

**INFORMATION CIRCULAR  
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE  
HELD ON JUNE 30, 2020**

This information is given as of May 20, 2020 unless otherwise noted.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

This management information circular ("**Information Circular**") is furnished in connection with the solicitation of proxies by the management ("**Management**") of Palladium One Mining Inc. (the "**Company**") for use at the annual and special meeting of the shareholders of the Company (the "**Meeting**"), to be held at Suite 550-800 West Pender Street, Vancouver BC, V6C 2V6, at 10am PST (Vancouver time) on Tuesday, June 30, 2020 for the purposes set forth in the accompanying notice of meeting (the "**Notice of Meeting**") and at any adjournment thereof.

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

**Persons Or Companies Making The Solicitation**

**The enclosed form of Proxy is solicited by Management.** Solicitations will be made by mail and may be supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the Proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by Management as set forth in this Information Circular. No person is authorized to give any information or to make any representation other than those contained in this Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

**Appointment And Revocation Of Proxies**

The persons named in the accompanying form of Proxy are directors or officers of the Company. **A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed form of Proxy. To exercise this right, a shareholder shall strike out the names of the persons named in the Proxy and insert the name of his nominee in the blank space provided, or complete another Proxy. The completed Proxy should be deposited with the Company's Registrar and Transfer Agent, Computershare Investor Services Inc., 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, B.C. V6C 3B9 at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays and holidays.**

The Proxy must be dated and be signed by the shareholder or by his attorney in writing, or if the shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

**In addition to revocation in any other manner permitted by law, a shareholder may revoke a Proxy either by (a) signing a Proxy bearing a later date and depositing it at the place and within the time**

aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the Proxy is required to be executed as set out in the notes to the Proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such Proxy shall be deemed to have been revoked.

#### Non-Registered Shareholders

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the common shares in the capital of the Company ("Common Shares") they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares.** More particularly, a person is not a Registered Shareholder in respect of Common Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans); or (b) in the name of a clearing agency of which the Intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms).

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as "**NOBO's**". Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as "**OBO's**".

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has elected to send the Notice of Meeting, this Information Circular and the Proxy (collectively, the "**Meeting Materials**") directly to the NOBO's, and indirectly through Intermediaries to the OBO's. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

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 how to vote on behalf of the Non-Registered Shareholder. VIF's, whether provided by the Company or by an Intermediary, 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 Common 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.**

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

### **Voting of Shares And Exercise of Discretion of Proxies**

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

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

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

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or senior officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, save and except for those matters pertaining to incentive stock options.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of Common Shares without par value. On May 20, 2020 (the "**Record Date**"), 125,548,599 Common Shares were issued and outstanding, each Common Share carrying the right to one vote. At a general meeting of the Company, on a show of hands, every common shareholder of the Company ("**Shareholder**") present in person shall have one vote and, on a poll, every Shareholder shall have one vote for each Common Share of which they are the holder.

Only Shareholders of record on the close of business on the Record Date who either personally attend the Meeting or who complete and deliver a Proxy in the manner and subject to the provisions set out under the heading "**Appointment and Revocation of Proxies**" will be entitled to have their Common Shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of Palladium One Mining Inc., as of the Record Date, no person beneficially owns or controls or directs, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company except as set out below:

<b>Name of Shareholder</b>	<b>Number of Common Shares Beneficially Owned or Controlled</b>	<b>Percentage of Outstanding Common Shares</b>
Eric Sprott	21,300,000	16.97%

## VOTES NECESSARY TO PASS RESOLUTIONS

Under the Company's by-laws, the quorum for the transaction of business at a meeting of shareholders is one person who is, or who represents by proxy, one or more Shareholders who, in the aggregate, hold at least 5% of the issued Common Shares entitled to be voted at the Meeting. A simple majority of the votes of those Shareholders who are present and vote either in person or by proxy at the Meeting is required in order to pass an ordinary resolution. A majority of at least two-thirds of the votes of those shareholders who are present and vote either in person or by proxy at the Meeting is required to pass a special resolution.

## GENERAL MATTERS

The information prepared herein is with respect to the Company's fiscal year ended December 31, 2019 and includes subsequent events until the Record Date of this Meeting.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Receiving the Financial Statements

The audited consolidated financial statements of the Company for the financial year ended December 31, 2019 have been mailed to the Company's registered and beneficial shareholders who requested to receive them. The financial statements are also available on SEDAR at [www.sedar.com](http://www.sedar.com). At the Meeting, shareholders and proxy holders will be given an opportunity to discuss the financial results with Management.

### Election of Directors

Management is nominating four individuals to stand for election.

