

INFORMATION CIRCULAR

for the

ANNUAL GENERAL MEETING

Of

MARGARET LAKE DIAMONDS INC.

to be held on

THURSDAY, FEBRUARY 7, 2019

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (the “Meeting”) of the shareholders of Margaret Lake Diamonds Inc. (the “Company”) will be held on Thursday, February 7, 2019, at 400 – 725 Granville Street, Vancouver, British Columbia V7Y 1G5, at 10:00a.m. (local time in Vancouver, B.C.) for the following purposes:

1. To receive the audited annual financial statements of the Company for its financial year ended May 31, 2018, together with the auditor’s reports thereon;
2. To set the number of directors of the Company at four;
3. To elect the directors of the Company for the ensuing year;
4. To appoint the auditors of the Company for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
5. To ratify and approve by ordinary resolution the Company’s 2018 stock option plan, as more particularly described in the accompanying Information Circular; and
6. To transact such other business that may properly come before the Meeting, and any adjournment thereof.

Accompanying this Notice of Meeting is an Information Circular and Instrument of Proxy. The Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. A registered shareholder who is unable to attend the Meeting in person is entitled to appoint a proxyholder to attend and vote in his stead. If you cannot be personally present, please refer to the notes accompanying the Instrument of Proxy enclosed and then complete and deposit the Instrument of Proxy with Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, Fax: Within North America: 1-866-249-7775, Outside North America: (416) 263-9524 within the time set out in the notes, as set out below.

The Instrument of Proxy must be signed by the registered shareholder or by his or her attorney authorized in writing, or, if the registered shareholder is a corporation, by an officer or director thereof as an authorized signatory. The completed Instrument of Proxy must be deposited at the office of Computershare Investor Services Inc. at least 48 hours before the time of the Meeting (excluding Saturdays, Sundays and holidays), or any adjournment thereof.

The enclosed Instrument of Proxy is solicited by management but you may amend it, if you so desire, by striking out the names of the management proxyholders shown and inserting in the space provided the name of the person you wish to represent you at the Meeting.

DATED at Vancouver, British Columbia, this 3rd day of January, 2019.

BY ORDER OF THE BOARD

“Jared Lazerson”
Chief Executive Officer, President & Director

INFORMATION CIRCULAR

MARGARET LAKE DIAMONDS INC.
303 – 1080 Howe Street
Vancouver, British Columbia V6Z 2T1

(all information as at January 3, 2019 unless otherwise noted)

PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of Margaret Lake Diamonds Inc. (the “Company”) for use at the Annual General Meeting of the Company’s shareholders (the “Meeting”) to be held on Thursday, February 7, 2019 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company.

All costs of this solicitation will be borne by the Company.

APPOINTMENT OF PROXIES

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 Computershare Trust Company of Canada, of 2nd Floor, 510 Burrard Street, Vancouver, BC, V6C 3B9, 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 HOLDERS

Only shareholders whose names appear on our records or validly appointed proxy holders are permitted to vote at the Meeting. Most of our shareholders are “non-registered” shareholders because their shares are registered in the name of a 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 shareholders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as “OBOs”.

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), we will have distributed copies of the Meeting Materials, being the Notice of Meeting, this Information Circular, and the form of proxy directly to 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 OBO’s 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 holder 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 holders to direct the voting of the shares which they beneficially own. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request a legal proxy as set forth in the VIF, which will grant the non-registered holder or his/her nominee the right to attend and vote at the Meeting.** Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

The Company is not sending the Meeting materials to shareholders using “notice-and-access”, as defined under NI 54-101.

REVOCAION OF PROXIES

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 303 – 1080 Howe Street, Vancouver, British Columbia V6Z 2T1 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 Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, the Company has issued and outstanding 54,686,587 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. The Company has no other class of voting securities and does not have any class of restricted securities.

