



MANAGEMENT INFORMATION CIRCULAR

AND

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 18, 2018

Dated: March 19, 2018

MANAGEMENT INFORMATION CIRCULAR

(as at March 19, 2018)

MANAGEMENT SOLICITATION OF PROXIES

This Information Circular (the "**Circular**") is furnished in connection with the solicitation of proxies by management of **CLOUD NINE EDUCATION GROUP LTD.** (the "**Corporation**") for use at the Annual General Meeting of shareholders of the Corporation (the "**Meeting**") to be held at Suite 1080, 789 West Pender Street, Vancouver, BC, V6C 1H2 on Wednesday, April 18, 2018, at 10:00 a.m., Pacific Time, for the purposes set forth in the Notice of Annual General Meeting of Shareholders (the "**Notice**") accompanying this Circular.

The solicitation of proxies will be primarily by mail. Proxies may also be solicited personally by directors, officers and regular employees of the Corporation. The cost of solicitation of proxies will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy (the "**Proxy**") are officers of the Corporation. **A registered shareholder has the right to appoint a person (who need not be a shareholder) other than the persons named as the proxy of the shareholder and may exercise this right either by inserting that person's name in the blank space provided in the Proxy and striking out the other names or by completing another proper form of proxy.** To be effective, Proxies must be deposited at the office of the Corporation's registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or adjournment thereof.

Proxies given by registered shareholders for use at the Meeting may be revoked at any time before their use. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by depositing an instrument in writing signed by the registered shareholder, or by the registered shareholder's attorney duly authorized in writing, at the registered office of the Corporation, 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5 on or before the last business day preceding the day of the Meeting, or any adjournment thereof, or with the chair of the Meeting on the day of the Meeting, or any adjournment thereof.

BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as many shareholders do not hold their Shares (as defined herein) in their own name. Shareholders holding their Shares through banks, trust companies, securities dealers or brokers, trustees or administrators of RRSPs, RRIFs, RESPs and similar plans or other persons (any one of which is herein referred to as an "**Intermediary**") or otherwise not in their own name (such shareholders herein referred to as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders appearing on the records maintained by the Corporation's transfer agent as registered shareholders will be recognized and allowed to vote at the Meeting. If a shareholder's Shares are listed in an account statement provided to the shareholder by a broker, in all likelihood those Shares are not registered in the shareholder's name and that shareholder is a Beneficial Shareholder. Such Shares are most likely registered in the name of the shareholder's broker or an agent of that broker. In Canada the vast majority of such Shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the Meeting at the direction of the

Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Corporation (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "**NOBOs**") or objecting to their Intermediary disclosing ownership information about themselves to the Corporation (such Beneficial Shareholders are designated as objecting beneficial owners, or "**OBOs**").

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has elected to send the notice of meeting, this Circular and a request for voting instructions (a "**VIF**"), instead of a proxy (the notice of Meeting, Circular and VIF or proxy are collectively referred to as the "**Meeting Materials**") indirectly through Intermediaries to the NOBOs and OBOs. The management of the Corporation does not intend to pay for Intermediaries to forward the Meeting Materials to OBOs. OBOs will not receive the Meeting Materials unless their Intermediaries assume the cost of delivery.

Meeting Materials sent to Beneficial Shareholders are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial Shareholder's Shares on the Beneficial Shareholder's behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote Shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Shares voted. If you have any questions respecting the voting of Shares held through an Intermediary, please contact that Intermediary for assistance.

The purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Shares which they beneficially own. **A Beneficial Shareholder receiving a VIF cannot use that form to vote Shares directly at the Meeting – Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

All references to shareholders in this Circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

VOTING AND DISCRETION OF PROXIES

The common shares (the "**Shares**") of the Corporation represented by the Proxies solicited by management of the Corporation pursuant to this Circular will be voted or withheld from voting in accordance with the directions contained therein. **If no directions are given, the Shares will be voted FOR the fixing of the number of directors at five (5), FOR the election of management's nominees as directors of the Corporation and FOR the appointment of management's nominee as auditor of the Corporation and authorizing the directors to fix its remuneration. The Proxy confers discretionary authority on the persons named therein in respect of amendments or variations to the matters referred to in the Notice and in respect of other matters that may properly come before the Meeting, or any adjournment thereof.**

As at the date of this Circular, management knows of no such amendments or variations or other matters that may properly come before the Meeting but, if any such amendments, variations or other matters are properly brought before the Meeting, the persons named in the Proxies will vote thereon in accordance with their best judgment.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditor:

- (a) each person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year;
- (b) each proposed nominee for election as a director of the Corporation; and
- (c) each associate or affiliate of any of the foregoing.

