

**DEBUT DIAMONDS INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE (the “Notice”) IS HEREBY GIVEN that the Annual and Special Meeting of Shareholders (the “Meeting”) of Debut Diamonds Inc. (the “Corporation”) will be held on Thursday, November 21, 2019 at 11:00 a.m. (Toronto time), at 1 Adelaide Street East, Suite 801, Toronto, Ontario, for the following purposes:**

- (a) TO receive the audited financial statements of the Corporation for the years ended April 30, 2019 and 2018 and the auditor’s report thereon;
- (b) TO elect directors of the Corporation;
- (c) TO re-appoint McGovern Hurley LLP as auditors of the Corporation and to authorize the directors to fix their remuneration
- (d) TO consider, and if deemed advisable, pass a special resolution, with or without variation, authorizing the Corporation to amend the articles of the Corporation (the “**Articles**”) to consolidate the common shares (the “**Common Shares**”) of the Corporation (the “**Consolidation**”) the full text of which is reproduced in the management information circular accompanying this Notice (the “**Circular**”);
- (e) TO consider, and if deemed advisable, pass a special resolution approving a name change of the Corporation from “Debut Diamonds Inc.” to such other name as may be determined by the board of directors, in its sole discretion (the “**Name Change**”); and
- (f) TO transact such other business as may properly be brought before the Meeting, or any adjournment thereof.

**The details of the matters proposed to be put before the Meeting are set forth in the Circular accompanying the Notice, which is supplemental to and expressly made part of this Notice.**

**Notice-and-Access**

The Corporation is utilizing the notice-and-access mechanism (the “**Notice-and-Access Provisions**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of Meeting materials to registered and beneficial shareholders (the “**Shareholders**”).

**Website Where Meeting Materials are Posted**

The Notice-and-Access Provisions are a set of rules that allows reporting issuers to post electronic versions of proxy-related materials (such as management information circulars and annual financial statements) online, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to Shareholders. Electronic copies of the Circular, financial statements of the Corporation for the year ended April 30, 2019 (“**Financial Statements**”) and management’s discussion and analysis of the Corporation’s results of operations and financial condition for 2019 (“**MD&A**”) may be found on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and also on the website of the Corporation’s transfer agent Capital Transfer Agency Inc. (“**Capital Transfer**”) at [www.capitaltransferagency.ca](http://www.capitaltransferagency.ca). The Corporation will not use procedures known as “stratification” in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to some Shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular.

**Obtaining Paper Copies of Materials**

The Corporation anticipates that using notice-and-access for delivery to all Shareholders will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Shareholders with questions about notice-and-access can call Capital Transfer toll-free at 1-844-499-4482. Shareholders may also obtain paper copies of the Circular, Financial Statements and MD&A free of charge by contacting Capital Transfer at the same toll-free number or upon request to the Corporation’s Chief Executive Officer (“**CEO**”), Frank Smeenk.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Corporation or Capital Transfer, as applicable, by November 1<sup>st</sup>, 2019 in order to allow sufficient time for Shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements

thereof (the “**Proxy Deadline**”).

With respect to objecting beneficial owners, the Corporation does not intend to pay for intermediaries to forward to such objecting beneficial owners the Proxy Materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*. In the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner’s intermediary assumes the cost of delivery.

**Voting**

A form of proxy (the “**Proxy Form**”) is enclosed herewith. Registered Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed Proxy Form to Capital Transfer Agency Inc., Attention Proxy Department by mail or personal delivery to 390 Bay Street, Suite 920, Toronto, ON M5H 2Y2 or by fax 416-350-5008 in either case, prior to 11:00 a.m. (Toronto time) on November 19, 2019 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to such adjourned or postponed meeting. Non-registered Shareholders receiving these materials through their broker or other intermediary should complete and return the voting instruction form provided to them by their broker or other intermediary in accordance with the instructions provided therein.

**SHAREHOLDERS ARE REMINDED TO REVIEW THE CIRCULAR BEFORE VOTING.**

DATED at Toronto, Ontario, this 9<sup>th</sup> day of October 2019

**BY ORDER OF THE BOARD OF DIRECTORS**

*/s/ “Frank Smeenk”*

**Frank Smeenk**

**Chief Executive Officer, President, Managing Director and Director**

## MANAGEMENT INFORMATION CIRCULAR

### SOLICITATION OF PROXIES BY MANAGEMENT

**This Management Information Circular (the “Circular”) is furnished in connection with the solicitation by the management of Debut Diamonds Inc. (the “Corporation”) of proxies to be used at the Annual and Special Meeting of shareholders and any adjournment thereof (the “Meeting”) of the Corporation to be held at the time and place and for the purposes set forth in the Notice of Meeting.** It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by telephone, facsimile, e-mail or in person. The total cost of the solicitation of proxies will be borne by the Corporation.

#### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed Proxy Form are directors and officers of the Corporation. A Shareholder has the right to appoint as his or her proxy a person, who need not be a Shareholder, other than those whose names are printed on the accompanying Proxy Form. **A Shareholder who wishes to appoint some other person to represent him or her at the Meeting may do so either by inserting such other person’s name in the blank space provided in the enclosed Proxy Form and signing the Proxy Form or by completing and signing another proper Proxy Form.**

To be valid, the Proxy Form must be received by Capital Transfer Agency no later than 11:00 a.m. (Toronto time) on November 19, 2019, or at least 48 hours (excluding Saturdays, Sundays and holidays) before the date of the Meeting in the case of any adjournment or postponement thereof. A Shareholder who has given a proxy may revoke it, as to any motion on which a vote has not already been cast pursuant to the authority conferred by 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 company, under its corporate seal or by an officer or attorney thereof duly authorized. The revocation of a proxy, in order to be acted upon, must be deposited with Capital Transfer Agency Inc., Attention Proxy Department, 390 Bay Street, Suite 920, Toronto, Ontario, M5H 2Y2 prior to 11:00 a.m. on the second to last business day immediately preceding the Meeting or with the CEO of the Corporation, Frank Smeenck, before the commencement of the Meeting or at any adjournment thereof.

#### EXERCISE OF DISCRETION BY PROXIES

**Common Shares represented by properly executed proxies in favour of the persons designated in the enclosed Proxy Form in the absence of any direction to the contrary, will be voted: (i) for the election of directors; (ii) for the re-appointment of auditors; (iii) for the Consolidation; and (iv) for the Name Change.** Instructions with respect to voting will be respected by the persons designated in the enclosed Proxy Form.

**The enclosed Proxy Form confers discretionary authority upon the persons named therein with respect to any amendment or variation to matters identified in the Notice of Meeting and to any other matter which may properly come before the Meeting.** At the time of printing the Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, in either case, the persons named in the Proxy Form will vote according to their best judgment.

In order to approve a motion proposed at the Meeting, a majority of greater than one-half of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a special resolution, in which case a majority of not less than two thirds of the votes cast will be required (a "**Special Resolution**"). In the event a motion proposed at the Meeting requires disinterested Shareholder approval, Common Shares held by Shareholders of the Corporation who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

#### NON-REGISTERED SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares, such as securities dealers or brokers, banks, trust companies, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans; or (ii) in the name of a clearing agency of which the Intermediary is a participant. In accordance with National Instrument 54-101 entitled "*Communication with Beneficial Owners of Securities of a Reporting Issuer*", the Corporation has distributed copies of the Notice of Meeting and this Circular (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders, and often use a service company for this purpose.

Non-Registered Holders will either:

- (a) typically, be provided with a computerized form (often called a “voting instruction form”) which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. In order for the applicable computerized form to validly constitute a voting instruction form, the Non-Registered Holder must properly complete and sign the form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or service company. In certain cases, the Non-Registered Holder may provide such voting instructions to the Intermediary or its service company through the Internet or through a toll-free telephone number; or
- (b) less commonly, be given a Proxy Form which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the Proxy Form and submit it to Capital Transfer Agency Inc., Attention: Proxy Department, 390 Bay Street, Suite 920, Toronto, Ontario M5H 2Y2.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own.

Should a Non-Registered Holder who receives a voting instruction form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should print his or her own name, or that of such other person, on the voting instruction form and return it to the Intermediary or its service company. Should a Non-Registered Holder who receives a Proxy Form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons set out in the Proxy Form and insert the name of the Non-Registered Holder or such other person in the blank space provided and submit it to Capital Transfer Agency Inc. at the address set out above.

**In all cases, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when, where and by what means the voting instruction form or Proxy Form must be delivered.**

A Non-Registered Holder may revoke voting instructions which have been given to an Intermediary at any time by written notice to the Intermediary.

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

No director or senior officer of the Corporation or any associate of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of Common Shares or otherwise in the matters to be acted upon at the Meeting, except for:

- any interest arising from the ownership of Common Shares where the Shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of Common Shares.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS**

The directors of the Corporation have fixed October 7, 2019 (the “**Record Date**”), at the close of business, as the record date for the determination of the Shareholders entitled to receive notice of the Meeting and to vote thereat. All holders of at least one Common Share as of that date will have the right to vote at the Meeting, except to the extent that a person has transferred any of his Common Shares after such Record Date and the transferee of those shares (i) produces properly endorsed share certificates, or (ii) otherwise establishes that he owns the Common Shares and demands, no later than ten days before the Meeting, that his name be included in the list prepared by the transfer agent before the Meeting, in which case the transferee will be entitled to vote at the Meeting.

As of October 7, 2019, 434,259,534 Common Shares were outstanding, each giving the right to one vote at the Meeting. To the knowledge of the directors and officers of the Corporation, the only persons, firms or corporations who own, as of the Record Date, directly or indirectly, or exercise control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, are as follows:

Shareholder Name	Number of Common Shares	Percentage of Issued Common Shares
Jason Ira Goldman	99,235,800	22.85%
Marc Lustig	99,235,800	22.85%
James Gregory Wilson	99,235,800	22.85%

**ELECTION OF DIRECTORS**

The board of directors proposes to nominate the three persons named below for election as directors of the Corporation, all of whom are current directors of the Corporation. Unless otherwise directed, it is the intention of management nominees to vote proxies in the accompanying Proxy Form for these three nominees. Each director will hold office until the next annual meeting of Shareholders or until the election of his successor, unless he resigns or his office becomes vacant by removal, death or other cause or is replaced in accordance with the by-laws of the Corporation.