Any shareholder of record at the close of business on January 3, 2019 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 best of the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company, other than as set forth below:

<i>Name Of Shareholder</i>	<i>Number Of Shares</i>	<i>Percentage Of Issued And Outstanding</i>
Harsbo Minerals Ltd. ⁽¹⁾	6,000,000	10.97%
Paul Brockington	5,642,271	10.32%
Margaret Lake Diamonds Ltd. ⁽²⁾	6,000,000	10.97%

- (1) Harsbo Minerals Ltd. is a private company partially owned by Paul Brockington, former President, CEO and Director of Margaret Lake Diamonds Inc.
- (2) Margaret Lake Diamonds Ltd. is a private company of which Mark Thompson, a former director of Margaret Lake Diamonds Inc., is a director and shareholder.

NUMBER OF DIRECTORS

Management of the Company is seeking shareholder approval of an ordinary resolution fixing the number of directors of the Company at four for the ensuing year.

ELECTION OF DIRECTORS

The term of office for each of the present directors expires at the Meeting. **The persons named below will be presented for election at the Meeting as management's nominees.** Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of the nominees for election as directors, the province and country in which each is ordinarily resident, the period or periods during which each has served as a director, the position(s) held in the Company, their present principal occupations and the number of common shares of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name, Position(s) with the Company and Place of Residence ⁽¹⁾	Principal Occupation ⁽²⁾	Date(s) Served as a Director Since	Ownership or Control Over Voting Shares Held ⁽²⁾
Jared Lazerson ⁽³⁾ Vancouver, B.C. Canada <i>President and Chief Executive Officer (“CEO”)</i>	CEO and Director of MGX Minerals Inc., Director of Belmont Resources Inc.	December 17, 2018 to present	4,000,000
Buddy Doyle Vancouver, B.C. Canada <i>VP Exploration</i>	Vice President of Exploration of Arctic Star Exploration Inc. Director of Equitorial Exploration Inc. Sole proprietor, management and geological consulting with Lithosphere Services Inc., a private company, since March 2005.	April 22, 2014 to present	600,000
Darryl Sittler ⁽³⁾ Toronto, ON, Canada	Director of Frontline Gold Corporation and Wallbridge Mining Company Limited	April 22, 2014 to present	380,000

Donald C. Huston ⁽³⁾ Vancouver, BC, Canada	Director and/or officer of Aben Resources Ltd., Cypress Development Corp., and Skyharbour Resources Ltd.	August 31, 2017 to present	Nil
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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) The Company’s Audit Committee as at January 3, 2019 is comprised of Jared Lazerson, Darryl Sittler and Donald Huston.

Corporate Cease Trade Orders or Bankruptcies

To the best of management’s knowledge, no proposed director:

- (a) is at the date of this Information Circular, or has been within the last 10 years, a director or CEO or chief financial officer (“CFO”) of any company (including the Company) that:
 - (i) was subject to 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, 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 order, an order similar to a cease trade 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 and 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 Information Circular, or has been within 10 years before the date of the Information 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 Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the 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.

DIRECTOR AND EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V - *Statement of Executive Compensation – Venture Issuers*.

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 May 31, 2018 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 May 31, 2018.

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 each of the Company's two most recently completed years.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year (1)	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)(2)	Value of all other compensation (\$)	Total compensation (\$)
Paul Brockington (3) <i>Former President, CEO and Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Debbie Lew (3) <i>Former CFO and Corporate Secretary</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Peeyush Varshney (5) <i>Former Director</i>	2018	Nil	Nil	Nil	Nil	15,000 (4)	15,000
	2017	Nil	Nil	Nil	Nil	16,000 (4)	16,000
Mark Thompson (6) <i>Former Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Jared Lazerson (3) <i>President, CEO and Director</i>	2018	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Donald Huston <i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	N/A	N/A	N/A	N/A	N/A	N/A
Buddy Doyle <i>Vice President of Exploration, Director</i>	2018	\$13,500	Nil	Nil	Nil	Nil	\$13,500
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Darryl Sittler <i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Financial year ended May 31.

(2) The value of perquisites, if any, was less than \$15,000.