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

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employments during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

Name and Residence of Proposed Directors and Present Offices Held	Date Elected or Appointed a Director	Principal Occupation	Number of Shares <sup>(1)</sup>
<b>Derrick Weyrauch</b> <sup>(3)</sup> Ontario, Canada <i>CEO, President, and Director</i>	March 28, 2019	Mr. Weyrauch is a CPA CA and President and CEO of the Company since March 2019. He is the founder and a director of Magna Mining Corp. since 2016. From Former corporate director of a number of companies including Eco Oro Minerals Corp., Jaguar Mining Inc. and Banro Corp. and is a former CFO of Jaguar Mining Inc. and Cardinal Resources Ltd. Currently he is a non-	1,166,667 <sup>(2)</sup>

Name and Residence of Proposed Directors and Present Offices Held	Date Elected or Appointed a Director	Principal Occupation	Number of Shares <sup>(1)</sup>
		executive director and at Cabral Gold Inc.	
<b>Lawrence Roulston<sup>(3)</sup></b> British Columbia, Canada <i>Director</i>	March 28, 2019	President and CEO of Mountain Boy Minerals Ltd since December 2017. From 2014-2016. President of Quintana Resources Capital	163,500
<b>Neil Pettigrew</b> <i>VP Exploration &amp; Director</i>	July 3, 2019	<p>Neil Pettigrew M.Sc., P.Geo. is geologist with 20 years of experience in the mineral exploration industry. He received his B.Sc. (hons.) from the University of New Brunswick in 1999 and his M.Sc. from the University of Ottawa in 2004. He has published papers on Cu-Ni-PGE mineralization and the petrogenesis of mafic-ultramafic intrusions in Exploration and Mining Geology in Series B of Transactions of the Institution of Mining and Metallurgy (London) and in Precambrian Research.</p> <p>Neil is a founding partner of Fladgate Exploration Consulting Corporation and has been employed as a Senior Precambrian Geoscientist with the Ontario Geological Survey. He has worked for several junior and major companies in gold and Cu-Ni-PGE exploration most notably Avalon Ventures Ltd., Temex Resources Corp., Rainy River Resources Ltd., PC Gold Inc., Placer Dome CLA Inc., and Goldcorp Inc. He has held officer and director positions at several TSX and TSX-V listed junior companies and is presently CEO and a director of Edison Cobalt Corp. Mr. Pettigrew is a resident Canadian.</p>	229,167
<b>Peter Lightfoot<sup>(3)</sup></b> <i>Director</i>	September 9, 2019	<p>Dr. Peter C. Lightfoot, P.Geo. has over 30 years of experience in the nickel industry and is an expert on magmatic nickel-cobalt-copper and precious metal ore deposits. During his 20-year career with Inco/Vale, he was the Principle Geologist – Nickel Sulphide Global Project Generation, Chief Geologist – Nickel Global Technical Services and Chief Geologist – Base Metals. He was responsible for nickel exploration at Voisey's Bay, the Sudbury Igneous Complex (SIC) and Carajas. Peter's project generation, evaluation and technical support background encompasses Canada, Greenland, Scandinavia, Finland, China, India, Australia, Brazil, Angola, South Africa and the United States. Currently, Dr. Lightfoot is a consultant to the global mining industry.</p> <p>In 2016, Peter published the first comprehensive textbook on the Ni-Cu-precious metal ore deposits of the Sudbury Igneous Complex. Also in 2016, he compiled and edited a special volume on gold deposits</p>	Nil

Name and Residence of Proposed Directors and Present Offices Held	Date Elected or Appointed a Director	Principal Occupation	Number of Shares <sup>(1)</sup>
		of China, published in Ore Geology Reviews. In 2017, Dr. Lightfoot was appointed as the Hutchinson Visiting Industry Professor at the University of Western Ontario. Peter received his B.A. in Earth Sciences from Oxford in 1980, his M.Sc. degree from the University of Toronto in 1982 and his Ph.D from the Open University (U.K.) in 1985. He completed post-doctoral studies at the University of Toronto and undertook extensive research on the geology and geochemistry of the Noril'sk ore deposits during his tenure as an Adjunct Professor.	

Notes:

- 1 Information as to voting shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- 2 1,166,667 shares are registered to Weyrauch and Associates Inc., of which Derrick Weyrauch is a beneficial owner.
- 3 Member of the audit committee.

Other than disclosed below, no proposed director:

- (a) is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity,
  - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - (ii) was the subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days,
  - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets,
- (b) 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.

In addition, no proposed director 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulating authority that would likely be considered important to a

reasonable securityholder in deciding whether to vote for a proposed director. All of the proposed director nominees are resident in Canada.