The following table sets out the name of each of the persons proposed to be nominated for election as director, all other positions and offices with the Corporation now held by such person, his municipality of residence and principal occupation, the year in which such person became a director of the Corporation, and the number of Common Shares that such person has advised are beneficially owned, controlled or directed, directly or indirectly, by such person as at the date indicated below. The information as to residence, principal occupation and number of shares beneficially owned, or controlled or directed, directly or indirectly, by the nominees was provided by the respective nominees.

Name, Position with the Corporation and Province/State of Corporation	Principal Occupation	Date Became a Director of the Corporation	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly
Frank C. Smeenk <sup>(1)</sup> Managing Director, President, and CEO <i>Ontario, Canada</i>	Chief Executive Officer, KWG Resources Inc.	October 18, 2007	0
Greg Wilson <sup>(1)</sup> Director <i>Ontario, Canada</i>	Entrepreneur and Corporate Finance Strategist; Former COO and Director of CannaRoyalty; Co-Founder of Paramount Gold; and current Director of 12 Exploration Inc.	November 25, 2018	99,235,800
Michael Minas <sup>(1)</sup> Director [●]	Experienced Capital Markets Professional	November 25, 2018	0

(1) Member of the Audit Committee

Except as mentioned further, to the knowledge of the Corporation, none of the foregoing nominees for election as a director:

- (a) is, as at the date of this Circular, or has been, within the last ten years, a director, or executive officer of any company that, while that person was acting in that capacity:
  - (i) was the subject of an order while the nominee was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued, after the nominee ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this Circular or has been within the last ten years has been, a director or executive officer of any 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 last ten years, 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 his assets.

Except as described below, to the knowledge of the Corporation, none of the foregoing nominees for election as director has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

## Settlement Agreement with MacDonald Oil Exploration Ltd.

On June 8, 1999 MacDonald Oil Exploration Ltd. (“**MacDonald Oil**”) commenced a share exchange takeover bid offering under the provisions of the *Canada Business Corporations Act*, for the shares of Bresea Resources Ltd. (“**Bresea**”) (the “**Offer**”). Thirty-five minutes prior to the Offer’s expiry on July 12, 1999, the Ontario and Alberta Securities Commissions (the “**Commissions**”) issued Temporary Orders to cease trading in the shares of Bresea and the consideration to be paid for some 22 million Bresea shares previously tendered to the Offer. At a joint hearing of the Commissions convened on August 11, 1999 the Commissions issued orders (the “**Orders**”) in both Alberta and Ontario that trading cease by MacDonald Oil in the shares of Bresea and the consideration to have been paid for them by MacDonald Oil until, among other things, all such Bresea shares were returned to or withdrawn by their prior holders. All the Bresea shares were returned or withdrawn. Frank Smeenck, a director of the Corporation standing for re-election at the Meeting, was, at the time of the Orders’ effect, an officer and director of MacDonald Oil.

In consequence of the Orders, MacDonald Oil was unable to satisfy its auditor as to the value of its investment in the Offer, prior to the time for filing its subsequent annual financial statements. Its application to the Ontario Securities Commission (“**OSC**”) for leave to therefore extend the time for filing was declined by the issue of a 15-day Temporary Order on February 2, 2000 which was dissolved on its expiry by the Issuer’s timely filings in the interim. Frank Smeenck was made a party to the Temporary Order as a then-current insider of the Issuer.

Frank Smeenck and MacDonald Oil (and other persons) entered into a settlement agreement with the OSC dated January 8, 2001 whereunder the parties agreed to the settlement of proceedings initiated by the OSC in respect of instances of non-compliance by Frank Smeenck and MacDonald Oil (and others) with filing, disclosure and trading requirements under Ontario securities laws. The terms of the settlement provided that, *inter alia*, (i) each of the respondents would be reprimanded by the OSC; (ii) Frank Smeenck would make a payment of \$5,000 to the OSC in respect of the OSC’s costs; (iii) commencing March 21, 2001, Frank Smeenck would cease trading in any securities acquired by him after the date of the settlement for a period of one year; and (iv) Frank Smeenck could continue as a director and as executive vice-president of MacDonald Oil but would be prohibited, for a period of two years, from assuming the responsibilities of certain of MacDonald Oil’s other offices, or acting as the chair of its board of directors or of any of its board committees.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The purpose of this Compensation Discussion and Analysis (“**CD&A**”) is to provide information about the Corporation’s executive compensation objectives and processes and to discuss compensation decisions relating to the Corporation’s senior officers, being the two identified named executive officers (the “**NEOs**”) for the year ended April 30, 2019. The NEOs who are the focus of the CD&A and who appear in the compensation tables of this Circular are: Frank Smeenck, Chief Executive Officer, Thomas P. Devlin, Chief Financial Officer, and Thomas E. Masters, Former Chief Financial Officer.

Due to the small size of the Corporation’s board of directors, the Corporation does not have a separate compensation committee. Compensation matters with respect to the compensation of NEOs and directors are reviewed and approved by the board of directors. The board of directors is responsible for (i) establishing the objectives that will govern the Corporation’s compensation program; (ii) overseeing and approving the compensation and benefits paid to NEOs; (iii) overseeing the rolling stock option plan of the Corporation (the “**Stock Option Plan**”); and (iv) promoting the clear and complete disclosure to Shareholders of material information regarding executive compensation.