- (3) Paul Brockington resigned as President, CEO and Director on December 17, 2018. Debbie Lew resigned as CFO and Corporate Secretary on December 17, 2018. Jared Lazerson appointed as President, CEO and Director on December 17, 2018.
- (4) Pursuant to a rent and administrative services contract dated April 1, 2011, between the Company and VCC of which Peeyush Varshney, former director of the Company, is a director and partial owner. Effective May 1, 2014, the Company entered into a new rent and administrative services agreement with VCC. Effective March 1, 2018, the rental to the administrative service for a monthly fee has been cancelled.
- (5) Peeyush Varshney resigned as a director of the Company on June 23, 2017.
- (6) Mark Thompson resigned as a director of the Company on December 20, 2018.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued during the most recently completed financial year ended May 31, 2018 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Paul Brockington ⁽¹⁾ <i>Former President, CEO and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debbie Lew ⁽¹⁾ <i>Former CFO and Corporate Secretary</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peeyush Varshney ⁽²⁾ <i>Former Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Thompson ⁽³⁾ <i>Former Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jared Lazerson ⁽¹⁾ <i>President, CEO and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Buddy Doyle <i>Vice President of Exploration, Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Darryl Sittler <i>Director</i>	Options	100,000	May 11, 2018	\$0.14	\$0.14	\$0.115	May 11, 2023
Donald Huston <i>Director</i>	Options	200,000	May 11, 2018	\$0.14	\$0.14	\$0.115	May 11, 2023

- (1) Paul Brockington resigned as President, CEO and Director on December 17, 2018. Debbie Lew resigned as CFO and Corporate Secretary on December 17, 2018. Jared Lazerson appointed as President, CEO and Director on December 17, 2018.
- (2) Peeyush Varshney resigned as a director of the Company on June 23, 2017.
- (3) Mark Thompson resigned as a director of the Company on December 20, 2018.

The following table provides a summary of each exercise of compensation securities by each NEO and director of the Company for the financial year ended May 31, 2018:

Exercise of Compensation Securities							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Paul Brockington ⁽¹⁾ <i>Former President, CEO and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debbie Lew ⁽¹⁾ <i>Former CFO and Corporate Secretary</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peeyush Varshney ⁽²⁾ <i>Former Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Thompson ⁽³⁾ <i>Former Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jared Lazerson ⁽¹⁾ <i>President, CEO and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Buddy Doyle <i>Vice President of Exploration, Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Darryl Sittler <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Donald Huston <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Paul Brockington resigned as President, CEO and Director on December 17, 2018. Debbie Lew resigned as CFO and Corporate Secretary on December 17, 2018. Jared Lazerson appointed as President, CEO and Director on December 17, 2018.
 (2) Peeyush Varshney resigned as a director of the Company on June 23, 2017.
 (3) Mark Thompson resigned as a director of the Company on December 20, 2018.

For information about the material terms of the Company's stock option plan, please refer to the heading "Particulars of Matters to be Acted Upon – Shareholder Approval of Stock Option Plan".

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 TSX Venture Exchange ("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.

During the financial year ended May 31, 2018, Mr. Paul Brockington, former President and CEO and Ms. Debbie Lew, former CFO and Secretary, received nil compensation and nil options were granted to Mr. Brockington and Ms. Lew.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of the date of this Information Circular regarding the number of common shares to be issued pursuant to the Company's stock option plan. The Company does not have any equity compensation plans that have not been approved by its shareholders.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders Stock Option Plan	2,050,000 ⁽¹⁾	\$0.138	3,418,659
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	2,050,000	\$0.138	3,418,659

(1) 375,000 outstanding stock options at \$0.10 expire on April 22, 2019, 1,075,000 stock options at \$0.15 expire on October 21, 2021 and 600,000 stock options at \$0.14 expire on May 11, 2023.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Information 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 Information 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 Directors and the approval of the stock option plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information 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

Under Section 224(1) of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) and Exchange policies, we are required to have an Audit Committee.

