

**PROBE METALS INC.**  
56 Temperance Street, Suite 1000  
Toronto, Ontario M5H 3V5

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

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of Probe Metals Inc. (the “**Corporation**”) will be held at 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario M5L 1B9 on June 5, 2019, at 2:00 p.m. (Toronto time) for the following purposes, all as more particularly described in the enclosed management information circular (the “**Circular**”):

- (a) to receive the Corporation’s financial statements for the year ended December 31, 2018 and the report of the auditors thereon;
- (b) to elect the directors of the Corporation for the ensuing year;
- (c) to appoint the auditors and to authorize the directors to fix their remuneration;
- (d) to approve the Corporation’s stock option plan for the ensuing year; and
- (e) to transact such further and other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

The Board of Directors (the “**Board**”) has fixed April 29, 2019 as the record date (the “**Record Date**”) for determining the Shareholders who are entitled to receive notice of and vote at the Meeting. Only Shareholders whose names have been entered in the registers of the Corporation as at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting.

**Voting**

All Shareholders are invited to attend the Meeting and may attend in person or may be represented by proxy. A “beneficial” or “non-registered” Shareholder will not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting.

Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it in the envelope provided. To be effective, the enclosed form of proxy or voting instruction form must be mailed deposited with TSX Trust Company by mail or hand delivery at 301 – 100 Adelaide Street West, Toronto, Ontario M5H 1S3, or by facsimile at (416) 595-9593. In order to be valid and acted upon at the Meeting, the duly-completed form of proxy must be received prior to 2:00 p.m. (Toronto time) on June 3, 2019 (the “**Proxy Deadline**”), or be deposited with the Secretary of the Corporation before the commencement of the Meeting or of any adjournment thereof. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline.

If you are a non-registered holder of Common Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein. **Shareholders are reminded to review the circular before voting.**

**DATED** this 9<sup>th</sup> day of May, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(Signed) "David Palmer"*

David Palmer  
President and Chief Executive Officer

**PROBE METALS INC.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**SOLICITATION OF PROXIES BY MANAGEMENT**

This management information circular (this “**Circular**”) is furnished in connection with the solicitation by the management of Probe Metals Inc. (the “**Corporation**”) of proxies to be used at the annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares of the Corporation (“**Common Shares**”) to be held at the time and place and for the purposes set out 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, e-mail or in person. These persons will receive no compensation for such solicitation, other than their ordinary salaries or fees. The total cost of solicitation of proxies will be borne by the Corporation. Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy-related materials to the beneficial owners of the Common Shares. See “*Appointment and Revocation of Proxies – Notice to Beneficial Holders of Shares*” below. The Corporation will provide, without cost to such person, upon request to the Secretary of the Corporation, additional copies of the foregoing documents for this purpose.

**GENERAL INFORMATION RESPECTING THE MEETING**

No person has been authorized to give any information or make any representations in connection with the matters being considered herein other than those contained in this Circular and, if given or made, any such information or representations should be considered not to have been authorized by the Corporation. This Circular does not constitute the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

References in this Circular to the Meeting include any adjournment(s) or postponement(s) thereof.

In this Circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Except where otherwise indicated, the information contained herein is stated as of May 9, 2019.

Electronic copies of this Circular, financial statements of the Corporation for the year ended December 31, 2018 (the “**Financial Statements**”) and MD&A for 2018 (“**MD&A**”) may be found on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

**Shareholders are reminded to review this Circular before voting.**

Shareholders may also obtain paper copies of the Financial Statements and the MD&A free of charge by contacting TSX Trust Company at the same toll-free number or upon request to the Corporate Secretary of the Corporation.

**APPOINTMENT AND REVOCATION OF PROXIES**

**Appointment of Proxy**

A Shareholder who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to TSX Trust Company: (i) by mail or hand delivery to 301 – 100 Adelaide Street West, Toronto, Ontario M5H 1S3; or (ii) by facsimile at (416) 595-9593. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 2:00 p.m. (Toronto time) on June 3, 2019 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

If you are a non-registered holder of Common Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein.

The document appointing a proxy must be in writing and executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

A Shareholder submitting a form of proxy has the right to appoint a person (who need not be a Shareholder) to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. To exercise that right, the name of the Shareholder's appointee should be legibly printed in the blank space provided. In addition, the Shareholder should notify the appointee of the appointment, obtain his or her consent to act as appointee and instruct the appointee on how the Shareholder's Common Shares are to be voted.

Shareholders who are not registered shareholders should refer to "*Notice to Beneficial Holders of Common Shares*" below.

### **Revocation of Proxy**

A Shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a person who has given a proxy personally attends the Meeting at which that proxy is to be voted, that person may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or his attorney or authorized agent and deposited with TSX Trust Company at any time up to 5:00 p.m. (Toronto time) on June 3, 2019: (i) by mail or by hand delivery to Suite 301 – 100 Adelaide Street West, Toronto, Ontario M5H 1S3; or, (ii) by facsimile to (416) 595-9593, or deposited with the Secretary of the Corporation before the commencement of the Meeting, or any adjournment thereof, and upon either of those deposits, the proxy will be revoked.

### **Notice to Beneficial Holders of Common Shares**

The information set out in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting or any adjournment(s) thereof. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name in the records of the Corporation. Those Common Shares will most likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can be voted (for or against resolutions or withheld from voting) only upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. Subject to the following discussion in relation to NOBOs (as defined herein), the Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders under applicable securities regulations for purposes of dissemination to Beneficial Shareholders of proxy-related materials and other security holder materials and requests for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners ("**NOBOs**") are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Canadian securities laws restricts the use of that information to matters strictly relating to the affairs of the Corporation. Objecting beneficial owners ("**OBOs**") are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation.

In accordance with the requirements of NI 54-101, the Corporation is sending the proxy-related materials for use in connection with the Meeting (the "**Meeting Materials**") indirectly through intermediaries to both NOBOs and OBOs. NI 54-101 allows the Corporation, in its discretion, to obtain a list of its NOBOs from intermediaries and to use such NOBO list for the purpose of distributing the proxy materials directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Corporation is entitled to deliver Meeting Materials to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. The Corporation is not sending Meeting Materials directly to the NOBOs. The Corporation will use and pay intermediaries and agents to send the Meeting Materials and also intends to pay for intermediaries to deliver the Meeting Materials to the OBOs.