### Compensation Process

The board of directors relies on the knowledge and experience of its members to set appropriate levels of compensation for senior officers. Presently, the Corporation does not have contractual arrangements with any executive compensation consultant.

The board of directors reviews and makes determinations with respect to senior officer compensation on an annual basis. When determining senior officer compensation, the board of directors reviews their performance. The board of directors uses all the data available to it to ensure that the Corporation is maintaining a level of compensation that is both commensurate with the size and activities of the Corporation and sufficient to retain key personnel.

The board of directors reviews the elements of the NEOs’ compensation in the context of the total compensation package (including base salary, long-term equity incentive awards, including prior awards under the Stock Option Plan) and recommends the NEOs’ compensation packages. The Compensation Committee’s recommendations regarding NEO compensation are presented to the members of the board of directors for their consideration and approval.

From time to time the board of directors grants stock options (the “**Options**”). The board of directors determines the

particulars with respect of all Options granted to senior officers and takes into account the previous grants. The exercise price of each Option awarded under the Stock Option Plan is generally the closing price of the Common Shares on the day preceding the grant.

Compensation Program

*Principles/Objectives of the Compensation Program*

The primary goal of the Corporation’s executive compensation program is to attract, motivate and retain top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Corporation’s senior officers is determined with regard to the Corporation’s business strategy and objectives.

The Corporation is an exploratory stage mineral mining company whose continuing existence is dependent upon the discovery of economically recoverable reserves and resources. The Corporation has not yet discovered such economically recoverable reserves and resources, and accordingly will not be generating revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the board of directors to be appropriate in the evaluation of corporate or NEO performance. The compensation of the senior officers is based, in substantial part, on industry compensation practices, trends in the mining industry as well as achievement of the Corporation’s business plan. The compensation elements include base salary or consulting fees and stock options. In addition, the board of directors is empowered to grant cash bonuses to senior officers in order to reward exceptional performance.

*Base Salaries and Consultant Fees*

The Corporation provides NEOs with base salaries and/or consulting fees which represent their minimum compensation for services rendered during the fiscal year. NEOs’ base salaries depend on the scope of their experience, responsibilities, leadership skills, and performance. Base salaries are reviewed annually by the board of directors. In addition to the above factors, decisions regarding salary increases are impacted by each NEO’s current salary, general industry trends and practices, competitiveness, and the Corporation’s existing financial resources. As for consulting fees, they are based on markets for similar services.

*Stock Options*

The grant of Options to purchase Common Shares pursuant to the Corporation’s Stock Option Plan (the “**Stock Option Plan**”) is an integral component of the compensation packages of the senior officers of the Corporation. The Board believes that the grant of Options to senior officers and Common Share ownership by such officers serves to motivate and reward such officers to increase Shareholder value by the achievement of the Corporation’s long-term corporate strategies and objectives, thereby aligning such officers’ interests with that of Shareholders. The Corporation maintains the Stock Option Plan whereby the Board may from time to time grant to employees, officers, directors and consultants of the Corporation or any subsidiary thereof options to acquire Common Shares in such numbers, for such terms and at such exercise prices as may be determined by the Board, provided that the exercise price may not be lower than the market price of the Common Shares at the time of the grant of the Options. Under the Stock Option Plan, the maximum aggregate number of Common Shares reserved by the Corporation for issuance and which may be purchased upon the exercise of all Options shall not exceed a maximum of 10% of the Common Shares issued and outstanding at the time of the grant. Options vest immediately on the effective date of granting, they must be exercised over a period no longer than five years after the date of grant and they are not transferable.

**Summary Compensation Table**

The following table summarizes the compensation earned by each NEO and director for services rendered in all capacities during the last two financial years:

Table of Compensation excluding Compensation Securities							
Name and Principal Position	Fiscal period	Salary/ Fees (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites(\$)	Value of all other compensation (\$)	Total compensation (\$)
Frank Smeenk , Chief Executive Officer <sup>(1)</sup> ,	2019	2,000	Nil	Nil	Nil	Nil	2,000
	2018	Nil	Nil	Nil	Nil	Nil	6
Thomas P. Devlin <sup>(2)</sup> , Chief Financial Officer	2019	6,000	Nil	Nil	Nil	Nil	6,000
	2018	N/A	N/A	N/A	N/A	N/A	N/A

Thomas E. Masters <sup>(1)</sup> , (Former Chief Financial Officer)	2019	3,750	Nil	Nil	Nil	Nil	3,750
	2018	4,500	Nil	Nil	Nil	Nil	4,500
Greg Wilson, Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Michael Minas, Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Douglas Melville Flett, Former director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil

(1) Frank Smeenk was also Managing Director in the abovementioned fiscal periods. As Managing Director, his compensation was: Nil.

(2) Thomas P. Devlin was appointed Chief Financial Officer on March 26, 2019, following the resignation of Thomas E. Masters on March 26, 2019.

### *Analysis of Compensation Decisions*

Standard compensation arrangements for the Corporation's senior officers are composed of base salary or consulting fees and Options. In addition to the above compensation elements, the Compensation Committee is empowered to grant cash bonuses to senior officers in order to reward exceptional performance.