Audit Committee Charter

The Audit Committee Charter, attached as Schedule “A” hereto was adopted by our Audit Committee and the Board of Directors.

Composition of the Audit Committee

As of January 3, 2019, our Audit Committee is composed of the following members:

<i>Name</i>	<i>Independent⁽¹⁾</i>	<i>Financially Literate⁽¹⁾</i>
Jared Lazerson	No	Yes
Darryl Sittler	Yes	Yes
Donald Huston	Yes	Yes

(1) As that term is defined in National Instrument 52-110 *Audit Committees* (“**NI 52-110**”).

The members of the Audit Committee are elected by the board of directors at its first meeting following the annual shareholders meeting. Unless a chair is elected by the full board of directors, the members of the Audit Committee will designate a chair by a majority vote of the full Audit Committee membership.

Relevant Education and Experience

The educational background or experience of the Audit Committee members has enabled each to perform his responsibilities as an Audit Committee member and has provided the member with an understanding of the accounting principles we use to prepare our financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by our financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting.

See “Election of Directors” and “Corporate Governance – Directorships” in this Information Circular for details of the relevant education and experience of the Audit Committee members.

Each member of the Audit Committee has a general understanding of the accounting principles we use to prepare our financial statements and will seek clarification from our auditor, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies and experience in supervising one or more individuals engaged in the accounting for estimates, accruals and reserves and experience in preparing, auditing, analyzing or evaluating financial statements similar to our financial statements.

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 of Directors.

Reliance on Certain Exemptions

At no time since the commencement of our most recently completed financial year have we relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for engaging of non-audit services as described in the Audit Committee Charter set out in Schedule "A" to this Information Circular.

External Auditor Service Fees (By Category)

The table below sets out all fees billed by our external auditor in each of the financial years ended May 31, 2017 and 2018. In the table "Audit Fees" are fees billed by our external auditor for services provided in auditing our financial statements for the financial 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 performing the audit or reviewing our 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 previous categories.

<i>Financial Year Ending</i>	<i>Audit Fees (\$)</i>	<i>Audit-Related Fees (\$)</i>	<i>Tax Fees (\$)</i>	<i>All Other Fees (\$)</i>
May 31, 2018	13,000	Nil	975	Nil
May 31, 2017	12,750	Nil	1,450	Nil

Exemption

We are relying upon the exemption in section 6.1 of NI 52-110, which exempts issuers whose shares are listed only on the Exchange from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*).

APPOINTMENT OF AUDITOR

Unless otherwise instructed, the proxies given in this solicitation will be voted for the re-appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, of Vancouver, British Columbia, as our auditor to hold office until the next annual general meeting. We propose that the Board of Directors be authorized to set the remuneration to be paid to the auditor. Dale Matheson Carr-Hilton Labonte LLP was first appointed as our auditor on February 21, 2011.

Our Audit Committee recommends the election of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants of Vancouver, British Columbia, as our auditor to hold office until the Company's next annual general meeting. **Unless such authority is withheld, the persons named in the enclosing proxy intend to vote FOR the approval of the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants as auditors of the Company.**

CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires issuers to disclose their governance practices in accordance with the instrument. The Company is a “venture issuer” within the meaning of NI 58-101. A discussion of the Company’s governance practices within the context of NI 58-101 is set out below.

1. Board of Directors

The Board of Directors facilitates its independent supervision over management through regular meetings of the Board, both with and without members of our management (including members of management who are also directors) being in attendance.

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of our Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

As of January 3, 2019, the independent members of the Board of Directors are Darryl Sittler and Donald Huston and the non-independent directors are Jared Lazerson, President and CEO and Buddy Doyle, Vice President of Exploration.

The mandate of the Board, as prescribed by the BCBCA, is to manage or supervise management of our business and affairs and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of our affairs directly and through its Audit Committee.