Derrick Weyrauch was elected to the board of directors of Jaguar Mining Inc. ("**Jaguar**") in June 2013. As part of a corporate turnaround and restructuring process, Jaguar declared insolvency and commenced a voluntary proceeding under the Companies' Creditors Arrangement Act (Canada) (the "**CCAA**") on December 23, 2013 in the Ontario Superior Court of Justice. This proceeding was commenced to implement a debt restructuring and financing transaction ("**CCAA Plan**") that was negotiated prior to the commencement of the CCAA proceeding. On April 22, 2014, Jaguar implemented the CCAA Plan and emerged from court protection under the CCAA. On May 2, 2014, the shares of Jaguar began trading on the TSX Venture Exchange. Following the voluntary proceeding under the CCAA, the Toronto Stock Exchange advised that it is reviewing the common shares of Jaguar with respect to meeting the requirements for continued listing pursuant to the Expedited Review Process. The common shares were subsequently suspended from trading on the Toronto Stock Exchange. In 2013, NYSE Regulations, Inc. ("**NYSE Regulation**") reached a decision to delist Jaguar's common shares in view of the fact that Jaguar's common shares had fallen below the New York Stock Exchange's ("**NYSE**") continued listing standard for an average closing price of less than US\$1.00 over a consecutive 30 trading day period. As a result, on June 3, 2013, NYSE Regulation commenced proceedings to delist the common shares of Jaguar from the NYSE and trading in Jaguar's common shares was suspended prior to the opening on June 7, 2013.

Mr. Weyrauch was a director of Banro Corporation ("**Banro**"). On November 20, 2017 Banro became subject to a general cease trade order issued by the Ontario Securities Commission (the "**CTO**") for failure to file its interim financial statements and management's discussion and analysis for the period ended September 30, 2017, and the certifications of such filings as required by National Instrument 52-109. The filings were not made due to significant uncertainty concerning Banro's ability to continue as a going concern. As part of a corporate turnaround and restructuring process, Banro declared insolvency and commenced a voluntary proceeding under the CCAA on December 22, 2017 in the Ontario Superior Court of Justice. This proceeding was commenced to implement a debt restructuring and sale and investment solicitation process ("**SISP**"). On May 3, 2018 Banro implemented the CCAA Plan and emerged from court protection under the CCAA.

### **Appointment of Auditor**

The auditor of the Company is presently Davidson & Company LLP (since April 25, 2016), Chartered Accountants, of Suite 1200 – 609 Granville Street, Vancouver, B.C. V7Y 1G6.

The persons named in the enclosed form of Proxy will vote for the re-appointment of Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia, as auditor of the Company for the ensuing year, until the close of the next annual general meeting of the members, at a remuneration to be fixed by the directors.

### **Approval of Stock Option Plan**

As noted above, the Company presently has in place a "rolling" stock option plan (the "**Plan**") whereby the Company is authorized to grant stock options of up to 10% of its issued and outstanding shares, from time to time. The TSX-V requires listed companies who have "rolling" stock option plans to receive shareholder approval to such Plan on a yearly basis at the Company's annual general meeting. As such, the directors wish to have the Shareholders ratify and approve the Plan.

The material terms of the Plan are as described above under the heading "**Statement of Executive Compensation - Stock Option Plans and Other Incentive Plans**".

The Plan is subject to receipt of TSX-V acceptance to its filing. Shareholders will be asked to consider, and if thought fit to approve a resolution ratifying and approving the Company's Plan.

### **Approval of Eric Sprott as a Control Person of the Company**

In accordance with the policies of the TSXV Corporate Finance Manual ("**Manual**"), the Company is required to obtain the approval of the disinterested Shareholders to approve the creation of a Control Person. The Manual defines "**Control Person**" as any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of a company so as to affect materially the control of the company, or that holds more than 20% of the outstanding common shares except where there is evidence showing that the holder of those securities does not materially affect the control of the company.

#### *Background*

On October 28, 2019 and November 6, 2019 the Company announced a proposed non-brokered private placement financing ("**Offering**") of an aggregate of up to 62,999,998 units of the Company ("**Units**"), for aggregate gross proceeds of up to \$3,780,000 at a price of \$0.06 per Unit. Each Unit comprised of one Common Share and one-half of one non-transferable, common share purchase warrant (each whole warrant, a "**Warrant**"). In connection with the Offering, the Company issued Eric Sprott (through 2176423 Ontario Ltd., a corporation that is beneficially owned by him) 20,000,000 Units, representing 31.7% of the Offering for a total consideration of \$1,200,000.

On December 2, 2019, the Company announced that it had closed the Offering. Prior to the Offering, Mr. Sprott owned and controlled 1,300,000 Common Shares and 1,300,000 Warrants representing 2.9 % of the issued and outstanding Common Shares of the Company. As a result of the Offering, Mr. Sprott beneficially owns and controls 21,300,000 Common Shares and 16,300,000 Warrants representing 16.97 % of the issued and outstanding common shares of the Company. As a condition of closing the Offering, Eric Sprott (through 2176423 Ontario Ltd.) undertook to not acquire any additional Common Shares (including through the exercise of any Warrants beneficially held by Mr. Sprott) which would result in him beneficially owning 20% or more of the issued and outstanding Common Shares, unless the Company has obtained necessary shareholder approval in accordance with the Manual.