### **Stock options and other compensation securities**

There were no Options or other compensation securities granted or issued to the Corporation's NEOs or directors during the most recently completed financial year, ending April 30, 2019. There were no Options exercised by any NEO or director during the most recently completed financial year, ending April 30, 2019.

No Options were outstanding as of April 30, 2019.

### **DIRECTORS' COMPENSATION**

The board of directors is responsible for developing the directors' compensation plan. The objectives of the directors' compensation plan are to compensate the directors in a manner that is cost effective for the Corporation and competitive with other comparable companies and to align the interests of the directors with the Shareholders.

### **Fees**

The Corporation does not have a policy that would prohibit executive officers or directors from purchasing financial instruments that are designed or would have the effect of hedging the value of equity securities granted to, or held by these individuals.

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

The following table sets out certain details as at April 30, 2019 with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance, the Stock Option Plan being the sole such compensation plan of the Corporation.

Plan category	Number of Common Shares to be issued upon exercise of outstanding Options (a)	Weighted average exercise price of outstanding Options (b)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	0	N/A	43,425,953 <sup>(1)</sup>
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	0	N/A	43,425,953

(1) On the basis of a maximum number of shares reserved of 434,259,534 as at April 30, 2019.

## **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

As at the date hereof, none of the directors, executive officers, employees or former directors, executive officers or employees of the Corporation was indebted to the Corporation or a subsidiary of the Corporation in connection with a purchase of securities or for any other matter.

During the financial year ended April 30, 2019, none of the directors or executive officers of the Corporation, proposed nominees for election as a director, or any associate of the foregoing was indebted to the Corporation or any subsidiary of the Corporation.

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

On November 25, 2018, the Corporation executed an Exclusive Sales Agent Agreement (the "**Sales Agent Agreement**") with KWG Resources Inc. ("**KWG**"). Under the terms of the Sales Agent Agreement, KWG will actively market the Corporation's interests in various diamond mineral resources properties (collectively, the "**Properties**") to arm's-length buyers. If a buyer introduced by KWG to the Corporation acquires one of the Properties, then the Corporation will pay a commission to KWG of five percent of the net sales price applicable to such Property. KWG was at the time of executing of the Sales Agent Agreement a "control person" of the Corporation under applicable securities law.

On November 25, 2018, KWG sold 36,734,550 Common Shares at a price of approximately \$0.004 per Common Share to Greg Wilson, a director of the Corporation. The 36,734,550 Common Shares represented, at the time of sale, 17.98% of the issued and outstanding Common Shares on a non-diluted basis and partially diluted basis.

On January 9, 2019, the Corporation settled \$90,000 in debt through a debt conversion agreement with KWG (the "**Debt Conversion**"). As a result of the Debt Conversion, KWG acquired 21,667,100 Common Shares. The completion of the Debt Conversion was unanimously consented to by the board of directors, with Frank Smeenk, a director of the Corporation, and also a substantial shareholder of KWG, declaring his interest and abstaining from voting thereon.

## **APPOINTMENT OF AUDITORS**

Unless otherwise directed, it is the intention of management nominees to vote proxies in the accompanying Proxy Form in favour of the re-appointment of McGovern Hurley LLP as auditors of the Corporation until the next annual meeting of shareholders and the authorization of the board of directors to fix their remuneration.

## **PARTICULARS OF THE MATTER TO BE ACTED UPON AT THE MEETING**

### **Approval of Consolidation of Common Shares**

The Corporation undertook to the Canadian Securities Exchange ("**CSE**") to seek Shareholder approval of a consolidation of Common Shares in order to complete a private placement and debt conversion (the "**Transactions**") on January 9, 2019. Accordingly, the Shareholders will be asked at the Meeting to approve a special resolution (the "**Share Consolidation Resolution**") to consolidate the Corporation's issued and outstanding Common Shares (the "**Consolidation**") on the basis of 16.667 pre-Consolidation Common Shares for every one (1) post-Consolidation Common Share.

As of October 7, 2019, the Corporation had 434,259,534 pre-Consolidation Common Shares issued and outstanding. Upon completion of the Consolidation, the number of post-Consolidation Common Shares issued and outstanding will be approximately 26,055,050 post-Consolidation Common Shares (on a non-diluted basis).

### **Implementation of the Consolidation**

If the approval of the Shareholders is obtained, the Consolidation will take place following the Meeting at such time as the board of directors may determine. No further action on the part of the Shareholders will be required in order for the board of directors to implement the Consolidation. Shareholders will be notified of the Record Date and the effective date of the Consolidation via press release, and registered Shareholders will receive a letter of transmittal advising them with respect to exchanging their certificates representing pre-Consolidation Common Shares, if required.

No fractional Common Shares will be issued in connection with the Consolidation and, in the event that a Shareholder would otherwise be entitled to receive a fractional Common Share upon the Consolidation, this Shareholder shall have such fractional Common Shares cancelled. Except for any variances attributable to fractional Common Shares, the change in the number of issued and outstanding Common Shares that will result from the Consolidation will cause no change in the capital attributable to the Common Shares and will not materially affect any Shareholders' percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of Common Shares.

The exercise or conversion price and/or the number of Common Shares issuable under any outstanding convertible securities,

including under outstanding stock Options, warrants, rights and any other similar securities will be adjusted on a pro rata basis upon the implementation of the Consolidation, in accordance with the terms of such securities, based on the Consolidation ratio.