Applicable securities regulations require intermediaries, on receipt of Meeting Materials that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings on Form 54-101F7. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting or any adjournment(s) thereof. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and Form 54-101F7. Beneficial Shareholders can also write the name of someone else whom they wish to appoint to attend the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in Form 54-101F7 will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in Form 54-101F7 or this Circular. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically mails a voting instruction form in lieu of a form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number to vote the shares held by them or access Broadridge's dedicated voting website to deliver their voting instructions. Broadridge will then provide aggregate voting instructions to the Corporation's transfer agent and registrar, which will tabulate the results and provide appropriate instructions respecting the voting of Common Shares to be represented at the Meeting or any adjournment thereof.

All references to Shareholders in this Circular, instrument of proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

### **Voting**

Common Shares represented by any properly executed proxy in the accompanying form will be voted for or against, or withheld from voting, as the case may be, on any ballot that may be called for in accordance with the instructions given by the Shareholder. **In the absence of such direction, such Common Shares will be voted in favour of the matters set out herein.**

The accompanying form of proxy confers discretionary authority on the persons named in it with respect to amendments or variations to matters identified in the notice of Meeting or other matters that may properly come before the Meeting. As of the date hereof, management of the Corporation is not aware of any such amendments, variations or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of management of the Corporation.

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

No person who has been a director or an officer of the Corporation at any time since the beginning of its last completed financial year, no proposed nominee for election as a director of the Corporation nor any associate of any such director, director nominee or officer 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, except as disclosed in this Circular.

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

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value. As at the date hereof, there are 110,653,195 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting.

The Corporation has fixed the close of business on April 29, 2019 (the "**Record Date**") as the record date. Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof. Persons registered on the books of the Corporation at the close of business on the Record Date and persons who are transferees of any Common Shares acquired after such record date and who have produced properly endorsed certificates evidencing such Common Shares or who otherwise establish ownership thereof and demand, not later than 10 days before the Meeting, that their names be included in the list of Shareholders, are entitled to vote at the Meeting.

To the knowledge of the directors and officers of the Corporation, as at the date of this Circular, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the Common Shares, other than as set out below:

Name of Shareholder	Number of Common Shares <sup>(1)(2)</sup>	Percentage of Common Shares <sup>(1)(2)</sup>
Newmont Goldcorp Corporation (previously Goldcorp Inc.)	15,148,646	13.70%

(1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been obtained by the Corporation from publicly disclosed information and/or furnished by the relevant shareholder.

(2) On a non-diluted basis.

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Corporation (the “**Board**”), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

### 1. Receipt of Financial Statements

The financial statements of the Corporation for the fiscal year ended December 31, 2018 and the report of the auditors thereon, will be submitted to the Meeting. Receipt at the Meeting of the auditor’s report and the Corporation’s audited financial statements for the fiscal year ended December 31, 2018 will not constitute approval or disapproval of any matters referred to therein.

### 2. Election of Directors

The Corporation’s articles provide that the Board will consist of a minimum of one and a maximum of ten directors. The Board currently consists of six (6) directors.

At the Meeting, the Shareholders will be asked to consider, and, if thought fit, approve with or without variation a resolution re-electing the six current members of the Board as the directors of the Corporation, namely David Palmer, Jamie Sokalsky, Dennis H. Peterson, Gordon A. McCreary, Basil A. Haymann, and Marco Gagnon. It is intended that each of the directors will hold office until the next annual meeting of Shareholders or until his or her successor is elected or appointed, unless such office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Ontario) (the “**OBCA**”). In order to be effective, this resolution requires the approval of not less than 50% of the votes cast by Shareholders represented at the Meeting in person or by proxy.

Shareholders have the option to (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Corporation will be voted FOR the election of each of the proposed nominees set forth in the table below.**

Management has no reason to believe that any of the nominees will be unable to serve as a director. However, if any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy will be voted in favour of the remaining nominees, and may be voted in favour of a substitute nominee unless the Shareholder has specified in the proxy that the Common Shares represented thereby are to be withheld from voting in respect of the election of directors.

The following table states the name of each person nominated by management for election as directors, such person’s principal occupation or employment, period of service as a director of the Corporation, and the approximate number of voting securities of the Corporation that such person beneficially owns, or over which such person exercises direction or control:

Name, and Province and Country of Residence	Principal Occupation During the Last Five Years <sup>(1)</sup>	Director Since	Common Shares Owned or Controlled <sup>(1)</sup>
David Palmer <sup>(5)</sup> <i>Ontario, Canada</i>	President and Chief Executive Officer of the Corporation (formerly Probe Mines Limited)	Jan. 16, 2015	1,190,00
Jamie C. Sokalsky <sup>(3)(4)</sup> <i>Ontario, Canada</i>	Chief Executive Officer and President (June 2012 to September 2014), Chief Financial Officer (1999-2012) and Executive Vice President (2004 to 2012) of Barrick Gold Corporation	Feb. 3, 2015	650,000
Dennis H. Peterson <sup>(2)(3)(4)</sup> <i>Ontario, Canada</i>	Solicitor and partner of Peterson McVicar LLP	Feb. 3, 2015	882,913
Gordon A. McCreary <sup>(2)(4)(5)</sup> <i>Ontario, Canada</i>	Consultant, Equinox Gold Corp. (2015 to 2018); President, Chief Executive Officer and Director, Castle Mountain Mining Company Limited (2012 to 2015);	Mar. 13, 2015	287,648
Basil A. Haymann <sup>(2)(3)(4)</sup> <i>Texas, USA</i>	Chairman, FabriTech LLC (2013 to present); co-founder, Chief Executive Officer and Chairman of the Board, Guard-All Building Solutions (2011 to present); co-founder and former Chief Executive Officer and Chairman, USA Shade & Fabric Structures Inc. (2006 to 2013)	Mar. 13, 2015	1,009,791
Marco Gagnon <sup>(5)</sup> <i>Quebec, Canada</i>	President and Chief Executive Officer of Adventure Gold Inc. (2007 to 2015)	Jun. 22, 2016	959,270

Notes:

- (1) Information about principal occupation, business or employment and number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by respective persons set forth above.
- (2) Member of the Audit Committee.
- (3) Member of the Nominating and Corporate Governance Committee.
- (4) Member of the Compensation Committee.
- (5) Member of the Environmental, Health and Safety Committee.