#### *About Eric Sprott*

Mr. Eric Sprott has over 40 years of experience in the investment industry and has managed client funds for 37 years. Mr. Sprott entered the investment industry as a research analyst at Merrill Lynch Canada, Inc. In 1981, he founded Sprott Securities Limited (a predecessor to Sprott Securities Inc., now Cormark). After establishing Sprott Asset Management Inc. in December 2001 as a separate entity, he divested his entire stake in Sprott Securities Inc. to its employees. Mr. Sprott's investment abilities are demonstrated by the track record of the Sprott Hedge Fund L.P., Sprott Hedge Fund L.P. II, Sprott Offshore Fund, Sprott Canadian Equity Fund, Sprott Energy Fund and Sprott's Managed Accounts. From 2008 until September 2010, Mr. Sprott served as Chief Executive Officer of Sprott, before stepping down to focus on his roles as Chairman and Chief Investment Officer.

#### *Disinterested Shareholder Approval*

Disinterested Shareholder approval, means Shareholder approval obtained by ordinary resolution; provided that, in connection with the approval of the creation of a new Control Person, the votes attached to the shares held by the new Control Person, and any associates or affiliates thereof, are excluded from the calculation of such approval. Consequently, pursuant to the Manual, disinterested Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution,

subject to such amendments, variations or additions as may be approved at the Meeting, approving the possible creation of a new Control Person of the Company. Under Section 1.12(a) of Policy 4.1 of the Manual, if issuing securities under a private placement will result in the creation of a Control Person, then the TSXV will require the company to obtain Shareholder approval in the manner prescribed by Section 1.12(e) of Policy 4.1 of the Manual for the creation of a Control Person.

To be effective, the resolution to create a new Control Person must be approved by not less than the majority of the votes cast by the disinterested holders of Common Shares, present in person or represented by proxy, at the Meeting, which excludes the votes attached to the 21,300,000 Common Shares held by Eric Sprott.

The Shareholders will be asked at the Meeting to consider, and if thought fit, to pass, with or without variation, an ordinary resolution to ratify, confirm, and approve the creation of Eric Sprott as a Control Person, substantially in the form below:

"BE IT RESOLVED THAT:

1. Subject to regulatory approval, and in compliance with the policies of the TSX Venture Exchange, the shareholders of the Company hereby approve Eric Sprott as a "Control Person" of the Company, as defined by the policies of the TSXV.
2. Any officer or director of the Company be and is hereby authorized, subject to the approval of the applicable regulatory authorities, for and on behalf of the Company, to execute and deliver all documents and instruments and to take such other actions as they may determine to be necessary or desirable to implement this resolution and the matters authorized here, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions.

**Unless the Shareholder has specified in the proxy that their Common Shares are to be voted against the ratification, confirmation, and approval of the creation of Eric Sprott as a Control Person, the persons named in the accompanying form of proxy will vote the Common Shares represented thereby in favour of the foregoing resolutions. In the absence of instructions to the contrary, the proxyholders intend to vote the Common Shares represented by each proxy, properly executed, FOR approval of the creation of a Control Person.**

#### STATEMENT OF EXECUTIVE COMPENSATION

In this section "**Named Executive Officers**" mean (a) the Chief Executive Officer (or an individual who acted in a similar capacity), (b) the Chief Financial Officer (or an individual who acted in a similar capacity), (c) the Company's other most highly compensated executive officer, whose total compensation exceeded \$150,000, and (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

As of the fiscal year ended December 31, 2019, the Company had two Named Executive Officers ("**NEOs**"), namely Derrick Weyrauch, Chief Executive Officer ("**CEO**"), President, and Director, and Robert Scott, Chief Financial Officer ("**CFO**").

*All dollar amounts referenced herein are in Canadian dollars unless otherwise specified.*

## **Oversight and Description of Director and Named Executive Officer Compensation**

As at the fiscal year ended December 31, 2019, the Company's board of directors had two standing committees:

- (a) an Audit Committee (see expanded disclosure below) which reviews quarterly and annual financial statements and management and discussion and analysis, and works with the Company's auditor; and
- (b) a Compensation Committee which approves management's salaries and expenses.

The Compensation Committee is currently comprised of two independent directors and one non-independent director. The compensation paid by the Company to its NEOs is determined by the Board based on recommendations from the Compensation Committee. The committee evaluates the performance of the NEOs, reviews the Company's cash position and general public market conditions, establishes executive and senior officer compensation and determines the general compensation structure, policies and programs of the Company. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility; bearing in mind the very limited cash reserves of the Company. In general, a NEO's compensation is comprised of (i) base salary; (ii) option based awards; and (iii) bonuses.