VOTING SECURITIES, RECORD DATE AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Corporation consists of an unlimited number of Shares without par value. As at the date of this Circular **36,907,519** Shares are issued and outstanding. Each common share of the Corporation carries the right to one vote, and all Shares may be voted at the Meeting.

The record date for the determination of shareholders entitled to receive notice of and vote at the Meeting has been fixed as February 28, 2018. Except as may be otherwise indicated herein and in the Notice, the affirmative vote of a majority of the votes cast at the Meeting is required for approval of each matter set forth in this Circular.

To the knowledge of the directors and senior officers of the Corporation, there are no persons or companies who beneficially own, or control or direct, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Corporation other than as follows:

Name of Shareholder	Number of Shares	Percentage of Issued & Outstanding
CDS & Co. ⁽¹⁾	20,030,025	54.27% ⁽²⁾
Michael Leslie Hunter	6,358,360	17.23% ⁽²⁾

- (1) The 20,030,025 Shares are owned of record only and CDS & Co. does not own the Shares beneficially. Beneficial ownership of these Shares is not known to the Corporation.
- (2) Based on 36,907,519 Shares issued and outstanding as at the date of this Circular.

ELECTION OF DIRECTORS

The board of directors (“**Board**”) of the Corporation is elected annually and holds office until the next annual general meeting of the shareholders or until successors are elected. The management of the Corporation proposes to nominate the persons listed below (the “**Proposed Nominees**”) for election as directors of the Corporation to serve until their successors are elected or appointed. In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Corporation will be voted for the Proposed Nominees in this Circular.

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT, PRIOR TO THE MEETING, ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY MANAGEMENT TO VOTE THE PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS.

The following table sets out the names of the Proposed Nominees for election as a director, the province or state and country in which ordinarily resident, the period or periods during which each has served as a director, positions held in the Corporation, their present principal occupations and number of shares of the Corporation or shares of any of its subsidiaries beneficially owned by each, or controlled or directed, directly or indirectly as at the date hereof.

Name, Position(s) with the Corporation, and Province/State and Country of Residence	Principal Occupation and, IF NOT at Present an ELECTED Director, Occupation During the Past Five Years	Period From Which Nominee Has Been Director	Number of Shares Beneficially Owned ⁽¹⁾
Allan Larmour British Columbia, Canada President, Chief Executive Officer, and Director	Strategic business planning and investment consultant since 2009; Director of EmerGeo Solutions Worldwide Inc. from July 2013 – present; Vice President – Worldwide Sales and Marketing of Eight Solutions Inc. from October 2016 – present	July 7, 2017	Nil
Michael Hunter ⁽²⁾⁽³⁾ British Columbia, Canada Chief Operating Officer and Director	Chief Operating Officer of the Corporation	April 30, 2015	6,358,360 (17.23%)
Dalton Larson ⁽²⁾⁽⁴⁾ British Columbia, Canada Director	Arbitrator with The Arbitrators Group located in Vancouver, British Columbia	April 30, 2015	2,293,750 (6.21%)
Kulwant Sandher ⁽²⁾ British Columbia, Canada Director	President of Hurricane Corporate Services located in Vancouver, British Columbia; director and CFO of Delta Oil & Gas, Inc.	December 9, 2015	260,000 (0.70%)
James Matkin British Columbia, Canada Director	Retired; a lawyer by education, Mr. Matkin served in the BC government ministries of Labour and Intergovernmental Affairs from 1972-1983	January 20, 2017	Nil

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at February 28, 2018, based upon information furnished to the Corporation by individual Directors. Unless otherwise indicated, such Shares are held directly. Percentage based on 36,907,529 common shares issued and outstanding as at the date of this Circular.
- (2) Member of the audit committee of the Corporation.
- (3) Mr. Hunter also serves as President and CEO and director of the Corporation's subsidiaries, BHR Capital Corp., Cloud Nine College Ltd., and English Canada World Organization Inc.
- (4) Mr. Larson also serves as a director of the Corporation's subsidiary, Cloud Nine College Ltd.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

For purposes of the disclosure in this section, an "order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

Except as disclosed herein, none of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of the Circular, or has been, within 10 years before the date of the Circular, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Corporation) that:
 - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; 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 Corporation) 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 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.