### **Vote required**

At the Meeting, the Shareholders will be asked to consider and, if thought appropriate, to authorize and approve a special resolution approve the Share Consolidation Resolution. **The directors of the Corporation unanimously recommend the approval of the Share Consolidation Resolution.** The following the text of the Share Consolidation Resolution which will be put forward at the Meeting for approval by the Shareholders:

**"BE IT RESOLVED, as a special resolution of the shareholders of Debut Diamonds Inc. (the "Corporation"), that:**

1. The articles of incorporation (the "**Articles**") be amended to consolidate the issued and outstanding common shares of the Corporation (the "**Common Shares**") on the basis of 16.667 pre-consolidation Common Shares for every one (1) post-consolidation Common Share (the "**Consolidation**");
2. No fractional Common Shares shall be issued in connection with the Consolidation and, in the event that shareholders of the Corporation would otherwise be entitled to receive a fractional Common Share upon Consolidation, such shareholders shall have such fractional Common Shares cancelled;
3. The effective date of the Consolidation shall be the date shown in the certificate of amendment issued by the director appointed under the *Business Corporations Act* (Ontario) (the "**OBCA**") or such other date indicated in the Articles;
4. Any officer or director of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this special resolution; and
5. Notwithstanding the foregoing, the board of directors is hereby authorized to revoke this special resolution before it is acted on and to abandon the proposed amendment to the Articles with or without further approval of the shareholders of the Corporation."

**Under the *OBCA* the Share Consolidation Resolution requires the approval of at least two-thirds of the votes cast present in person or represented by proxy at the Meeting. Unless otherwise directed by holders of Common Shares, the persons named as proxies in the accompanying Proxy Form intend to vote the Common Shares represented by such proxy in favour of the Share Consolidation Resolution.**

### **Approval of Name Change**

At the Meeting, the Shareholders of the Corporation will be asked to consider a special resolution authorizing the amendment of the Articles to change the corporate name of the Corporation to any name that the board of directors of the Corporation may determine (the "**Change of Name Resolution**").

The Change of Name Resolution permits the board of directors, without further approval by the Shareholders of the Corporation, to choose not to proceed with the Name Change if, in the discretion of the board of directors, it is deemed desirable to do so. Management of the Corporation and the board of directors believe that the Name Change is in the best interests of the Corporation and, therefore, the board of directors recommends that Shareholders vote FOR the approval of this special resolution.

Accordingly, the Shareholders of the Corporation will be asked to consider and, if thought appropriate, pass the following Change of Name Resolution:

**"BE IT RESOLVED, as a special resolution of the shareholders of Debut Diamonds Inc. (the "Corporation"), that:**

1. Subject to the acceptance of any applicable regulatory authorities, the name of the Corporation be changed to any name that the board of directors of the Corporation (the "**Board**"), in its sole discretion, deems appropriate;
2. Notwithstanding that this resolution has been passed by the shareholders, the Board be and is hereby authorized and empowered, without further notice to, or approval of, the shareholders, to determine not to proceed with the change of name at any time prior to the filing of the articles of amendment giving effect to the change of name, and the Board may, in its sole discretion, revoke this resolution before it is acted upon, without further approval or authorization of the shareholders;
3. Upon articles of amendment giving effect to the change of name having become effective in accordance with the

*Business Corporations Act* (Ontario) (“**OBCA**”), the articles of the Corporation be amended accordingly; and

- Any one officer and director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents to perform and do all such acts and things as may be deemed advisable in such individual’s discretion for the purpose of giving effect to this special resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

**Under the OBCA, the Change of Name Resolution requires the approval of at least two-thirds of the votes cast present in person or represented by proxy at the Meeting. Unless otherwise directed by holders of Common Shares, the persons named as proxies in the accompanying Proxy Form intend to vote the Common Shares represented by such proxy in favour of the name change.**

## **INFORMATION ON THE AUDIT COMMITTEE**

### **Charter of the Audit Committee**

The charter of the Corporation’s audit committee (the “**Audit Committee**”) is annexed to this circular as Exhibit A.

### **Composition of the Audit Committee**

Pursuant to National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), the Corporation is a venture issuer and as such is relying on the exemptions provided for in Section 6.1 of NI 52-110 in respect of the composition of its Audit Committee.

During the year ended April 30, 2019, the Corporation’s Audit Committee was comprised of Frank Smeen, Greg Wilson, and Michael Minas. Each of the members of the Audit Committee is a director and is “financially literate” within the meaning of section 1.6 of NI 52-110, that is, each member 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.

### **Education and Relevant Experience**

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is set out below.

Frank Smeen has served as a director of the Corporation since 2007 working with other members of the board of directors responsible for the stewardship of the Corporation. He has had experience as an officer and a director of other mining and mineral exploration companies, including experience in the preparation, analysis and evaluation of financial statements comparable to the breadth and complexity of the Corporation’s financial statements.

Michael Minas has served as a director of the Corporation since 2018 working with other members of the board of directors responsible for the stewardship of the Corporation. He is an experienced capital markets professional with over 20 years of financial sector exposure in currency markets, fixed income, and Canadian, U.S and global equities. He has had experience as an officer and director of other companies, including experience in the preparation, analysis and evaluation of financial statements comparable to the breadth and complexity of the Corporation’s financial statements.