## **Compensation Discussion and Analysis**

The Company's compensation philosophy for executive officers follows three underlying principles:

- (a) to provide compensation packages that encourage and motivate performance;
- (b) to be competitive with other companies of similar size and scope of operations so as to attract and retain talented executives; and
- (c) to align the interests of its executive officers with the long-term interests of the Company and its shareholders through stock related programs.

When determining compensation policies and individual compensation levels for the Company's executive officers, the Company takes into consideration a variety of factors, including the overall financial and operating performance of the Company, and the Board's overall assessment of:

- (a) each executive officer's individual performance and contribution towards meeting corporate objectives;
- (b) each executive officer's level of responsibility,
- (c) each executive officer's length of service; and
- (d) industry comparables.

In keeping with the Company's philosophy to link senior executive compensation to corporate performance and to motivate senior executives to achieve exceptional levels of performance, the Company has adopted a model that includes both base salary or consulting fees and "at-risk" compensation, comprised of participation in the Company's Stock Option Plan, as described below. In addition, the Company may award performance bonuses based on executives meeting short-term performance milestones.

### **Base Salary - Fees**

Base salary and consulting fee levels reflect the fixed component of pay that compensates executives for fulfilling their roles and responsibilities and assists in the attraction and retention of highly qualified executives. Base salaries are reviewed annually to ensure they reflect each respective executive's performance and experience in fulfilling his or her role and to ensure executive retention. Currently base salaries and consulting fees are set at below industry standard levels, which is reflective of the Company's general lack of monetary resources, and the need to make more capital available for development of the Company's business. Compensation is made up with the provision of stock options (see below for description). Salary and consulting fee levels will be reviewed and revised as the Company grows.

### **Stock Options**

Performance-based incentives are granted by way of stock options. The awards are intended to align executive interests with those of shareholders by tying compensation to share performance and to assist in retention through vesting provisions. Grants of stock options are based on:

- (a) the executive's performance;
- (b) the executive's level of responsibility within the Company;
- (c) the number and exercise price of options previously issued to the executive;
- (d) the difference between the executive's salary and that paid by comparable companies; and
- (e) the overall aggregate total compensation package provided to the executive.

Options are typically granted on an annual basis in connection with the review of executives' compensation packages. Options may also be granted to executives upon hire or promotion and as special recognition for extraordinary performance.

### **Chief Executive Officer Compensation**

The components of Chief Executive Officer's compensation are the same as those which apply to the other senior executive officers of the Company, namely base salary or consulting fees, stock option incentives and discretionary performance bonuses (which are subject to targets being achieved). In setting the recommended salary or consulting fees of the Chief Executive Officer, the Company takes into consideration the salaries or fees paid to other chief executive officers in similar industries and in the public company sector, as described above under the heading "Compensation Discussion and Analysis". In setting the salary or fees, performance bonus and long-term incentives for the Chief Executive Officer, the Company evaluates the performance of the Chief Executive Officer in light of his impact on the achievement of the Company's goals and objectives.

### **Director and NEO Compensation, Excluding Compensation Securities**

The following table sets forth all annual and long-term compensation for services paid to or earned by the NEOs and the directors for the two fiscal years ended December 31, 2019:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer, commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Derrick Weyrauch</b> <i>President, CEO &amp; Director</i>	2019	90,000	50,000	nil	nil	nil	140,000
	2018	nil	nil	nil	nil	nil	nil
<b>Neil Pettigrew</b> <i>VP Exploration &amp; Director</i>	2019	77,973	nil	nil	nil	nil	77,973
	2018	nil	nil	nil	nil	nil	nil
<b>Lawrence Roulston</b> <i>Director</i>	2019	20,000	nil	nil	nil	nil	20,000
	2018	nil	nil	nil	nil	nil	nil
<b>Peter Lightfoot</b> <i>Director</i>	2019	nil	nil	nil	nil	nil	nil
	2018	nil	nil	nil	nil	nil	nil
<b>Vance Loeber<sup>(1)</sup></b> <i>Former President, CEO &amp; Director</i>	2019	22,000	nil	nil	nil	nil	22,000
	2018	122,000	nil	nil	nil	nil	122,000
<b>Scott Jobin-Bevans<sup>(2)</sup></b> <i>Former Director &amp; VP of Exploration</i>	2019	10,000	nil	nil	nil	nil	10,000
	2018	nil	nil	nil	nil	nil	nil
<b>Raymond Straehl<sup>(3)</sup></b> <i>Former Director</i>	2019	nil	nil	nil	nil	nil	nil
	2018	nil	nil	nil	nil	nil	nil
<b>Rob Scott</b> <i>CFO</i>	2019	12,000	nil	nil	nil	3,000	15,000
	2018	38,000	nil	nil	nil	nil	38,000

Notes:

1. Vance Loeber resigned from the Board on March 28, 2019.
2. Scott Jobin-Bevans did not stand for re-election at AGM on July 3, 2019.
3. Raymond Straehl did not stand for re-election at AGM on July 3, 2019.