Mr. Larmour was a director of EmerGeo Solutions Worldwide Inc. ("**EmerGeo**") when it became the subject of a cease trade order issued by the British Columbia Securities Commission dated August 7, 2013, for its failure to file a comparative financial statement for the financial year ended March 31, 2013, and a management's discussion and analysis for the period ended March 31, 2013. On November 6, 2013, EmerGeo became the subject of a cease trade order issued by the Alberta Securities Commission for its failure to file annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended March 31, 2013, and interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim period ended June 30, 2013. As at the date hereof, both cease trade orders remain in effect.

Mr. Larmour was also a director of EmerGeo Solutions Inc., a subsidiary of EmerGeo incorporated on July 2, 2002, and in the business of providing emergency and crisis management software and services, when it filed an Assignment in Bankruptcy on February 16, 2012. The assets of EmerGeo Solutions Inc. were subsequently sold and recovered amounts paid to debtors.

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Circular:

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

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

- (a) each individual who served as CEO of the Corporation, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as CFO of the Corporation, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Corporation or any of its subsidiaries other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out details of all payments, grants, awards, gifts and benefits paid or awarded to each director and NEO in the two most recently completed financial years ended September 30, 2017, and September 30, 2016:

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Allan Larmour ⁽¹⁾ CEO, Director	2017	30,000	Nil	Nil	Nil	Nil	30,000
	2016	N/A	N/A	N/A	N/A	N/A	N/A
Michael Hunter ⁽²⁾ Chief Operating Officer, Former CEO, Director	2017	90,000	Nil	Nil	Nil	Nil	90,000
	2016	120,000	Nil	Nil	Nil	Nil	\$120,000
Peter Lee ⁽³⁾ Chief Financial Officer	2017	90,000	Nil	Nil	Nil	Nil	90,000
	2016	90,000	Nil	Nil	Nil	Nil	90,000
Dalton Larson ⁽⁴⁾ Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Kulwant Sandher ⁽⁵⁾ Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
James Matkin ⁽⁶⁾ Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	N/A	N/A	N/A	N/A	N/A	N/A

(1) Allan Larmour was appointed a director of the Corporation on July 7, 2017. He has also served as CEO of the Corporation since October 18, 2017, subsequent to the financial year ended September 30, 2017.

(2) Michael Hunter has served as a director of the Corporation since April 30, 2015, and also served as CEO from April 30, 2015, until October 18, 2017, subsequent to the financial year ended September 30, 2017, when he resigned as CEO and was appointed Chief Operating Officer.

(3) Peter Lee has served as CFO since April 30, 2015.

(4) Dalton Larson has served as a director since April 30, 2015.

(5) Kulwant Sandher has served as a director since December 9, 2015.

(6) James Matkin has served as a director since January 20, 2017.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Corporation or any subsidiary thereof in the financial year ended September 30, 2017, for services provided, or to be provided, directly or indirectly, to the Corporation or any subsidiary thereof:

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and % of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Michael Hunter ⁽¹⁾ Former CEO,	Stock options	375,000	April 4, 2017	0.14	0.135	0.05	April 4, 2020
Peter Lee ⁽²⁾ CFO	Stock options	200,000	April 4, 2017	0.14	0.135	0.05	April 4, 2020
Allan Larmour Director	Stock options	100,000	July 26, 2017	0.14	0.08	0.05	July 26, 2022
Dalton Larson ⁽³⁾ Director	Stock options	250,000	April 4, 2017	0.14	0.135	0.05	April 4, 2020
Kulwant Sandher Director	Stock options	175,000	April 4, 2017	0.14	0.135	0.05	April 4, 2020
James Matkin Director	Stock options	100,000	April 4, 2017	0.14	0.135	0.05	April 4, 2020

(1) Michael Hunter forfeited his stock options on October 11, 2017, subsequent to the financial year ended September 30, 2017.

