes the costs of delivery.**

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting materials sent to non-registered holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a "VIF"). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered shareholder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIFs, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered shareholders to direct the voting of the shares which they beneficially own. **Should a non-registered holder who receives a VIF wish to vote at the Meeting (or have someone else attend and vote on his, her or its behalf), the non-registered shareholder should print his, her or its name, of that of such other person, on the VIF and return it according to the instructions in the VIF.** Non-registered shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

#### **REVOCATION OF PROXY**

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the Company, at Suite 409 - 221 West Esplanade, North Vancouver, British Columbia, V7M 3J3 Canada, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the chair of the Meeting on the day of the Meeting or any adjournment of it. **Only registered shareholders have the right to revoke a Proxy. Non-registered holders 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.**

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### **EXERCISE OF DISCRETION**

If the instructions in a Proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the Proxy, and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

**Where no choice has been specified by the shareholder, such shares will, on a poll, be voted in accordance with the notes to Proxy.**

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

## VOTING SHARES AND PRINCIPAL SHAREHOLDERS

We are authorized to issue an unlimited number of common shares without par value, of which 12,828,294 common shares were issued and outstanding as of May 18, 2018 and an unlimited number of Preferred Shares without par value of which none were issued as of May 18, 2018.

Any shareholder of record at the close of business on May 18, 2018 who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the knowledge of our directors and executive officers, no persons or companies beneficially own, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of all voting rights as of May 18, 2018.

## ELECTION OF DIRECTORS

Our directors are elected at each annual general meeting and hold office until the next annual general meeting or until that person sooner ceases to be a director. The shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at six for the next year, subject to any increases permitted by the Company's Articles.

Unless you provide other instructions, the enclosed proxy will be voted for the nominees listed below, all of whom are presently members of the Corporation's board of directors (the "**Board**"). Management does not expect that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the proxy will exercise his or her discretionary authority to vote the shares represented by the proxy for the election of any other person or persons as directors.

Management proposes to nominate the persons named in the table below for election as director. The information concerning the proposed nominees has been furnished by each of them:

<b>Name, Position(s) with the Company<sup>(1)</sup> and Place of Residence<sup>(2)</sup></b>	<b>Principal Occupation<sup>(2)</sup></b>	<b>Date(s) Served as a Director Since</b>	<b>Ownership or Control Over Voting Shares Held<sup>(2)</sup></b>
<b>William L. Macdonald<sup>(3)</sup></b> West Vancouver BC <i>Director</i>	Solicitor, founder and principal of Macdonald Tuskey, Corporate and Securities Lawyers since April 2008	January 20, 2015 to present	200,000 <sup>(4)(5)</sup>
<b>Sean Mitchell<sup>(3)</sup></b> Vancouver BC <i>President, CEO and Director</i>	Self-Employed Consultant	February 19, 2015 to present	500,000 <sup>(4)</sup>
<b>Ron. A Schmitz<sup>(3)</sup></b> Vancouver BC <i>CFO, Secretary and Director</i>	President of ASI Accounting Services Inc. which has provided administration, accounting and office services to public companies since July 1995. Also an executive and board member of other public companies.	February 19, 2015 to present	450,000 <sup>(4)(6)</sup>
<b>Michael P. Walsh</b> Vancouver BC <i>Former President, Former CEO and Director</i>	Executive VP, Corporate Development, Ardenton Capital Corporation	February 19, 2015 to present	580,000 <sup>(4)</sup>
<b>Jesse Sims</b> Vancouver BC <i>Director</i>	Senior Vice President of Business Development for Vision Critical	July 3, 2015 to present	250,000 <sup>(4)</sup>
<b>Doug Besse</b> North Vancouver BC <i>Chief Technology Officer and Director</i>	Principal Advisor – DB Consulting Inc.	July 3, 2015 to present	500,000 <sup>(4)</sup>

Notes:

1. For the purposes of disclosing positions held in the Company, "Company" includes the Company and any parent or subsidiary thereof.
2. The information as to province and country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
3. Member of the Company's Audit Committee.
4. These common shares are subject to escrow restrictions.
5. Indirectly held by Black Prince Investments Ltd., a private company controlled by William L. Macdonald.
6. Of the 450,000 common shares held, 400,000 are indirectly held by ASI Accounting Inc., a private company controlled by Ron Schmitz.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of the Company's management, no proposed director of the Company:

- (a) is, as at the date of the Circular, or has been within 10 years before the date of the Circular, a director, CEO or CFO of any company (including the Company) that:
  - (i) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
  - (ii) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted

from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or

- (b) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, 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; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to 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
- (e) has been subject to 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.