***Jamie C. Sokalsky***

Mr. Sokalsky serves as Chairman of the Board, and previously served as Chairman of Probe Mines Limited (“**Probe Mines**”), a predecessor of the Corporation. He has over 20 years of experience as a senior executive in the mining industry including finance, corporate strategy, project development and mergers, acquisitions and divestitures. Mr. Sokalsky was President and Chief Executive Officer (June 2012 to September 2014), Chief Financial Officer (1999 to 2012) and Executive Vice-President (June 2004 to September 2012) of Barrick Gold Corporation, the world’s largest gold producer. Mr. Sokalsky is also a member of the Board of Directors of Agnico Eagle Mines Limited and Royal Gold Inc. He holds an Honours Bachelor of Commerce degree from Lakehead University and received his Chartered Accountant designation in 1982.

***David Palmer, Ph.D., P.Geo***

Dr. Palmer serves as President and Chief Executive Officer of the Corporation. Dr. Palmer has been a director of the Corporation since its incorporation, and served as President, Chief Executive Officer, and a director of Probe Mines, its predecessor (November 2003 to March 2015). Prior to joining Probe Mines, Dr. Palmer spent 15 years as an Exploration Geologist and Consultant to the Canadian and international mining industry. He has managed projects and conducted research for major international mining companies around the world. Dr. Palmer holds a B.Sc. (Geology) degree from St. Francis Xavier University, M.Sc. and Ph.D. (Economic Geology) degrees from McGill University, and is a member of the Association of Professional Geoscientists of Ontario.

***Dennis H. Peterson***

Mr. Peterson has over 30 years’ experience as a corporate securities lawyer specializing in corporate finance matters for small cap companies, and has served as a director of the Corporation since its incorporation, and of Probe Mines from

2007 to 2015. Most of Mr. Peterson's practice focuses on junior natural resource companies, and he has extensive experience with all aspects of prospectus financings, private placements, mergers and acquisitions in the junior public markets. Companies he has worked with are listed on the Toronto Stock Exchange and the TSX Venture Exchange. Mr. Peterson holds a B. Comm (Hons.) degree from Queen's University and an LL.B. degree from the University of Toronto Faculty of Law.

***Gordon A. McCreary***

Mr. McCreary has over 40 years' experience in the mining and exploration industry with over 20 years focused on gold. Mr. McCreary served as President, Chief Executive Officer and a director of Castle Mountain Mining Company Limited (now Equinox Gold Corp.), a Canadian junior exploration company focused on gold exploration in California, from 2012 to April 2015. He is also the past President, Chief Executive Officer and Director of Baffinland Iron Mines Corporation, a Canadian mining company focused on the exploration and development of northern mining projects before it was taken-over by ArcelorMittal. Other previous roles include 11 years as Vice President of Kinross Gold Corporation, five years as Vice President of Dundee Bancorp Inc. (now Dundee Corporation), a Canadian publicly traded asset management company, and an investment analyst with International Corona Corporation (now part of Barrick Gold Corporation). Prior to that, he worked as a mining analyst in the brokerage industry and at various staff and line functions as a mining engineer. Mr. McCreary has a Bachelor of Science in Mining Engineering and an MBA, both from Queen's University. Mr. McCreary has been a member of the board of directors of several publicly traded junior mining companies.

***Basil Haymann***

Mr. Haymann is a successful entrepreneur, with over 50 years of experience focused on identifying, developing and advancing a broad spectrum of business opportunities. He has built and sold businesses in diverse industries including precious metals and gems, fabric structures and high-speed 3D laser imaging technology. Mr. Haymann has excelled in bringing new products to market and also in quick turnaround of unprofitable businesses, acquisition of competitors and successful divestiture. In 2002, he founded D4D Technologies LLC (now E4D Technologies) to develop 3-D laser technology for dentistry (successfully sold in 2011). In 2009, he co-founded Guard-All Building Solutions Ltd., a business which manufactures and installs tension fabric buildings. In 2014, Mr. Haymann acquired FabriTec Structures LLC. In 2016, he sold 50% of FabriTec Structures LLC and Guard-All Building Solutions Ltd to Pfeifer of Germany. Mr. Haymann is currently Chairman of Guard-All Building Solutions Ltd and FabriTec Structures LLC.

***Marco Gagnon***

Mr. Gagnon serves as the Executive Vice President of the Corporation. From 2007 to 2017, Mr. Gagnon served as President, Chief Executive Officer and Director of Adventure Gold Inc., which was acquired by the Corporation in 2016. Previously, he was the Vice-President exploration for Vior Inc. for four years. He has more than 25 years of experience as a professional geologist in exploration and in mine operation, half of which was with Inmet Mining Corporation and its predecessor companies. He is also a former president of the Quebec Mineral Exploration Association. He started Adventure Gold Inc. and Focus Metals Inc., and raised approximately \$25 million in financing with public companies. During his career, he has managed and evaluated many industrial minerals, base and precious metals projects in Eastern Canada. He discovered and/or outlined 3.8Moz of gold with Adventure Gold Inc., Inmet Mining Corporation and Vior Inc. He is a graduate in geology from Université du Québec à Chicoutimi and a member in good standing of the Ordre des géologues du Québec.

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

No proposed director of the Corporation is, as at the date of this Circular, or within the 10 years prior to the date of this Circular has been, a director, chief executive officer or chief financial officer, of any company (including the Corporation) that:

- (a) while that person was acting in that capacity was subject to:
  - (i) a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order), or
  - (ii) an order similar to a cease trade order, or

- (iii) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days (an “**Order**”); or

- (b) was subject to an Order that was issued after the director or executive officer 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.

No proposed director of the Corporation (or any personal holding company of any such individual) is, or within the 10 years prior to the date of this Circular has:

- (a) been a director or executive officer of any corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver manager or trustee appointed to hold its assets; or
- (b) 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 such individual.