(2) Peter Lee forfeited his stock options on October 11, 2017, subsequent to the financial year ended September 30, 2017.

(3) Dalton Larson forfeited his stock options on October 11, 2017, subsequent to the financial year ended September 30, 2017.

There were no exercises of compensation securities by directors or NEOs during the most recently completed financial year.

Stock Option Plans and Other Incentive Plans

The Corporation implemented a stock option plan on April 22, 2015, as amended on September 28, 2017 (the “**Stock Option Plan**”), enabling the Board to grant stock options to purchase common shares in the capital of the Corporation from time to time to eligible persons (collectively, “**Optionees**”) in consideration of such Optionees providing services to the Corporation or a subsidiary of the Corporation. The number of stock options granted by the Corporation to Optionees is determined by the Board, within the guidelines established by the Plan. The stock options enable such persons to purchase common shares at a price fixed under such guidelines. The stock options are exercisable by the Optionee giving the Corporation notice and payment of the exercise price for the number of common shares to be acquired.

The purpose of the Stock Option Plan is to attract and retain directors, officers, employees and consultants and to motivate them to advance the interests of the Corporation by affording them with the opportunity to acquire an equity interest in the Corporation through options granted under the Stock Option Plan to purchase shares.

Under the Stock Option Plan, the maximum number of common shares reserved for issuance, including stock options currently outstanding, is equal to ten (10%) percent of the common shares outstanding from time to time (the “**10% Maximum**”). The 10% Maximum is an “evergreen” provision, meaning that, following the exercise, termination, cancellation or expiration of any stock options, a number of common shares equivalent to the number of options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future stock option grants.

The following information summarizes the key terms and is intended to be a brief description of the Corporation’s Stock Option Plan. Such summary is qualified in its entirety by the full text of the Stock Option Plan, a copy of which will be available for inspection at the Meeting. A Shareholder may also obtain a copy of the Stock Option Plan by contacting the Corporation care of Suite 1080, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

Summary

- the aggregate number of shares that may be issued pursuant to options granted under the Stock Option Plan, unless otherwise approved by Shareholders, may not exceed that number which is equal to 10% of the issued and outstanding shares of the Corporation at the time of the grant;
- the term of any stock option will not exceed five years;
- if a director, officer, employee or consultant ceases to be so engaged by the Corporation for any reason other than death, such director, officer, employee or consultant shall have the right to exercise any vested option granted to him under the Stock Option Plan and not exercised prior to such termination within a period of 90 days after the date of termination, or such shorter period as may be set out in the Optionee’s written agreement;
- if an Optionee who is engaged in Investor Relations Activities ceases to be so engaged by the Corporation, such Optionee shall have the right to exercise any vested option granted to the Optionee under the Stock Option Plan and not exercised prior to such termination within a period of 30 days after the date of termination, or such shorter period as may be set out in the Optionee’s written agreement;
- the aggregate number of common shares subject to an option that may be granted to any one individual in any 12-month period under the Stock Option Plan shall not exceed 5% of the issued and outstanding common shares determined at the time of such grant;

- the aggregate number of common shares subject to an option that may be granted to any one consultant in any 12-month period under the Stock Option Plan shall not exceed 2% of the issued and outstanding common shares determined at the time of such grant;
- the aggregate number of common shares subject to an option that may be granted to any one person conducting Investor Relations Activities in any 12-month period under the Stock Option Plan shall not exceed 2% of the issued and outstanding common shares determined at the time of such grant;
- the Board may, in its absolute discretion, determine the vesting provisions of options granted under the Stock Option Plan;
- all options are non-assignable and non-transferable; and
- any amendment to options held by insiders which results in a reduction in the exercise price of the options at the time of the amendment shall be conditional upon obtaining disinterested shareholder approval for that amendment.

As at the financial year end of September 30, 2017, there were 2,720,000 stock options issued and outstanding, of which 1,850,000 were held by directors and officers of the Corporation. As of the date of this Circular, there were 1,940,000 stock options issued and outstanding, 375,000 of which were held by directors and officers of the Corporation.

Employment, Consulting and Management Agreements

Whilst management functions of the Corporation are not, to any substantial degree, performed other than by directors or NEOs of the Corporation, the Corporation is not party to any formal, written employment, consulting or management agreements with any NEO or director.