### Stock Options and Other Compensation Securities

Compensation securities were granted to NEOs and directors by the Company in the financial year ended December 31, 2019 for services provided or to be provided, directly or indirectly, to the Company, as disclosed in the following table:

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 <sup>(1)</sup>	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
<b>Derrick Weyrauch</b> <i>President, CEO &amp; Director</i>	Stock Options	1,000,000 1,500,000	June 7, 2019 Dec 30, 2019	\$0.08 \$0.15	\$0.08 \$0.15	\$0.165 \$0.165	June 7, 2024 Dec 30, 2024
<b>Neil Pettigrew</b> <i>VP Exploration &amp; Director</i>	Stock Options	350,000 350,000 1,000,000	June 7, 2019 Sept 30, 2019 Dec 30, 2019	\$0.08 \$0.08 \$0.15	\$0.08 \$0.06 \$0.15	\$0.165 \$0.165 \$0.165	June 7, 2024 Sept 30, 2024 Dec 30, 2024
<b>Lawrence Roulston</b> <i>Director</i>	Stock Options	350,000 500,000	June 7, 2019 Dec 30, 2019	\$0.08 \$0.15	\$0.08 \$0.15	\$0.165 \$0.165	June 7, 2024 Dec 30, 2024
<b>Peter Lightfoot</b> <i>Director</i>	Stock Options	450,000 500,000	Sept 30, 2019 Dec 30, 2019	\$0.08 \$0.15	\$0.06 \$0.15	\$0.165 \$0.165	Sept 30, 2024 Dec 30, 2024
<b>Vance Loeber</b> <i>Former President, CEO &amp; Director</i>	Stock Options	250,000	March 29, 2016	\$0.15	\$0.14	\$0.14	March 29, 2021
<b>Scott Jobin-Bevans</b> <i>Former Director &amp; VP of Exploration</i>	Stock Options	100,000	March 29, 2016	\$0.15	\$0.14	\$0.14	March 29, 2021
<b>Rob Scott</b> <i>CFO</i>	Stock Options	100,000 100,000 100,000	Mar 29, 2016 June 7, 2019 Dec 30, 2019	\$0.15 \$0.08 \$0.15	\$0.14 \$0.08 \$0.15	\$0.165 \$0.165 \$0.165	Mar 29, 2021 June 7, 2024 Dec 30, 2024

No compensation securities were exercised by any director or NEO during the financial year ended December 31, 2019, except as disclosed in the following table:

Exercise of Compensation Securities by Directors and NEOs							
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 <sup>(1)</sup> (\$)
<b>Derrick Weyrauch</b> <i>President, CEO &amp; Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Neil Pettigrew</b> <i>VP Exploration &amp; Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Lawrence Roulston</b> <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Peter Lightfoot</b> <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Vance Loeber</b> <i>Former President, CEO &amp; Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Scott Jobin-Bevans</b> <i>Director &amp; VP of Exploration</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Raymond Strafehl</b> <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>Rob Scott</b> <i>CFO</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A

1 Total value on exercise date is calculated by multiplying the number in the column entitled "Number of underlying securities exercised" by the number in the column entitled "Difference between exercise price and closing price on date of exercise".

### Stock Option Plans and Other Incentive Plans

The only stock option plan or other incentive plan the Company currently has in place is a 10% "rolling" stock option plan (the "**Plan**") which meets the requirements of the TSX Venture Exchange ("**TSX-V**") and which was ratified by shareholders at the Company's last Annual General Meeting held on July 3<sup>rd</sup>, 2019 and adopted by the directors of the Company that same day. The underlying purpose of the Plan is to attract and motivate the directors, officers, employees and consultants of the Company and to advance the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Plan.

The material terms of the Plan are as follows:

1. The term of any options granted under the Plan will be fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
2. The exercise price of any options granted under the Plan will be determined by the board of directors, in its sole discretion, but shall not be less than the closing price of the Company's common shares on the day preceding the day on which the directors grant such options, less any discount permitted by the TSX-V to a minimum of \$0.05 per share.
3. Vesting of options shall be at the discretion of the Board.
4. All options will be non-assignable and non-transferable.
5. No more than (i) 5% of the issued shares may be granted to any one individual in any 12 month period; and (ii) no more than 2% of the issued shares may be granted to a consultant, or an employee performing investor relations activities, in any 12 month period.
6. If the option holder ceases to be a director of the Company (other than by reason of death), then the option granted shall expire on no later than the 90<sup>th</sup> day following the date that the option holder ceases to be a director of the Company, subject to the terms and conditions set out in the Plan. If the option holder is engaged in investor relations activities or ceases to be an employee, consultant or management company employee of the Company (other than by reason of death), then the option granted shall expire on no later than the 30<sup>th</sup> day following the date that the option holder ceases to be employed or contracted by the Company, subject to the terms and conditions set out in the Plan.
7. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12 month period, exceeding 10% of the Company's issued shares; and (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Company's issued shares.
8. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's common shares.
9. The Plan contains a black-out provision restricting all or any of the Company's directors, officers, employees, insiders or persons in a special relationship to refrain from trading in the Company's securities until the restriction has been lifted by the Company.
10. The Board reserves the right in its absolute discretion to terminate or suspend the Plan with respect to all shares in respect of options which have not yet been granted under the Plan.