#### **DIRECTOR AND EXECUTIVE COMPENSATION**

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following persons are considered the "Named Executive Officers" or "NEOs" for the purposes of the disclosure:

- (a) the Company's CEO, including an individual performing functions similar to a CEO;
- (b) the Company's CFO, including an individual performing functions similar to a CFO;
- (c) the most highly compensated executive officer of the Company and its subsidiaries, other than the CEO and CFO, 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) of Form 51-102F6V Statement of Executive Compensation — Venture Issuers, for the October 31, 2017 year end; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was not an executive officer of the Company and was not acting in a similar capacity at October 31, 2017.

#### **Director and Named Executive Officer Compensation, excluding Compensation Securities**

The following table is a summary of compensation (excluding compensation securities) paid, awarded to or earned by the Named Executive Officers and any director who is not a Named Executive Officer for the fiscal years ended October 31, 2017 and October 31, 2016.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$) <sup>(1)</sup>	Value of all other compensation (\$)	Total compensation (\$)
Michael P. Walsh <sup>(2)</sup> Former President, Former CEO and Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Ron A. Schmitz CFO, Secretary and Director	2017	Nil	Nil	Nil	Nil	7,585	7,585
	2016	Nil	Nil	Nil	Nil	13,814 <sup>(3)</sup>	13,814
William L. Macdonald Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Sean Mitchell <sup>(2)</sup> President, CEO and Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Jesse Sims Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Doug Beese Chief Technology Officer and Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. The value of perquisites, if any, was less than \$15,000.
2. Effective November 4, 2016, Michael Walsh resigned as President and CEO and Sean Mitchell was appointed as President and CEO of the Company.
3. Mr. Schmitz provides his services through ASI Accounting Services Inc., a company controlled by him, on a month-to-month basis with no formal executive employment agreement. Amounts received are included in the "Value of all other compensation" column of this table.

### Stock Options and Other Compensation Securities

During the financial year ended October 31, 2017, the Company granted stock options as follows:

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 (\$) <sup>(1)</sup>	Expiry Date
Sean Mitchell <sup>(3)</sup> President, CEO and Director	Stock Option	150,000 / 150,000 1.2%	December 14, 2016	\$0.10	\$0.10	\$0.165	December 14, 2021

Notes:

1. Concurrently with this grant, an aggregate of 93,500 stock options held by Michael P. Walsh, a director of the Company, were cancelled.

During the financial year ended October 31, 2017, none of the Named Executive Officers or directors exercised any stock options.

### **Oversight and description of director and Named Executive Officer compensation**

#### *Director Compensation*

The Board determines director compensation from time to time. Directors are not generally compensated in their capacities as such but the Company may, from time to time, grant to its directors incentive stock options to purchase common shares in the capital of the Company pursuant to the terms of the Stock Option Plan and in accordance with the Exchange policies.

#### *Named Executive Officer Compensation*

The Board as a whole determines executive compensation from time to time. The Company does not have a formal compensation policy. The main objectives the Company hopes to achieve through its compensation are to attract and retain executives critical to the Company's success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value. The Company looks at industry standards when compensating its executive officers.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table provides information as of the date of this Circular regarding the number of common shares to be issued pursuant to the Company's Stock Option Plan.

<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 (excluding securities reflected in first column)</b>
Equity compensation plans approved by security holders	N/A	N/A	N/A
Equity compensation plans not approved by security holders	1,026,500	\$0.10	225,500
<b>Total</b>	1,026,500	\$0.10	225,500

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

As at the date of this Circular, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, or any of its subsidiaries

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as set out in this Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted

upon at the Meeting other than the election of the directors and the cancellation of the Seed Shares (as defined in TSX Venture Exchange Policy 1.1).

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, since the commencement of the Company's most recently completed financial year, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. An "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 other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

## AUDIT COMMITTEE

### Composition of Audit Committee

As at the date of this Circular, the Audit Committee is composed of Ron A. Schmitz, William L. Macdonald and Jesse Sims. National Instrument 52-110 *Audit Committees* ("**NI 52-110**") requires that a majority of the Company's audit committee must not be executive officers of the Company. Mr. Schmitz is currently the Company's Chief Financial Officer and is the only executive officer on the Audit Committee.

The Company is relying on the exemption provided by Section 6.1 of NI 52-110 by virtue of the fact that it is a venture issuer. Section 6.1 exempts the Company from the requirements of Parts 3 (*Composition of the Audit Committee*) and 6 (*Reporting Obligations*) of NI 52-110.