No proposed director of the Corporation (or any personal holding company of any such individual) 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 any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **3. Appointment of Auditors**

MNP LLP, Chartered Accountants (“**MNP**”) are the independent registered certified auditors of the Corporation. MNP was first appointed as auditor of the Corporation on February 3, 2015. Management of the Corporation intends to nominate MNP for re-appointment as auditors of the Corporation.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution to re-appoint MNP to serve as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix their remuneration as such. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

**Unless the Shareholder has specifically instructed that his or her Common Shares are to be withheld from voting in connection with the appointment of MNP, the persons named in the accompanying proxy intend to vote FOR the re-appointment of MNP as the auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix their remuneration.**

### **4. Approval of Stock Option Plan**

The Corporation maintains a share incentive plan (the “**Stock Option Plan**”), which was approved by Shareholders at a meeting held on March 11, 2015. The Stock Option Plan is a rolling stock option plan that sets the number of Common Shares issuable thereunder at a maximum of 10% of the Common Shares issued and outstanding at the time of any grant.

Pursuant to TSX Venture Exchange (“**TSX-V**”) policies, a TSX-V-listed issuer is required to obtain the approval of its shareholders for a “rolling” stock option plan at each annual meeting of shareholders. Accordingly, at the Meeting, Shareholders will be asked to approve an ordinary resolution to approve the Stock Option Plan for the ensuing year.

The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Common Shares. The Stock Option Plan provides for a floating maximum limit of 10% of the outstanding Common Shares as

permitted by the policies of the TSX-V. As at the date hereof, options to purchase a total of 8,771,050 Common Shares have been issued to eligible participants under the Stock Option Plan and remain outstanding. As at the date hereof, the number of Common Shares remaining available for issuance under the Stock Option Plan is 2,287,245.

For a summary of the Stock Option Plan, please see “*Statement of Executive Compensation – Stock Option Plan*”. The full text of the Stock Option Plan will be supplied free of charge to any Shareholder upon written request made directly to the Corporation at its registered head office located at 56 Temperance Street, Suite 1000, Toronto, Ontario, M5H 3V5, telephone: (416) 777-6703, facsimile: (416) 777-6705.

### ***Shareholder Approval of the Stock Option Plan***

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution re-approving the Stock Option Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

**Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or instructions FOR the resolution approving the Stock Option Plan.** The directors of the Corporation recommend that Shareholders vote in favour of the resolution approving the Stock Option Plan.

### **5. Other Matters**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the notice of meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, valid forms of proxy will be voted on such matter in accordance with the best judgment of the persons voting the proxy.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Named Executive Officers**

For the purposes of this Circular, a Named Executive Officer (“**NEO**”) of the Corporation means each of the following individuals:

- (a) a chief executive officer (“**CEO**”) of the Corporation;
- (b) a chief financial officer (“**CFO**”) of the Corporation;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000; and
- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

### **Oversight and description of Director and NEO Compensation**

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Corporation’s compensation philosophy is to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options and restricted share units (“**RSUs**”), which will be a significant component of executive compensation. This approach is based on the assumption that the performance of the Common Share price over the long term is an important indicator of long-term performance.

The Corporation’s compensation philosophy is based on the following fundamental principles:

- *Compensation programs align with shareholder interests* – the Corporation aligns the goals of executives with maximizing long-term shareholder value;

- *Performance sensitive* – compensation for executive officers should be linked to operating and market performance of the Corporation and fluctuate with the performance; and
- *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

The objectives of the compensation program in compensating all NEOs will be developed based on the above-mentioned compensation philosophy and will be as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with shareholders' interests and with the execution of the Corporation's business strategy;
- to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- to tie compensation directly to those measurements and reward based on achieving and exceeding predetermined objectives.

The Corporation believes that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for the NEOs. The Corporation's objective is to establish benchmarks and targets for its NEOs that will enhance shareholder value if achieved.

Aggregate compensation for each NEO is designed to be competitive. The compensation committee of the Board (the "**Compensation Committee**") reviews from time to time the compensation practices of similarly situated companies when considering the Corporation's executive compensation practices. The Compensation Committee reviews each element of compensation for market competitiveness, and although it may weigh a particular element more heavily based on the NEO's role within the Corporation, it is primarily focused on remaining competitive in the market with respect to total compensation.

From time to time, on an ad hoc basis, the Compensation Committee will review data related to compensation levels and programs of various companies that are similar in size to the Corporation and operate within the mining exploration and development industry. The Compensation Committee also relies on the experience of its members as officers and/or directors at other companies in similar lines of business as the Corporation in assessing compensation levels. These other companies are identified in this Circular under the heading "*Corporate Governance – Directorships*".

### ***Compensation Governance***

The Compensation Committee is responsible for ensuring that the Corporation has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Corporation's executive officers. The Compensation Committee ensures that total compensation paid to all NEOs is fair, reasonable, and consistent with the Corporation's compensation philosophy.

From time to time the Compensation Committee makes, and the Board reviews and may approve, recommendations regarding compensation to executive officers and directors. A combination of fixed and variable compensation are used to motivate executive officers to achieve overall corporate goals. The three basic components of the Corporation's executive officer compensation program are:

- base salary;
- annual incentive (bonus) payments; and
- long-term incentive compensation (in the form of stock options and/or RSUs).

Base salaries are paid in cash, and constitute the fixed portion of the total compensation paid to executive officers. Annual incentives and long-term incentive compensation comprise the remainder, and represent compensation that is “at risk” and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and (ii) market performance of the Common Shares. To date, no specific formula has been developed to assign a specific weighting to each of these components. Instead, the Board considers each performance target and the Corporation’s performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

### ***Base Salary***

The Compensation Committee and the Board approve the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions, compensation levels and practices of similarly situated companies and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Corporation may consider comparative data for the Corporation’s peer group, which are accumulated from a number of external sources including independent consultants. The Corporation’s policy for determining salary for executive officers will be consistent with the administration of salaries for all other employees.

### ***Annual Incentive (Cash Bonus) Payments***

Cash annual incentive awards are based on various personal and company-wide achievements. Performance goals for annual incentive payments are subjective and include achieving individual and corporate targets and objectives, as well as general performance in day-to-day corporate activities.

The incentive program is a short-term performance-based incentive plan that reward the achievement of annual goals and objectives, as well as longer-range strategic goals and directly reinforces the Corporation’s “pay for performance” approach. The objective of the program is to compensate individuals based on the achievement of specific goals that are intended to correlate closely with shareholder value.