The Company has no other plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units or any other incentive plan or portion of a plan under which awards are granted.

The Company does not have any share-based awards, long-term incentive plans and, save as disclosed above, no remuneration payments were made, directly or indirectly, by the Company to its directors or Named Executive Officers during the fiscal year ended December 31, 2019.

## External Management Contracts

As of April 01, 2016, the Company engaged FT Management Ltd. to provide the services of Robert Scott as CFO, and Jeffrey Dare as Corporate Secretary, and accounting services. The contract is currently on a month to month basis, with a monthly fee of CAD \$6,000 plus GST and may be terminated by either party upon 90 days written notice to the other party.

## Employment, Consulting and Management Agreements

There were no agreements or arrangements in place under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the company that were:

- (a) performed by a director or named executive officer, or
- (b) performed by any other party but are services typically provided by a director or a named executive officer,

other than the grant of options under the Plan, and the reimbursement of expenses any director or NEO may have incurred on behalf of the Company.

In particular, there were no agreements or arrangement containing provisions with respect to change of control, severance, termination or constructive dismissal.

## Pension Disclosure

The Company does not provide any form of pension to any of its directors or Named Executive Officers.

Other than as disclosed herein, the Company does not have any pension or retirement plan which is applicable to the NEOs. The Company has not provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO of the Company, in connection with or related to the retirement, termination or resignation of such person, and the Company has provided no compensation to any such person as a result of a change of control of the Company.

## Securities Authorized for Issuance Under Equity Compensation Plans

As of the financial year ended December 31, 2019, the Company's stock option Plan was the only equity compensation plan under which securities were authorized for issuance. The following table sets forth information with respect to the Plan as at the year ended December 31, 2019:

Plan category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	8,862,500	\$0.13	2,116,735
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	8,862,500	\$0.13	2,116,735

## INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the directors or senior officers of the Company or any associates or affiliates of the Company are or have been indebted to the Company at any time since the beginning of the last completed financial year of the Company except Redline Minerals Inc. ("**RMI**"), a private company where Raymond Strafehl is the Chief Executive Officer, owed \$12,967 to the Company as of June 30, 2015. The indebtedness of RMI is the balance of a loan plus accrued interest. The loan has a rate of 10% per annum and was due to be repaid, plus interest, on the closing of the Qualifying Transaction. The loan is secured against RMI's current and hereafter-acquired assets. As at December 31, 2018, the balance receivable from RMI was \$18,335, As at December 31, 2019, the balance receivable from RMI was \$nil.

## MANAGEMENT CONTRACTS

Management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The term "informed person" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Company, or 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 carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution.

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Company's financial year ended December 31, 2019, or in any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

## AUDIT COMMITTEE

Pursuant to the policies of the TSX-V and National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), the Company is required to have an Audit Committee comprised of at least three directors, the majority of which must not be officers or employees of the Company.

The Company must also have a written charter, which sets out the duties and responsibilities of its audit committee. In providing the following disclosure, the Company is relying on the exemption provided under NI 52-110, which allows for the short form disclosure of the audit committee procedures of venture issuers. A copy of the Company's Audit Committee Charter has been posted to the SEDAR website.

### **Audit Committee's Charter**

#### *Mandate*

The primary function of the audit committee (the "**Committee**") is to assist the board of directors (the "**Board**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's

systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

#### *Composition*

The Committee will be comprised of at least three directors as determined by the Board, the majority of whom will be free from any relationship that, in the opinion of the Board, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee should have accounting or related financial management expertise. All members of the Committee that are not financially literate must work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee's Charter, the definition of "financially literate" is 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 presumably be expected to be raised by the Company's financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting.

#### *Meetings*

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

#### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall: Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
- (c) Confirm that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements.

*External Auditors*

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each yearly audit meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (h) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre- approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

### *Financial Reporting Processes*

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

### *Other*

Review any related-party transactions.

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

As at December 31, 2019, the following were the members of the Company's Audit Committee: Derrick Weyrauch, Peter Lightfoot, and Lawrence Roulston (Chairman). Mr. Lightfoot and Mr. Roulston are "**independent**" directors as defined in NI 52-110.