The text of the Audit Committee's Charter is attached as Appendix A to this Circular.

### Relevant Education and Experience

**Ron A. Schmitz** is the Principal and President of ASI Accounting Services Inc., which has provided administrative, accounting and office services to public and private companies since July 1995. Since July 2008, Mr. Schmitz has been a director of Blackbird Energy Inc., an oil and gas exploration company listed on the Exchange and was also the Chief Financial Officer and Secretary of Blackbird from July 2008 until February 2015 and August to October 2017. Mr. Schmitz has also been a director, Chief Financial Officer or Executive Vice President of a number of other public companies since 1997.

**William L. Macdonald** is a founder and principal of Macdonald Tuskey, Corporate and Securities Lawyers, a boutique securities and corporate finance firm located in Vancouver, British Columbia established in April 2008. Prior thereto, from February 1998 to April 2008, Mr. Macdonald was a partner with Clark Wilson LLP and a member of the firm's Corporate Finance / Securities Practice Group. Since May 2008, Mr. Macdonald has been a director of Blackbird Energy Inc., an oil and gas exploration company listed on the Exchange and was also the President of Blackbird from May 2008 until February 2013. In addition, Mr. Macdonald currently serves as a director of Viscount Mining Corp., a position he has held since October 2011. Mr. Macdonald was also previously a director of First Americas Gold Corporation, formerly Pannonia Ventures Corp., Benz Capital Corp. and Standard Lithium Ltd., formerly Patriot Petroleum Corp. Mr. Macdonald has been a member of the Law Society of British Columbia since February 1998 and a member of the New York State

Bar since February 2002. Mr. Macdonald obtained his Bachelor of Law degree from the University of Western Ontario in 1997 and his Bachelor of Arts degree from Simon Fraser University in 1993.

**Jesse Sims** - Mr. Sims is Senior Vice President of Business Development for Vision Critical, a leading customer intelligence platform. Prior to Vision Critical, Mr. Sims spent more than 14 years at SAP, the market leader in enterprise application software, where he held senior roles leading Business Development, Sales Programs and the Global Sales Alliances with HP and Intel. Jesse joined SAP in 2007 amidst the company's acquisition of Business Objects, where he had served as the Head of Global Technology Partnerships. Prior to this he managed the Microsoft partnership at Crystal Decisions. Mr. Sims holds a Bachelor of Commerce degree and an MBA. He is a past Board Member of the University of British Columbia Alumni Association as well as past Chair of UBC Young Alumni.

Mr. Sims will devote the time necessary to perform the work required in connection with the management of the Company and completion of the Qualifying Transaction.

For further information concerning the relevant education and experience of the members of the Audit Committee, see the section entitled "*Particulars of Matters to be Acted Upon - Election of Directors*".

### **Audit Committee Oversight**

At no time since the beginning of our most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by our Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) or Part 8 (*Exemptions*) 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 financial year in which the non-audit services were provided. Part 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.

### **Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "IV - Responsibilities", subsection "B - Independent Auditors" of the Audit Committee Charter as set out in Appendix A to this Circular.

### **Audit Fees, Audit —Related Fees, Tax Fees and all other Fees**

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit 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 for each of the fiscal years ended October 31, 2017 and October 31, 2016:

<b>Financial Year End</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>	<b>Total</b>
October 31, 2017	\$7,650	Nil	\$1,500	Nil	\$9,150
October 31, 2016	\$7,500	\$Nil	\$1,500	\$Nil	\$9,000

### **Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations**

Since the Company is a venture issuer, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in this Circular).

### **APPOINTMENT AND REMUNERATION OF AUDITOR**

Shareholders will be asked to approve the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the auditor of the Company to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the directors.

### **TRANSFER TO NEX**

The Company is a Capital Pool Company ("CPC") under the policies of the TSX Venture Exchange (the "Exchange"). Pursuant to the policies of the Exchange, as a CPC, the Company must complete a qualifying transaction ("**Qualifying Transaction**") by such date as is permitted by the Exchange. The Company has been placed on notice by the Exchange that if it does not satisfy certain conditions by July 9, 2018, it will be delisted from trading on the Exchange. The conditions require the Company to either (i) complete its Qualifying Transaction by July 9, 2018, or (ii) receive the approval of its shareholders for (a) the transfer of the listing of its common shares to the NEX trading board of the Exchange (the "**NEX**") and (b) the related cancellation of up to 1,175,000 common shares held by the current directors and officers of the Corporation.