For the financial year ended September 30, 2017, there were no agreements or arrangements that provided for compensation to NEOs or directors of the Company, or that provided for payments to a NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Company or a change in the NEO or director's responsibilities.

Oversight and Description of Director and NEO Compensation

The Board has created and appointed a compensation committee, which performs tasks related to developing and monitoring the Corporation's approach to the compensation of the Corporation's NEOs and directors. Compensation of NEOs, directors and the Corporation's employees or consultants, if any, without reference to any specific formula or criteria, is reviewed and recommended by the compensation committee for presentation to and approval by the Board. NEOs that are also directors of the Corporation are involved in discussions relating to compensation, but disclose their interest in, and abstain from voting on, decisions related to their own respective compensation.

The overall objective of the Corporation's compensation strategy is to offer short, medium and long-term compensation components to ensure that the Corporation has in place programs to attract, retain and develop management of the highest calibre and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard.

Executive officers' compensation is currently composed of two major components: a short-term compensation component, which includes the payment of management fees to certain NEOs, and a

long-term compensation component, which includes the grant of stock options under the Stock Option Plan. Management fees primarily reward recent performance and incentive stock options encourage NEOs and directors to continue to deliver results over a longer period of time and serve as a retention tool. The Corporation intends to further develop these compensation components.

The management fee for each NEO, as applicable, is recommended by the compensation committee and determined by the Board based on the level of responsibility and experience of the individual, the relative importance of the position to the Corporation, the professional qualifications of the individual and the performance of the individual over time.

The second component of the executive officers' compensation is stock options. The objectives of the Corporation's compensation policies and procedures are to align the interests of the Corporation's employees with the interests of the shareholders of the Corporation. Therefore, a significant portion of total compensation granted by the Corporation, being the grant of stock options, is based upon overall corporate performance.

Although it has not to date, the Board may in the future consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Corporation and the performance of the executive. The Board considers that the payment of such discretionary annual cash bonuses may satisfy the medium-term compensation component.

The Corporation relies on Board discussion, without formal objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

The NEOs' performances and salaries or fees are to be reviewed periodically. Increases in management fees are to be evaluated on an individual basis and are performance and market-based. Compensation is not tied to performance criteria or goals such as milestones, agreements or transactions, and the Corporation does not use a "peer group" to determine compensation.

Pension Plan Benefits

The Corporation does not have any pension plans that provide for payments or benefits to the NEOs or directors at, following, or in connection with retirement, including any defined benefits plan or any defined contribution plan. The Corporation does not have a deferred compensation plan with respect to any NEO or director.

Benefits and Perquisites

The Corporation's NEOs do not receive any benefits or perquisites.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to the Corporation's current stock option plan (the "**Stock Option Plan**") adopted by the Board on April 22, 2015, and amended by directors on September 28, 2017, being the Corporation's only equity compensation plan in effect:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	N/A	N/A	N/A
Equity compensation plans not approved by securityholders	2,520,000	\$0.13	965,598
Total	2,520,000	\$0.13	965,598

STATEMENT OF CORPORATE GOVERNANCE

General

This section sets out the Company's approach to corporate governance pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which requires issuers to disclose their corporate governance practices, and addresses the Company's compliance with National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**"), which provides guidance on corporate governance practices.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to a company's shareholders. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management.

Board of Directors

NI 58-101 defines "independence" with reference to the definition of independence contained in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). A director is independent if he has no direct or indirect material relationship to the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. Certain types of relationships are by their nature considered to be material relationships and are specified in Section 1.4 of NI 52-110.

As at the date of this Circular, the Board consisted of five (5) directors: Allan Larmour, Michael Hunter, Dalton Larson, Kulwant Sandher, and James Matkin. Of the current Board the following members are independent: Dalton Larson, Kulwant Sandher, and James Matkin. Messrs. Larmour and Hunter are not independent as they serve as executive officers of the Corporation.

Other Directorships

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

Name of Director	Name of Other Reporting Issuer
Allan Larmour	Norsemont Capital Inc.
	Emergeo Solutions Worldwide Inc.

Dalton Larson	NextSource Materials Inc. SmartCool Systems Inc.
Kulwant Sandher	Alba Minerals Ltd. Delta Oil & Gas, Inc. Astorius Resources Ltd. Electrameccanica Vehicles Corp.