### **Relevant Education and Experience**

In addition to each member's general business experience, each of the Audit Committee members has the ability to read and understand financial statements and held director and/or officer positions with other reporting issuers in the mineral exploration and mining sector where he has been actively involved in financing and fundraising activities.

Each of the Company's Audit Committee members has been a director or officer of several public companies in the natural resource sector and as a director has been responsible for approving financial statements. See "Directorships" below.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 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 of NI 52-110.

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

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

### **External Auditor Service Fees (By Category)**

The aggregate fees billed by the Company's external auditor for the fiscal periods ending December 31, 2019 are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees<sup>1</sup></b>	<b>Tax Fees<sup>2</sup></b>	<b>All Other Fees<sup>3</sup></b>
December 31, 2018	\$20,000	\$ nil	\$3,750	nil
December 31, 2019	\$20,000 <sup>4</sup>	\$ nil	\$3,750	nil

- 1 Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
- 2 Fees charged for tax compliance, tax advice and tax planning services.
- 3 Fees for services other than disclosed in any other column.
- 4 Estimated amount as fees have not been received

## **CORPORATE GOVERNANCE**

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

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

## Board of Directors

As at the Record Date for the Meeting the Board of Directors consists of: Derrick Weyrauch (CEO, President, Director), Neil Pettigrew, Lawrence Roulston and Peter Lightfoot. Derrick Weyrauch, Lawrence Roulston, Neil Pettigrew and Peter Lightfoot will be standing for re-election as Directors at the Meeting.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NP 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. Of the proposed director nominees of the Company, Lawrence Roulston, Neil Pettigrew and Peter Lightfoot are considered by the Board to be "independent" within the meaning of NI 58-101, and Derrick Weyrauch (CEO) is considered to be "non-independent".

The independent directors exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary.

## Directorships

The following directors or nominee director of the Company also serve as directors of other reporting issuers:

Director	Other Reporting Issuer(s)
Derrick Weyrauch	Cabral Gold Inc.
Lawrence Roulston	Thunderstruck Resources Ltd. Auramex Resource Corp. Mountain Boy Minerals Ltd. Crystal Lake Mining Corp. Metalla Royalty & Streaming Ltd
Neil Pettigrew	Edison Cobalt Corp. New Klondike Exploration Ltd.
Peter Lightfoot	N/A

## Orientation and Continuing Education

Each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues within the Company. New directors are also required to meet with management of the Company to discuss and better understand the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies that may affect the directors, officers and committee members of the Company as a whole. The Company continually reviews the latest securities rules and policies and is on the mailing list of the TSXV to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors either by way of director or committee meetings or by direct communications from management to the directors.

### **Ethical Business Conduct**

The Board does not currently have a written code of ethics, but views good corporate governance as an integral component to the success of the Company.

Some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities. As such, the Board must comply with the conflict of interest provisions of applicable corporate law as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

### **Nomination of Directors and Assessment**

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Company conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve.

### **Board Committees**

The Company has established two committees, presently being the Audit Committee comprising of Lawrence Roulston (Chairman), Derrick Weyrauch, and Peter Lightfoot and Compensation Committee, comprising of Derrick Weyrauch, Lawrence Roulston, Neil Pettigrew and Peter Lightfoot. All Board decisions are made by full board of director meetings or consent resolutions.

### **Assessments**

Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director is informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

### **Corporate Disclosure**

The Company has established a policy which sets out the criteria for permitting the disclosure of information about the Company to the public, ensuring that non-publicly disclosed information remains confidential, and ensuring that trading of the Company's securities by directors, officers and employees remains in compliance with applicable securities laws. The policy also provides a procedure to facilitate the receipt,

retention, review and resolution of complaints, denunciations and warnings given in any form by any employee or former employee of the Company regarding a questionable event.

The Company feels its corporate disclosure practices are appropriate and effective for the Company for the stage of its operations. The Company's method of corporate governance allows for the Company to operate efficiently with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

#### **OTHER MATTERS**

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 Instrument of Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). The Company's audited financial statements and management discussion and analysis ("MD&A") for the fiscal period ended December 31, 2019 are available for review under the Company's profile on SEDAR. Shareholders that wish to receive a copy of the Company's financial statements and MD&A may do so by signing the enclosed financial statement request form and returning it to the Company at Suite 550 - 800 West Pender Street, Vancouver, BC, Canada, V6C 2V6.

#### **APPROVAL**

The contents of this Information Circular and the sending thereof to the shareholders of the Company have been approved by the Board of Directors.

**DATED** at Vancouver, British Columbia, the 20<sup>th</sup> of May, 2020.

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

*"Derrick Weyrauch"*

*CEO, President & Director*