The NEX is a distinct trading board of the Exchange designed for listed issuers which were previously listed on the Exchange that have been unable to meet the ongoing financial listing standards of the Exchange. The Exchange provides a trading forum for publicly listed shell companies while they seek and undertake transactions, which are intended to result in the companies carrying on active businesses. A CPC that transfers to the NEX must continue to comply with all of the requirements and restrictions of Exchange Policy 2.4 - Capital Pool Companies.

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, to approve, with or without variation by ordinary resolution of disinterested shareholders, the transfer of the Company's listing to NEX. In order to be effective, the resolution must be passed, with or without variation, by a simple majority of shareholders that are arm's length to the Company (the "**Disinterested Shareholders**"). Accordingly, the Disinterested Shareholders will be asked to consider and, if thought fit, pass the following resolution:

#### **"BE IT RESOLVED THAT:**

1. The Company is authorized to make an application to the Exchange to transfer its listing to NEX in the event a Qualifying Transaction is not completed by July 9, 2018 or such later date as may be required or approved by the Exchange;
2. Any one officer or director of the Company is further authorized and directed to perform all such acts, deeds and things and execute all such documents, notices or instruments, as may be required to give effect to this resolution; and

3. Notwithstanding the approval by the shareholders of the Company of this resolution, the board of directors of the Company is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the cancellation of the Seed Shares and the transactions contemplated thereby, without further approval, ratification or confirmation by the shareholders of the Company"

In the event the foregoing resolution is not approved by Shareholders, the Company will not be able to transfer to NEX and the common shares will be delisted from the facilities of the Exchange.

**In the absence of instructions to the contrary, the enclosed proxy will be voted FOR the above ordinary resolution authorizing the transfer of the Corporation's listing to the NEX.**

### **CANCELLATION OF SEED SHARES**

As set out above, the Company has been placed on notice by the Exchange that if it does not satisfy certain conditions by July 9, 2018, it will be delisted from trading on the Exchange. The conditions require the Company to either (i) complete its Qualifying Transaction by July 9, 2018, or (ii) receive the approval of its shareholders for (a) the transfer of the listing of its common shares to the NEX and (b) the cancellation of Seed Shares (as defined in Exchange Policy 1.1) of the Company held by current directors and officers of the Corporation such that the average cost of the remaining Seed Shares is at least equal to the Company's initial public offering price of \$0.10.

At the Meeting, shareholders will be asked to consider, and if deemed advisable, to approve, with or without variation by ordinary resolution of Disinterested Shareholders, the cancellation of up to 1,175,000 Seed Shares of the Company held by the current directors and officers of the Corporation such that the average cost of the remaining Seed Shares is at least equal to \$0.10.

In order to be effective, the following resolution must be passed, with or without variation, by a simple majority of Disinterested Shareholders. Accordingly, the Disinterested Shareholders will be asked to consider and, if thought fit, pass the following resolution:

#### **"BE IT RESOLVED THAT:**

1. The Company is authorized to cancel 1,175,000 Seed Shares (as defined in Exchange Policy 1.1) of the Company held by the current directors and officers of the Company such that the average cost of the remaining Seed Shares is at least equal to \$0.10, if the Company does not complete a Qualifying Transaction by July 9, 2018 or such later date as may be required or approved by the Exchange;
2. Any one officer or director of the Company is further authorized and directed to perform all such acts, deeds and things and execute all such documents, notices or instruments, as may be required to give effect to this resolution; and
3. Notwithstanding the approval by the shareholders of the Company of this resolution, the board of directors of the Company is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the cancellation of the Seed Shares and the transactions contemplated thereby, without further approval, ratification or confirmation by the shareholders of the Company."

**In the absence of instructions to the contrary, the enclosed proxy will be voted FOR the above ordinary resolution authorizing the cancellation of 1,175,000 Seed Shares of the Corporation held by the current directors and officers of the Corporation.**

## **CORPORATE GOVERNANCE**

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to disclose their governance practices on an annual basis. A discussion of the Company's governance practices within the context of NI 58-101 is set out below.

### **Board of Directors**

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

Applying the definition set out in NI 52-110, the majority of the members of the Board, Michael P. Walsh, Sean Mitchell, William L. Macdonald, Ron. A. Schmitz and Douglas Besse, are not independent. Michael P. Walsh is not independent by virtue of the fact that he was previously the Company's President and CEO, Sean Mitchell is not independent as he is the current CEO and President, Ron A. Schmitz is not independent because he is the Company's CFO and Doug Besse is not independent as he is the Company's Chief Technology Officer. In addition, William L. Macdonald is not considered to be independent under NI 52-110 because he indirectly receives consulting, advisory or other compensation fees through Macdonald Tuskey, a law firm the Company engages of which is a founder and principal. Jesse Sims is considered to be independent.