Orientation and Continuing Education

Each new director of the Corporation is briefed about the nature of the Corporation's business, its corporate strategy and current issues within the Corporation. New directors are encouraged to review the Corporation's public disclosure records as filed under its profile at www.sedar.com. Directors are also provided with access to management to better understand the operations of the Corporation, and to the Corporation's legal counsel to discuss their legal obligations as directors of the Company.

Ethical Business Conduct

The Board has adopted a formal code of business conduct and ethics (the "**Code**") which all directors, officers, and employees shall abide by and be required to sign a certificate of compliance annually. A copy of the Code is posted under the Company's profile at www.sedar.com.

The Board is also required to comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia) and relevant securities regulation in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his interest and is not entitled to vote on any matter that is the subject of the conflict of interest.

Nomination of Directors

The Company's management is in contact with individuals involved in the technology, education and other relevant sectors. From these sources management has made a number of contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company will conduct reference and background checks on suitable candidates. New nominees generally must have a track record in business management, areas of strategic interest to the Company, the ability to devote the time required to carry out the obligations and responsibilities of a director and a willingness to serve in that capacity.

Other Board Committees

The Corporation has an Audit Committee. Please refer to the "Audit Committee" section.

Assessments

Neither the Corporation nor the Board has developed a formal review system to assess the performance of the directors or the Board as a whole. The contributions of individual directors are monitored by other members of the Board on an informal basis through observation.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Corporation's financial statements and the independence and performance of the Corporation's

external auditor, acting as a liaison between the Board and the Corporation's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board have established.

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee (the "**Committee**") and its relationship with its independent auditor, as set forth in the following.

The Audit Committee's Charter

The Board has adopted an Audit Committee Charter, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached as Schedule "A" to this Circular.

Composition of the Audit Committee

As the Shares are listed on the CSE, the Corporation is categorized as a venture issuer. As a result, the Corporation is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) of NI 52-110.

The Corporation's Audit Committee is comprised of three directors: Kulwant Sandher, Michael Hunter, and Dalton Larson. The table below sets out information with respect to the current members of the Audit Committee:

Name of Member	Independent⁽¹⁾	Financially Literate⁽²⁾
Kulwant Sandher, Chair	Yes	Yes
Michael Hunter	No	Yes
Dalton Larson	Yes	Yes

(1) A member of the Audit Committee is independent if he has no direct or indirect 'material relationship' with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Corporation is deemed to have a material relationship with the Corporation.

(2) A member of the Audit Committee is financially literate if he 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 Corporation's financial statements

(3) Michael Hunter is the Chief Operating Officer of the Corporation.

Relevant Education and Experience

Each audit committee member has gained financial literacy through their years of experience serving as directors of companies and serving on other audit committees. In these positions, each member would be responsible for receiving financial information relating to their company and obtaining an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of the Corporation and its operating results. Each member has significant understanding of the industry within which the Corporation is engaged and has an appreciation for the relevant accounting principles for that business.

Kulwant Sandher - Mr. Sandher, B.Sc., CPA, CA, is a Principal in Hurricane Corporate Services and serves as its President with over 25 years' experience in operational, finance/accounting management, as well as management consulting. He has served as Chief Financial Officer of numerous private and public companies and has been in private practice as a Chartered Professional Accountant since 1988. He received his Chartered Professional Accountant designation in Canada in 1997 and he is a Member of the Institute of Chartered Accountants in England & Wales as well as the Canadian Institute of

Chartered Accountants.

Michael Hunter - Mr. Hunter has business and finance experience having worked in executive management positions for the past 12 years serving on boards of directors for both private and publicly listed companies on the TSX, the NYSE and the Frankfurt Exchange. In such capacity, he has played a direct or leading role in raising public and private equity.

Dalton Larson - Mr. Larson has considerable business and finance experience including serving for several years as a director of several investment funds managed by the CW Funds group of companies affiliated with Ventures West Management Inc. Mr. Larson was a founding shareholder and first Chairman of the board of directors of First Coal Corporation which started operations in 2004 and was sold to Xstrata Ltd. in 2011 for over \$150 million.

Audit Committee Oversight

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

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) 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. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Corporation's Audit Committee must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Corporation. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator 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 above under the heading "External Auditors Service Fees (By Category)".