The Board approves target annual incentive amounts for each NEO at the beginning of each financial year. The Compensation Committee determines target amounts based on a number of factors, including comparable compensation of similar companies. Funding of the annual incentive awards is capped at the Corporation level and the distribution of funds to the executive officers will be at the discretion of the Compensation Committee. Each NEO may receive partial or full payment of the target annual incentive amount set by the Compensation Committee at the beginning of each financial year, depending on the number of the predetermined targets met, and the assessment of such NEO’s overall performance by the Compensation Committee and the Board.

In order to develop a recommendation to the Board regarding annual incentive payments, the Compensation Committee assesses NEO performance subjectively, considering each NEO’s respective success in achieving his or her individual objectives, contributions to the achievement of the Corporation’s goals, and contributions to meeting the needs of the Corporation that arise on a day-to-day basis. If the Compensation Committee cannot unanimously agree on a recommendation in respect of an NEO’s annual incentive payment, the matter is referred to the full Board for decision.

The Board relies heavily on the recommendations of the Compensation Committee in granting annual incentives. However, the Board reserves ultimate discretion in determining whether each NEO has met his or her targets, and has the right make positive or negative adjustments to any annual incentive payment recommended by the Compensation Committee that it deems appropriate.

For Fiscal 2018, annual incentive payments were determined with consideration of performance in the following areas at either the corporate or individual level:

- Technical Matters
- Capital Markets
- Corporate Development
- Community Initiatives
- Operational Matters

- Board Liaison Matters

For Fiscal 2018, the Corporation has adopted an updated balanced scorecard framework that measures corporate and individual performance metrics. The 2018 balanced scorecard includes the following corporate performance metrics:

- Health & Safety;
- Measured & Indicated Resources
- Inferred Resources
- Capital Budget
- Capital Raising
- Relative Shareholder Return

***Long-Term Incentive Compensation***

Options and RSUs may be granted to directors, management, employees and certain service providers as long-term incentives to align the individual's interests with those of the Corporation. Options and RSUs are awarded to directors and employees, including NEOs, at the Board's discretion, on the recommendation of the Compensation Committee. Decisions with respect to options and RSUs granted are based upon the individual's level of responsibility and their contribution towards the Corporation's goals and objectives, and additionally may be awarded in recognition of the achievement of a particular goal or extraordinary service. The Compensation Committee considers outstanding options and RSUs granted under the Stock Option Plan and the Corporation's Restricted Stock Unit Incentive Plan (the "**RSU Plan**") and held by management in determining whether to make any new grants of options and RSUs, and the quantum or terms of any options or RSUs granted.

The objective of the RSU Plan is to further aid in retaining eligible employees while maintaining alignment of compensation with the long-term share price performance provided to the Corporation's shareholders. RSUs aid in promoting greater share ownership by executives and employees at the Corporation and aligning closer to market practices. Furthermore, the RSU Plan diversifies the types of incentive-based compensation, enabling the Compensation Committee to better tailor such awards to the duties and responsibilities of the directors, employees and consultants (collectively referred to as "**Service Providers**" within the plan document). While initially intended to only vest based on the continued service of Eligible Persons (as defined in the RSU Plan) with the Corporation, in the future, the RSU Plan will also provide the Compensation Committee with the alternative of establishing specific performance-based goals in addition to service-based restrictions when determining the vesting of specific RSU grants. This will provide the opportunity to further strengthen the alignment of interests of eligible employees (namely executives) with the achievement of the Corporation's long-term strategic plan and the interests of Shareholders.

In order to arrive at a particular recommendation for performance-based compensation under the RSU Plan, the Compensation Committee will use objectively determinable performance targets, where possible, under one or more of the following business criteria, individually or in combination: (i) Technical Matters; (ii) Capital Markets; (iii) Corporate Development; (iv) Community Initiatives; (v) Operational Matters; and (vi) Board Liaison Matters.

**Stock Option Plan**

The Stock Option Plan is one of the Corporation's approved securities-based compensation plan. It was last approved by Shareholders on June 13, 2018, and is required to be approved at the Meeting. The following is a summary of the material terms of the Stock Option Plan:

- (i) persons who are Eligible Persons (as defined in the Stock Option Plan) of the Corporation are eligible to receive grants of options under the Stock Option Plan. The number of Common Shares reserved or to be issued under the Stock Option Plan and all other security-based compensation arrangements (including the RSU Plan), at any time, shall not exceed 20% of the total number of the issued and outstanding Common Shares of the Corporation;
- (ii) options granted under the Stock Option Plan are non-assignable and non-transferable, other than by will or by the laws of descent;

- (iii) options granted under the Stock Option Plan are exercisable for a maximum of 10 years from the date of grant;
- (iv) in the case of options granted to a Participant (as defined in the Stock Option Plan) who is an employee, consultant, consultant company or management company employee, the Participant must be a bona fide employee, consultant, consultant company or management company employee, as the case may be, of the Corporation or its subsidiaries;
- (v) except as otherwise determined by the Board:
  - (A) if a Participant who is a non-executive director of the Corporation ceases to be an Eligible Person as a result of his or her retirement from the Board, each unvested option held by such Participant shall automatically vest on the date of his or her retirement from the Board, and thereafter each vested option held by such Participant will cease to be exercisable on the earlier of the original expiry date of the option and one (1) year after the date of his or her retirement from the Board;
  - (B) if the Board service, consulting relationship, or employment of a Participant with the Corporation or its subsidiaries terminated for cause, each vested and unvested option held by the Participant will automatically terminate and become void on the Termination Date (as defined in the Stock Option Plan);
  - (C) if a Participant dies, the legal representative of the Participant may exercise the Participant's vested options for a period until the earlier of the original expiry date of the option and 12 months after the date of the Participant's death, but only to the extent the options were by their terms exercisable on the date of death. For greater certainty, all unvested options held by a Participant who dies shall terminate and become void on the date of death of such Participant; and
  - (D) if a Participant ceases to be an Eligible Person for any reason whatsoever other than referred to in (A) to (C) above, each vested option held by the Participant will cease to be exercisable on the earlier of the original expiry date of the option and six (6) months after the Termination Date; however, if a Participant who is an officer ceases to be an Eligible Person as a result of such officer's termination without cause or resignation for good reason, any unvested options as of the date of termination will be accelerated and become immediately fully vested as of such date and such options will be exercisable by the officer for a period of up to one (1) year following the date of termination.
- (vi) provided the Common Shares are listed on the Exchange (as defined in the Stock Option Plan), the exercise price of each option will be set by the Board on the date such option is granted, and will not be less than the Market Price (as defined in the Stock Option Plan); and
- (vii) in the event of an actual or potential Change of Control Event (as defined in the Stock Option Plan), the Board may, in its discretion, without the necessity or requirement for the agreement of any Participant: (A) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any option; (B) permit the conditional exercise of any option, on such terms as it sees fit; (C) otherwise amend or modify the terms of the option, including for greater certainty permitting Participants to exercise any option, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; (D) permit the exchange for or into any other security or any other property or cash, any option that has not been exercised without regard to any vesting conditions attached thereto; and (E) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the options not exercised prior to the successful completion of such Change of Control Event. In addition, in the event of an actual or potential Change of Control Event, the Board, or any company which is or would be the successor to the Corporation or which may issue securities in exchange for Common Shares upon such Change of Control Event becoming