In addition to their positions on the Board, the following directors or proposed directors for nomination also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

<b>Name of Director</b>	<b>Other Reporting Issuer (or equivalent in a foreign jurisdiction)</b>
William L. Macdonald	Blackbird Energy Inc. Viscount Mining Corp.
Sean Mitchell	Otis Gold
Ron A. Schmitz	Blackbird Energy Inc. Newrange Gold Corp.

### **Orientation and Continuing Education**

Orientation and education of new members of the Board is conducted informally by management and members of the Board. The orientation provides background information on the Company's history, performance and strategic plans.

### **Ethical Business Conduct**

Directors, officers and employees are required as a function of their directorship, office or employment to structure their activities and interests to avoid conflicts of interest and potential conflicts of interest and refrain from making personal profits from their positions. The Board does not consider it necessary at this time to have a written policy regarding ethical conduct.

## **Nomination of Directors**

The Board is responsible for reviewing the composition of the Board on a periodic basis. The Board analyzes the needs of the Board when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet such needs.

## **Compensation**

The Board reviews and approves all matters relating to compensation of the directors and executive officers of the Company. With regard to the CEO, the Board reviews and approves corporate goals and objectives relevant to the CEO's compensation, evaluates the CEO's performance in light of those goals and objectives and sets the CEO's compensation level based on this evaluation.

## **Other Board Committee**

The Board does not have any committees other than the Audit Committee.

## **OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

## **ADDITIONAL INFORMATION**

Financial information concerning the Company is contained in its comparative financial statements and Management's Discussion and Analysis for the financial year ended October 31, 2017. Copies of these documents, this Circular and additional information relating to the Company may be found on the SEDAR website at [www.sedar.com](http://www.sedar.com) or obtained upon request from the Company without charge to shareholders:

Black Lion Capital Corp.  
Suite 409 - 221 West Esplanade  
North Vancouver, BC V7M 3J3  
Telephone: (604) 685-7450  
Email: [info@blacklioncapital.com](mailto:info@blacklioncapital.com)

DATED this 18<sup>th</sup> day of May, 2018

## **ON BEHALF OF THE BOARD**

*(signed) Sean Mitchell* \_\_\_\_\_

Sean Mitchell  
President, CEO and Director

**APPENDIX A**  
**Charter of the Audit Committee of the Board of Directors**  
**of Black Lion Capital Corp. (the "Company")**

**AUDIT COMMITTEE CHARTER**

**I PURPOSE**

The Audit Committee (the "**Committee**") will consist of a majority of independent directors and is appointed by the Board of Directors (the "**Board**") of Black Lion Capital Corp. (the "**Company**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Company. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Company and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management's discussion and analysis of the Company's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Company's outside auditors (the "**Independent Auditors**"), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Company.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

**II AUTHORITY OF THE AUDIT COMMITTEE**

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and

- (c) communicate directly with the internal and external auditors.

### III COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the TSX Venture Exchange ("TSXV"), the *Business Corporations Act* (British Columbia) and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. Each member of the Committee shall be "financially literate" (as defined by applicable securities laws and regulations).
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Company and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.
11. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

12. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

#### **IV RESPONSIBILITIES**

##### **A Financial Accounting and Reporting Process and Internal Controls**

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable Canadian accounting standards and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements. With respect to the annual and interim financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.

2. The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response.

3. The Committee shall review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Company publicly discloses this information.

4. The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in subsection (3), and periodically assess the adequacy of these procedures.

5. The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, deems appropriate.

6. The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.

7. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.

8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.

9. The Committee shall establish procedures for:

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

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

10. The Committee shall provide oversight to related party transactions entered into by the Company.

## **B Independent Auditors**

1. The Committee shall be directly responsible for the selection, appointment, compensation and oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.

2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.

3. The Committee shall pre-approve all audit and non-audit services (including, without limitation, the review of any interim financial statements of the Company by the Independent Auditors at the discretion of the Committee) not prohibited by law to be provided by the Independent Auditors.

4. The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.

5. The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.

6. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.

7. The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within applicable Canadian accounting principles that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Company and the Independent Auditors.

8. The Committee shall review fees paid by the Company to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.

9. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.

10. The Committee shall monitor and assess the relationship between management and the external auditors, and monitor and support the independence and objectivity of the external auditors.

## **C Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.