External Auditor Service Fees (By Category)

The table below sets out all fees billed by the Corporation's external auditor in each of the last two fiscal years. In the table "Audit Fees" are fees billed by the Corporation's external auditor for services provided in auditing the Corporation's financial statements for the fiscal 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 Corporation's financial statements. "Tax Fees" are fees billed by the Corporation's external auditors for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the external auditor for products and services not included in the foregoing categories:

Financial Year Ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
September 30, 2017	\$24,633	\$Nil	\$Nil	\$Nil
September 30, 2016	\$33,000	\$Nil	\$Nil	\$Nil

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

As at the date of this Circular, there was no indebtedness outstanding with any current or former Director, executive officer or employee of the Corporation or its subsidiaries which is owing to the Corporation or its subsidiaries, or which is owing 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 Corporation or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Corporation, no proposed nominee for election as a Director of the Corporation and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries, in relation to a securities purchase program or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as stated herein, no informed person, director, executive officer, nominee for director, any person who beneficially owns, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Corporation, nor any associate or affiliate of such persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transactions or any proposed transactions which has materially affected or would materially affect the Corporation.

APPOINTMENT AND REMUNERATION OF AUDITOR

Morgan & Company LLP, Chartered Professional Accountants, is the independent registered certified auditor of the Corporation.

MANAGEMENT RECOMMENDS THE APPOINTMENT OF MORGAN & COMPANY LLP, CHARTERED PROFESSIONAL ACCOUNTANTS AS AUDITOR OF THE CORPORATION, AND THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE IN FAVOUR OF SUCH APPOINTMENT AT A REMUNERATION TO BE FIXED BY THE BOARD.

MANAGEMENT CONTRACTS

There are no management functions of the Corporation or its subsidiaries which are to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

ADDITIONAL INFORMATION

Additional information concerning the Corporation can be found on SEDAR at www.sedar.com and on the Corporation's website at www.c9eg.com.

Financial information relating to the Corporation is provided in the Corporation's audited financial statements and the management discussion and analysis ("**MD&A**") for the year ended September 30, 2017. Shareholders may download the financial statements and MD&A from SEDAR

(www.sedar.com) or contact the Corporation directly to request copies of the financial statements and MD&A by: (i) mail to Suite 1080, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2; or (ii) fax to 604-428-7052, or e-mail (janetfrancis@c9eg.com).

DATED at Vancouver, British Columbia this 19th day of March, 2018.

BY ORDER OF THE BOARD

/s/ "Allan Larmour"
Allan Larmour
Chief Executive Officer and Director

SCHEDULE "A"

AUDIT COMMITTEE CHARTER CLOUD NINE EDUCATION GROUP LTD.

(the "Company")

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee, or its Board of Directors in lieu thereof (the "**Audit Committee**"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

1. **Composition**

- (a) *Number of Members.* The Audit Committee must be comprised of a minimum of three directors of the Company.
- (b) *Chair.* If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "**Chair**") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- (c) *Financial Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

2. **Meetings**

- (a) *Quorum.* The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- (b) *Agenda.* The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- (b) *Notice to Auditors.* The Company's auditors (the "Auditors") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.
- (d) *Minutes.* Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

3. Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

External Auditor

The Audit Committee will:

- (a) *Selection of the external auditor.* Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.
- (b) *Scope of Work.* Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.
- (c) *Compensation.* Recommend to the Board the compensation to be paid to the external auditors.
- (d) *Replacement of Auditor.* If necessary, recommend the replacement of the Auditor to the Board of Directors.
- (e) *Approve Non-Audit Related Services.* Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.
- (f) *Responsibility for Oversight.* Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.
- (g) *Resolution of Disputes.* Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

Consolidated Financial Statements and Financial Information

The Audit Committee will:

- (a) *Review Audited Financial Statements.* Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.
- (b) *Review of Interim Financial Statements.* Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.
- (c) *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports.* Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.
- (d) *Auditor Reports and Recommendations.* Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

Risk Management, Internal Controls and Information Systems

The Audit Committee will:

- (a) *Internal Control*. Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.
- (b) *Financial Management*. Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.
- (c) *Accounting Policies and Practices*. Review management plans regarding any changes in accounting practices or policies and the financial impact thereon.