effective, may in its discretion, without the necessity or requirement for the agreement of any Participant, issue a new or replacement options over any securities into which the options are exercisable, on a basis proportionate to the number of Common Shares underlying such option and at a proportionate Exercise Price (as defined in the Stock Option Plan) (and otherwise substantially upon the terms of the option being replaced, or upon terms no less favourable to the Participant) including, without limitation, the periods during which the option may be exercised and expiry dates; and in such event, the Participant shall be deemed to have released his or her option over the Common Shares and such option shall be deemed to have lapsed and be cancelled.

### **Restricted Stock Unit Plan**

The Corporation maintains the RSU Plan, which was approved by Shareholders at a meeting held on June 13, 2018. The RSU Plan is available to directors, employees and consultants which are collectively referred to in the RSU Plan as Service Providers of the Corporation, as determined by the Board (the “**Eligible Grantees**”). As of the date of this circular, no RSUs have been issued to employees and consultants of the Corporation. As at the date hereof, a total of 900,000 RSUs have been issued to eligible participants under the RSU Plan and remain outstanding and as at the date hereof, the number of Common Shares remaining available for issuance under the RSU Plan is 6,100,000.

The RSU Plan is intended to complement the Stock Option Plan by allowing the Corporation to offer a broader range of incentives to diversify and customize the rewards Eligible Grantees to promote long term retention and greater alignment with the competitive market. See “*Statement of Executive Compensation – Long-Term Incentive Compensation*”. The following information is intended to be a brief description and summary of the material features of the RSU Plan:

- (a) The RSU Plan provides for a fixed maximum limit of 7,000,000 Common Shares as permitted by the policies of the TSX-V. The number of Common Shares issued or to be issued under the RSU Plan and all other security-based compensation arrangements, at any time, shall not exceed 20% of the total number of the issued and outstanding Common Shares of the Corporation;
- (b) The total number of Common Shares issuable to insiders under the RSU Plan, at any time, together with any other security-based compensation arrangements of the Corporation, shall not exceed 10% of the issued and outstanding Common Shares of the Corporation;
- (c) The total number of Common Shares issuable to insiders within any one-year period under the RSU Plan shall not exceed 10% of the issued and outstanding Common Shares of the Corporation;
- (d) The total number of Common Shares issuable to any one Service Provider within any one-year period under the RSU Plan shall not exceed 1% percent of the issued and outstanding Common Shares of the Corporation;
- (e) The total number of Common Shares issuable to all Service Providers within any one-year period under the RSU Plan shall not exceed 2% percent of the issued and outstanding Common Shares of the Corporation;
- (f) Neither awards nor any rights under any such awards shall be assignable or transferable. If any Common Shares covered by an award are forfeited, or if an award terminates without delivery of any Common Shares subject thereto, then the number of Common Shares counted against the aggregate number of Common Shares available under the RSU Plan with respect to such award shall, to the extent of any such forfeiture or termination, again be available for making awards under the RSU Plan. The RSU Plan shall terminate automatically after ten years and may be terminated on any earlier date or extended by the Board.

The Board may at any time, in its sole discretion and without the approval of shareholders, amend, suspend, terminate or discontinue the RSU Plan and may amend the terms and conditions of any awards thereunder, subject to (a) any required approval of any applicable regulatory authority or the TSX-V, and (b) approval of shareholders of the Corporation, provided that shareholder approval shall not be required for the following amendments and the Board may make changes which may include but are not limited to: (i) amendments of a 'housekeeping nature'; (ii) changes to vesting provisions;

or (iii) changes to the term of the RSU Plan or awards made under the RSU Plan provided those changes do not extend the restriction period of any RSU beyond the original expiry date or restriction period. The Board may amend, modify, or supplement the terms of any outstanding award.

### ***Restricted Stock Units***

The RSU Plan provides that the Board of the Corporation may, from time to time, in its sole discretion, grant awards of RSUs to Eligible Grantees. Each RSU shall represent one Common Share. The Board may, in its sole discretion, establish a period of time (a “**Vesting period**”) applicable to such RSUs. Each award of RSUs may be subject to a different Vesting period. The Board may, in its sole discretion, prescribe restrictions in addition to or other than the expiration of the Vesting period, including the satisfaction of corporate or individual performance objectives, which may be applicable to all or any portion of the RSUs. The performance criteria will be established by the Board in its sole discretion. The Board may, in its sole discretion, revise the performance criteria. Notwithstanding the foregoing, (i) RSUs that vest solely by the passage of time shall not vest in full in less than three (3) years from the grant date; (ii) RSUs for which vesting may be accelerated by achieving performance targets shall not vest in full in less than one (1) year from the grant date; and (iii) RSUs granted to outside directors vest, (a) at the election of an outside director at the time the award is granted, within a minimum of one (1) year to a maximum of three (3) years following the grant date, as such outside director may elect, and (b) if no election is made, upon the earlier of a Change of Control (as such term is defined in the RSU Plan) or his or her resignation from the Board.