2. Directorships

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

<i>Name of Director</i>	<i>Other Reporting Issuer (or equivalent in a foreign jurisdiction)</i>
Jared Lazerson	Belmont Resources Inc. MGX Minerals Inc.
Buddy Doyle	Arctic Star Exploration Corp. Equitorial Exploration Corp. Sanatana Resources Inc.
Darryl Sittler	Frontline Gold Corporation Wallbridge Mining Company
Donald C. Huston	Aben Resources Ltd. Cypress Development Corp. Skyharbour Resources Ltd.

3. Orientation and Continuing Education

The Board of Directors is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of our business will be necessary and relevant to each new director. We provide continuing education for our directors as the need arises and encourage open discussion at all meetings, which format encourages learning by the directors.

4. Ethical Business Conduct

The Board of Directors relies on the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law to ensure the Board operates independently of management and in the best

interests of the Company. The Board of Directors has found that these, combined with the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest, have been sufficient.

5. Nomination of Directors

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

The Board of Directors does not have a nominating committee. The Board of Directors is responsible for recruiting new members to the Board and planning for the succession of Board members.

6. Compensation

The Board of Directors is responsible for determining all forms of compensation, including long-term incentives in the form of stock options, to be granted to our officers and the directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: (i) recruiting and retaining executives critical to our success and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and our shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general rules.

7. Other Board Committee

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

8. Assessments

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions as necessary. Neither the Company nor the Board has adopted formal procedures to regularly assess the Board, the Audit Committee or the individual directors as to their effectiveness and contribution. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board of Directors monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given our size and operations. Our corporate governance practices allow us to operate efficiently with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Annual Approval of Stock Option Plan

The only equity compensation plan which the Company currently has in place is the Plan which was previously approved by the shareholders of the Company on December 21, 2017. The Plan was established to provide incentive to employees, officers, directors and consultants who provide services to the Company. Exchange policy requires that all companies listed on the Exchange adopt a stock option plan if a company wishes to grant stock options and that all stock option plans that reserve a maximum of 10% of the issued and outstanding share capital of the Company at the time of grant (a "**Rolling Plan**"), must be approved and ratified by shareholders on an annual basis.

Management seeks shareholder approval for a renewal of the Plan, as the Company's 2018 plan (the "**2018 Plan**") in accordance with and subject to the rules and policies of the Exchange. The intention of management in proposing the 2018 Plan is to increase the proprietary interest of employees, officers, directors and consultants in the Company and thereby aid the Company in attracting, retaining and encouraging the continued involvement of such persons with the Company. It is proposed that under the 2018 Plan, the total number of common shares that may be reserved for issuance will be 10% of the issued and outstanding common shares of the Company at the time of grant, less any common shares reserved for issuance pursuant to the grant of stock options under any other share compensation arrangements. The 2018 Plan is subject to Exchange approval.

Terms of the 2018 Plan

A full copy of the 2018 Plan will be available at the Meeting for review by shareholders. Shareholders may also obtain copies of the 2018 Plan from the Company prior to the Meeting on written request. Capitalized words used below have the meanings assigned to them in the Exchange policies or the Plan, as applicable. The following is a summary of the material terms of 2018 Plan:

1. The options are non-assignable and non-transferable (except that the Optionee's heirs or administrators can exercise any portion of the outstanding option, up to one year from the Optionee's death).
2. The number of shares subject to each option is determined by the Board of Directors provided that the 2018 Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12 month period, result in:
 - (a) the number of options granted to any one Person exceeding 5% of the issued shares of the Company; or
 - (b) the number of options granted to any one Consultant exceeding 2% of the issued shares of the Company; or
 - (c) the number of options granted to all Persons retained to provide Investor Relations Activities of a number shares exceeding 2% of the issued shares of the Company.
3. The exercise price of an option may not be set at less than Discounted Market Price.
4. The options may be exercisable for a period of up to 10 years, (subject to extension where the expiry date falls within a "blackout period").
5. Disinterested shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Company at the time of the proposed amendment.
6. For stock options granted to Employees, Consultants or Management Company Employees, the Company and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.
7. Any options granted to any Optionee who is a Director, Employee, Consultant or Management Company Employee must expire within a reasonable period following the date the Optionee ceases to be in that role (in general, the Exchange considers anything not exceeding 12 months to be a reasonable period for these purposes).