Greg Wilson has served as a director of the Corporation since 2018 working with other members of the board of directors responsible for the stewardship of the Corporation. He has had more than 20 years of experience advising and structuring capital market financings for companies of varying sizes. He has had experience as officer and director of other companies, including mining ones, including experience in the preparation, analysis and evaluation of financial statements comparable to the breadth and complexity of the Corporation’s financial statements.

### **Reliance on Exemption**

The Corporation is relying on the exemption set out in section 6.1 of NI 52-110 - *Audit Committees* with respect to certain composition and reporting obligations.

### **Pre-approval Policies and Procedures for Audit Services**

Under its charter, the Audit Committee has the mandate to review and pre-approve management requests for any consulting engagement to be performed by the auditors of the Corporation that is beyond the scope of their audit services.

**External Auditor Fees**

(a) Audit Fees

Audit fees amounted to \$10,200 for the fiscal year ended April 30, 2019 and \$10,200 for the fiscal year ended April 30, 2018.

(b) Non Audit-Related Fees

Non audit-related fees paid during the fiscal years ended April 30, 2019 and 2018 amounted to Nil.

(c) Tax Fees

The tax fees amounted to Nil for the fiscal year ended April 30, 2019 and Nil for the fiscal year ended April 30, 2018.

**OTHER MATTERS**

Management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying Proxy Form confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

**CORPORATE GOVERNANCE PRACTICES**

**Information on Corporate Governance**

The following information of the Corporation’s Corporate Governance Policy is given in accordance with National Instrument 58-101 - *Disclosure of Corporate Governance Practice*.

**Board of Directors**

Greg Wilson and Michael Minas are considered independent. Frank Smeenk, Managing Director and CEO of the Corporation, is not considered independent.

**Directorships**

<b>Director</b>	<b>Issuer</b>
Frank C. Smeenk	KWG Resources Inc., Fletcher Nickel Inc.
Greg Wilson	12 Exploration Inc.
Michael Minas	N/A

**Orientation and Continuing Education**

The board of directors encourages directors to follow appropriate education programs offered by relevant regulatory bodies and provides them with the opportunity to enhance their understanding of the nature and operation of the Corporation.

**Ethical Business Conduct**

Each director of the Corporation, in exercising his powers and discharging his duties, must act honestly and in good faith with a view to the best interests of the Corporation and further must act in accordance with the law and applicable regulations, policies and standards.

In situation of conflict of interest, a director is required to disclose the nature and extent of any material interest he/she has in any material contract or proposed contract of the Corporation, as soon as the director becomes aware of the agreement or the intention of the Corporation to consider or enter into the proposed agreement and the director must refrain from voting.

## **Nomination of Directors**

The board of directors selects nominees for election to the board of directors after having carefully reviewed and assessed the professional competencies and skills, personality and other qualities of each proposed candidate, including the time and energy that the candidate can devote to the task, and the contribution that the candidate can bring to the board of directors dynamic.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Financial information relating to the Corporation is provided in the Corporation's audited consolidated financial statements for the years ended April 30, 2019 and 2018 and the related management's discussion and analysis (the "MD&A"). Shareholders who wish to obtain a copy of the financial statements and MD&A of the Corporation may contact the Corporation as follows:

By phone:	416-642-3575
By fax:	416-644-0592
By e-mail:	info@debutdiamonds.com
By mail:	<b>DEBUT DIAMONDS INC.</b> 141 Adelaide Street West, Suite 420 Toronto, Ontario M5H 3L5

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

/s/ "Frank Smeenk"

Frank Smeenk  
CEO

Toronto, Ontario  
October 9, 2019

## EXHIBIT A

### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

#### I. PURPOSE

The Audit Committee (the “**Committee**”) is a committee of the board of directors. The primary function of the Committee is to assist the board of directors in fulfilling its financial reporting and controls responsibilities to the shareholders of the Corporation and the investment community. The external auditors will report directly to the Committee. The Committee’s primary duties and responsibilities are:

- overseeing the integrity of the Corporation’s financial statements and reviewing the financial reports and other financial information provided by the Corporation to any governmental body or the public and other relevant documents;
- recommending the appointment and reviewing and appraising the audit efforts of the Corporation’s external auditors, overseeing the external auditors’ qualifications and independence and providing an open avenue of communication among the external auditors, financial and senior management and the board of directors;
- monitoring the Corporation’s financial reporting process and internal controls, its management of business and financial risk, and its compliance with legal, ethical and regulatory requirements.

#### II. COMPOSITION

The Committee shall consist of a minimum of three directors of the Corporation including the Chair of the Committee, the majority of whom shall not be employees, officers or “control persons”, as such term is defined hereunder, of the Company. All members shall, to the satisfaction of the board of directors, be “financially literate” as such term is defined hereunder.

The members of the Audit Committee shall be elected by the board of directors at the annual organizational meeting of the board of directors following the annual meeting of shareholders and hold office until their successors are duly elected and qualified. The board of directors may remove a member of the Audit Committee at any time in its sole discretion by resolution of the board.