Upon the expiration or termination of the Vesting period and the satisfaction of any other restrictions prescribed by the Board, the RSUs shall vest and shall be settled in either cash or Common Shares, as the Committee may so determine, unless otherwise provided in the Award Agreement (as such term is defined in the RSU Plan).

A cash payment shall be in the amount equal to the “Market Price” per share as defined in the policies of the applicable stock exchange as the trading day prior to the date of vesting, and certified funds shall be paid for the RSUs valued at the Market Price. A Common Share payment shall be for Common Shares issued by the Corporation from treasury and a share certificate for that number of Common Shares equal to the number of vested RSUs shall be free of all restrictions. The cash payment or Shares shall be delivered to the Eligible Grantee or the Eligible Grantee’s beneficiary or estate, as the case may be.

If an Eligible Grantee's employment is terminated with cause, the Corporation may, within 30 days, annul an award if the Eligible Grantee is an employee of the Corporation or an affiliate thereof. If an Eligible Grantee's employment is terminated with or without cause, unless the Board otherwise provides in an award agreement or in writing after the award agreement is issued, any RSUs that have not vested and will not vest within 30 days from the date of termination, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Upon the death of an Eligible Grantee, any RSUs granted to such Eligible Grantee which, prior to the Eligible Grantee’s death, have not vested, will immediately vest and the Eligible Grantee’s estate shall be entitled to receive payment in accordance with the terms of the RSU Plan.

## Director and NEO Compensation, Excluding Compensation Securities

The following table provides a summary of the compensation earned by the NEOs and directors for services rendered in all capacities during the fiscal year ended December 31, 2018.

Table of compensation excluding compensation securities							
Name and Principal Position	Fiscal period	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	All other compensation (\$)	Total compensation (\$)
David Palmer <i>President, Chief Executive Officer and Director</i>	2018	361,250	115,920	NIL	NIL	NIL	477,170
	2017	330,000	200,000	NIL	NIL	NIL	530,000
	2016	300,000	165,000	NIL	NIL	NIL	465,000
Carmelo Marrelli <i>Chief Financial Officer</i>	2018	NIL	NIL	NIL	NIL	100,183 <sup>(1)</sup>	100,183
	2017	NIL	NIL	NIL	NIL	85,617 <sup>(1)</sup>	85,617
	2016	NIL	NIL	NIL	NIL	75,695 <sup>(1)</sup>	75,695
Yves Dessureault <i>Chief Operating Officer</i>	2018	276,042	63,250	NIL	NIL	NIL	339,292
	2017	250,000	87,500	NIL	NIL	NIL	337,500
	2016	230,000	41,500	NIL	NIL	NIL	271,500
Marco Gagnon <i>Executive Vice President and Director</i>	2018	230,957	42,320	NIL	NIL	NIL	273,277
	2017	215,000	75,250	NIL	NIL	NIL	290,250
	2016	262,879 <sup>(2)</sup>	55,000	NIL	NIL	NIL	317,879
Patrick Langlois <i>Vice President, Corporate Development</i>	2018	225,625	36,225	NIL	NIL	NIL	261,850
	2017	210,000	73,500	NIL	NIL	NIL	283,500
	2016	175,000	63,750	NIL	NIL	NIL	238,750
Jamie Sokalsky <i>Director and Chairman</i>	2018	100,000	NIL	NIL	NIL	NIL	100,000
	2017	72,000	NIL	NIL	NIL	NIL	72,000
	2016	48,000	NIL	NIL	NIL	NIL	48,000
Dennis H. Peterson <i>Director</i>	2018	36,000	NIL	NIL	NIL	76,030 <sup>(3)</sup>	112,030
	2017	36,000	NIL	NIL	NIL	170,549 <sup>(3)</sup>	206,549
	2016	24,000	NIL	NIL	NIL	249,898 <sup>(3)</sup>	273,898
Basil Haymann <i>Director</i>	2018	36,000	NIL	NIL	NIL	NIL	36,000
	2017	36,000	NIL	NIL	NIL	NIL	36,000
	2016	24,000	NIL	NIL	NIL	NIL	24,000
Gordon A. McCreary <i>Director</i>	2018	36,000	NIL	NIL	NIL	NIL	36,000
	2017	36,000	NIL	NIL	NIL	NIL	36,000
	2016	24,000	NIL	NIL	NIL	NIL	24,000

Notes:

- (1) This fee consists of an aggregate of (i) \$77,020 (2018), \$69,038 (2017) and \$52,180 (2016) paid to Marrelli Support Services Inc. ("MSSI") to provide the services of Carmelo Marrelli as CFO of the Corporation as well as for general accounting, financial reporting, and bookkeeping services, and (ii) fees related to corporate secretarial services provided by DSA Corporate Services Inc. ("DSA") in the amount of \$23,163 (2018), \$16,579 (2017) and \$23,515 (2016), which were in addition to the fees paid to MSSI. The CFO of the Corporation is an officer of MSSI and DSA which are private services business controlled by him.
- (2) Includes a total of \$160,000 paid to Mr. Gagnon in 2016 in relation to the combination of the businesses of the Corporation and Adventure Gold Inc. In addition, a total salary of \$20,536 was paid to Mr. Gagnon from Adventure Gold Inc. during the period of June 10, 2016 to July 31, 2016, and a total of \$82,343 was paid to Mr. Gagnon from the Corporation representing his 2016 pro-rated annual salary during the period of August 1, 2016 to December 31, 2016.
- (3) Includes a total of \$76,030 (2018), \$170,549 (2017) and \$249,898 (2016) paid to Peterson McVicar LLP to provide legal services to the Corporation.

## Compensation Securities Table

The following table discloses the particulars of the option-based awards outstanding to NEOs and directors of the Corporation as at the date of this Circular, including awards granted before the most recently completed financial year.