Shareholders will be asked to pass the following, ordinary resolution, approving the Company's 2018 Plan:

"IT IS RESOLVED, as an ordinary resolution that:

1. The Company adopt a 2018 Stock Option Plan (the "**Plan**"), including the reserving for issuance under the Plan at any time of a maximum of 10% of the issued common shares of the Company;

2. The Board of Directors be authorized on behalf of the Company to make any further amendments to the Plan as may be required by regulatory authorities, without further approval of the shareholders of the Company, in order to ensure adoption of the Plan;
3. The Company file the Plan with the TSX Venture Exchange for acceptance; and
4. Any one director or officer of the Company is authorized and directed to do all such acts and things and to execute and deliver all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

Recommendation of the Company’s Directors

The directors have reviewed and considered all facts respecting the approval of the 2018 Plan. The Company’s directors unanimously recommend that the shareholders vote in favour of ratifying and approving the 2018 Plan.

An ordinary resolution requires the approval of a simple majority (50% + one vote) of the votes cast at the Meeting, in person or by proxy. **It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the ordinary resolution authorizing the approval of the 2018 Plan.**

ADDITIONAL INFORMATION

Additional information about us is located on SEDAR at www.sedar.com. Shareholders may request copies of our financial statements and Management’s Discussion and Analysis (“**MD&A**”) by writing to the Company’s President. The financial statements and MD&A are also available on SEDAR.

OTHER MATERIAL FACTS

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

DIRECTORS’ APPROVAL

The Company’s Board of Directors has approved the contents of this Information Circular and sending it to the shareholders.

BY ORDER OF THE BOARD OF DIRECTORS

MARGARET LAKE DIAMONDS INC.

“Jared Lazerson”

Jared Lazerson, President & CEO

Schedule “A”
Charter of the Audit Committee of the Board of Directors
of Margaret Lake Diamonds Inc. (the “Company”)

Article 1 – Mandate and Responsibilities

The Audit Committee is appointed by the board of directors of the Company (the “**Board**”) to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company. The Audit Committee’s primary duties and responsibilities are to:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company;
- (b) recommend to the Board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company’s external auditor;
- (e) review the Company’s financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company’s financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

Article 2 – Pre-Approval of Non-Audit Services

The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Company or its subsidiaries by the Company’s external auditor. The pre-approval of non-audit services must be presented to the Audit Committee at its first scheduled meeting following such pre-approval. The Audit Committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each non-audit service and the procedures do not include delegation of the Audit Committee’s responsibilities to management.

Article 3 – External Advisors

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company’s expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

Article 4 – External Auditors

The external auditors are ultimately accountable to the Audit Committee and the Board, as representatives of the shareholders. The external auditors will report directly to the Audit Committee. The Audit Committee will:

- (a) review the independence and performance of the external auditors and annually recommend to the Board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- (b) approve the fees and other significant compensation to be paid to the external auditors;
- (c) on an annual basis, review and discuss with the external auditors all significant relationships they have with the Company that could impair the external auditors' independence;
- (d) review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the Audit Committee may have;
- (e) before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants;
- (f) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting;
- (g) resolve any disagreements between management and the external auditors regarding financial reporting;
- (h) approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Company; and
- (i) receive from the external auditors timely reports of:
 - (i) all critical accounting policies and practises to be used;
 - (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and
 - (iii) other material written communications between the external auditors and management.

Article 5 – Legal Compliance

On at least an annual basis, the Audit Committee will review with the Company's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Article 6 - Complaints

Individuals are strongly encouraged to approach a member of the Audit Committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The Audit Committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the Audit Committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the Board appropriate corrective action. To the extent practicable, all complaints will be kept confidential. The Company will not condone any retaliation for a complaint made in good faith.