#### III. DUTIES AND RESPONSIBILITIES

1. The Committee shall review and recommend to the board for approval the annual audited consolidated financial statements and the annual MD&A.
2. The Committee shall review with financial management and the external auditor the Corporation’s financial statements, MD&A’s and earnings releases prior to filing with regulatory bodies such as securities commissions and/or prior to their release.
3. The Committee shall review all documents referencing, containing or incorporating by reference the annual audited consolidated financial statements or non-audited interim financial statements results (e.g., prospectuses, press releases with financial results) prior to their release.
4. The Committee, in fulfilling its mandate, will:
  - (a) Satisfy itself that adequate internal controls and procedures are in place to allow the Chief Executive Officer and the Chief Financial Officer to certify financial statements and other disclosure documents as required under securities laws.
  - (b) Satisfy itself that adequate procedures are in place for the review of the issuer’s public disclosure of financial information extracted or derived from the issuer’s financial statements, other than MD&A and annual and interim earnings press releases, and must periodically assess the adequacy of those procedures.
  - (c) Recommend to the board of directors the selection of the external auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the external auditor.
  - (d) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor, and discussing and resolving any material differences of opinion or disagreements between management and the external auditor.
  - (e) Review and discuss, on an annual basis, with the external auditor all significant relationships they have with the Corporation to determine their independence and report to the board of directors.

- (f) Review the performance of the external auditor and approve any proposed discharge and replacement of the external auditor when circumstances warrant. Consider with management the rationale for employing accounting/auditing firms other than the principal external auditor.
- (g) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
- (h) Arrange for the external auditor to be available to the Audit Committee and the full board of directors as needed. Ensure that the auditors report directly to the Audit Committee and are made accountable to the board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible.
- (i) Oversee the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services.
- (j) Review and approve hiring policies for employees or former employees of the past and present external auditors.
- (k) Review the scope of the external audit, including the fees involved.
- (l) Review the report of the external auditor on the annual audited consolidated financial statements.
- (m) Review problems found in performing the audit, such as limitations or restrictions imposed by management or situations where management seeks a second opinion on a significant accounting issue.
- (n) Review major positive and negative observations of the auditor during the course of the audit.
- (o) Review with management and the external auditor of the Corporation's major accounting policies, including the impact of alternative accounting policies and key management estimates and judgments that can materially affect the financial results.
- (p) Review emerging accounting issues and their potential impact on the Corporation's financial reporting.
- (q) Review and approve requests for any engagement to be performed by the external auditor that is beyond the scope of the audit engagement letter and related fees.
- (r) Review with management, the external auditors and legal counsel, any litigation, claims or other contingency, including tax assessments, which could have a material effect upon the financial position or operating results of the Corporation, and whether these matters have been appropriately disclosed in the financial statements.
- (s) Review the conclusions reached in the evaluation of management's internal control systems by the external auditors, and management's responses to any identified weaknesses.
- (t) Review with management their approach to controlling and securing corporate assets (including intellectual property) and information systems, the adequacy of staffing of key functions and their plans for improvements.
- (u) Review with management their approach with respect to business ethics and corporate conduct.
- (v) Review annually the legal and regulatory requirements that, if breached, could have a significant impact on the Corporation's published financial reports or reputation.
- (w) Receive periodic reports on the nature and extent of compliance with security policies. The nature and extent of non-compliance together with the reasons therefore, with the plan and timetable to correct such non-compliance will be reported to the board, if material.
- (x) Review with management the accuracy and timeliness of filing with regulatory authorities.
- (y) Review periodically the business continuity plans for the Corporation.
- (z) Review the annual audit plans of the external auditors of the Corporation.
- (aa) Review annually general insurance coverage of the Corporation to ensure adequate protection of major corporate assets including but not limited to D&O and "Key Person" coverage.
- (bb) Perform such other duties as required by the Corporation's incorporating statute and applicable securities legislation and policies.

- (cc) Establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or audit matters.
- 5. The Committee may engage and communicate directly and independently with outside legal and other advisors for the Committee as required and set and pay the compensation of such advisors.
- 6. On a yearly basis, the Committee will review the Audit Committee Charter and where appropriate recommend changes to the board of directors.

#### **IV. SECRETARY**

The Secretary of the Committee will be appointed by the Chair.

#### **V. MEETINGS**

- 1. The Committee shall meet at such times and places as the Committee may determine, but no less than four times per year. At least annually, the Committee shall meet separately with management and with the external auditors.
- 2. Meetings may be conducted with members present, in person, by telephone or by video conference facilities.
- 3. A resolution in writing signed by all the members of the Committee is valid as if it had been passed at a meeting of the Committee.
- 4. Meetings of the Audit Committee shall be held from time to time as the Audit Committee or the Chairman of the Committee shall determine upon 48 hour notice to each of its members. The notice period may be waived by a quorum of the Committee.
- 5. The external auditors or any member of the Committee may also call a meeting of the Committee. The external auditors of the Company will receive notice of every meeting of the Committee.
- 6. The board shall be kept informed of the Committee's activities by a report, including copies of minutes, at the next board meeting following each Committee meeting.

#### **VI. QUORUM**

Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Committee.

#### **VII. DEFINITIONS**

In accordance with *National Instrument 52-110 - Audit Committee*,

*"Financially literate"* means that the director has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

*"Control Person"* means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or that holds more than 20% of the outstanding voting shares of the Company except where there is evidence showing that the holder of those securities does not materially affect the control of the Company.