Name and Position	Number of securities underlying unexercised options and percentage of class <sup>(1)</sup>	Date of issue or grant	Option Exercise Price (\$)	Closing price of underlying security on date of grant (\$)	Closing price of underlying security at year end (\$)	Option Expiration Date
David Palmer <i>President, Chief Executive Officer and Director</i>	500,000 (0.45%)	Apr. 27, 2015	0.36	0.355	1.32	Apr. 27, 2020
	500,000 (0.45%)	Sep. 1, 2016	1.50	1.50	1.32	Sep. 1, 2021
	550,000 (0.49%)	June 22, 2018	1.22	1.22	1.32	June 22, 2023
Carmelo Marrelli <i>Chief Financial Officer</i>	75,000 (0.07%)	Apr. 27, 2015	0.36	0.355	1.32	Apr. 27, 2020
	50,000 (0.05%)	Sep. 1, 2016	1.50	1.50	1.32	Sep 1, 2021
	50,000 (0.05%)	June 22, 2018	1.22	1.22	1.32	June 22, 2023
Yves Dessureault <i>Chief Operating Officer</i>	250,000 (0.23%)	Apr. 27, 2015	0.36	0.355	1.32	Apr. 27, 2020
	325,000 (0.29%)	Sep. 1, 2016	1.50	1.50	1.32	Sep. 1, 2021
	400,000 (0.36%)	June 22, 2018	1.22	1.22	1.32	June 22, 2023
Patrick Langlois <i>Vice President, Corporate Development</i>	250,000 (0.23%)	Apr. 27, 2015	0.36	0.355	1.32	Apr. 27, 2020
	225,000 (0.20%)	Sep. 1, 2016	1.50	1.50	1.32	Sep. 1, 2021
	300,000 (0.27%)	June 22, 2018	1.22	1.22	1.32	June 22, 2023
Jamie Sokalsky <i>Chairman and Director</i>	450,000 (0.41%)	Apr. 27, 2015	0.36	0.355	1.32	Apr. 27, 2020
	450,000 (0.41%)	Sep. 1, 2016	1.50	1.50	1.32	Sep. 1, 2021
	460,000 (0.40%)	June 22, 2018	1.22	1.22	1.32	June 22, 2023
Dennis H. Peterson <i>Director</i>	250,000 (0.23%)	Apr. 27, 2015	0.36	0.355	1.32	Apr. 27, 2020
	225,000 (0.20%)	Sep. 1, 2016	1.50	1.50	1.32	Sep. 1, 2021
	200,000 (0.18%)	June 22, 2018	1.22	1.22	1.32	June 22, 2023
Basil Haymann <i>Director</i>	250,000 (0.23%)	Apr. 27, 2015	0.36	0.355	1.32	Apr. 27, 2020
	225,000 (0.20%)	Sep. 1, 2016	1.50	1.50	1.32	Sep. 1, 2021
	200,000 (0.18%)	June 22, 2018	1.22	1.22	1.32	June 22, 2023
Gordon A. McCreary <i>Director</i>	250,000 (0.23%)	Apr. 27, 2015	0.36	0.355	1.32	Apr. 27, 2020
	225,000 (0.20%)	Sep. 1, 2016	1.50	1.50	1.32	Sep. 1, 2021
	200,000 (0.18%)	June 22, 2018	1.22	1.22	1.32	June 22, 2023
Marco Gagnon <i>Executive Vice President and Director</i>	19,500 (0.02%)	June 10, 2016	1.36	N/A	1.32	Dec 8, 2020
	225,000 (0.20%)	Sept. 1, 2016	1.50	1.50	1.32	Sep. 1, 2021
	97,500 (0.09%)	June 10, 2016	0.75	N/A	1.32	Feb 23, 2023
	300,000 (0.27%)	June 22, 2018	1.22	1.22	1.32	June 22, 2023
	87,750 (0.08%)	June 10, 2016	0.49	N/A	1.32	Feb 24, 2024
	136,500 (0.12%)	June 10, 2016	0.26	N/A	1.32	Mar 19, 2025

Notes:

(1) Percentage based on 110,653,195 Common Shares issued and outstanding as at the date of this Circular.

### Exercise of Stock Options by NEOs and Directors

The following table sets forth information concerning the exercise of options by NEOs and directors during the fiscal year ended December 31, 2018.

Name and Position	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 (\$)
David Palmer <i>President, Chief Executive Officer and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
Carmelo Marrelli <i>Chief Financial Officer</i>	N/A	N/A	N/A	N/A	N/A	N/A
Yves Dessureault <i>Chief Operating Officer</i>	N/A	N/A	N/A	N/A	N/A	N/A
Patrick Langlois <i>Vice President, Corporate Development</i>	N/A	N/A	N/A	N/A	N/A	N/A
Jamie Sokalsky <i>Chairman and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
Dennis H. Peterson <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
Basil Haymann <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
Gordon A. McCreary <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
Marco Gagnon <i>Executive Vice President and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A

### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information in respect of the Corporation's equity compensation plans under which equity securities of the Corporation are authorized for issuance, aggregated in accordance with all equity plans previously approved by the Shareholders and all equity plans not approved by Shareholders as at December 31, 2018:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders <sup>(1)(2)</sup>	9,774,300	\$1.04	8,291,020 <sup>(3)</sup>
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>Total</b>	9,774,300	\$1.04	8,291,020 <sup>(3)</sup>

Notes:

- (1) The Corporation's Stock Option Plan is a "rolling" stock option plan, last approved by the Shareholders at a meeting on June 13, 2018. The number of Common Shares that may be reserved for issuance pursuant to the Option Plan is limited to 10% of the issued and outstanding Common Shares on the date of any grant of options thereunder.
- (2) On June 13, 2018, the Shareholders approved the RSU Plan, pursuant to which a fixed maximum of 7,000,000 Common Shares may be reserved for issuance.
- (3) Based on a total of 110,653,195 Common Shares issued and outstanding as the date of this Circular for securities to be granted under the Stock Option Plan and a maximum of 7,000,000 Common Shares reserved for issuance under the RSU Plan.

### **Employment, Consulting, and Management Agreements**

The Corporation has entered into an employment agreement with David Palmer pursuant to which Dr. Palmer provides his services as President and Chief Executive Officer of the Corporation in consideration of an annual base salary of \$360,000 (2017 - \$330,000). The agreement includes a severance clause, which provides for payment of 24 months of base salary, bonus and benefits if Dr. Palmer is terminated without cause or if the Corporation undergoes a change in control, as defined in Dr. Palmer's employment agreement.

The Corporation has entered into an employment agreement with Yves Dessureault pursuant to which Mr. Dessureault is employed as Chief Operating Officer of the Corporation in consideration of an annual base salary of \$275,000 (2017 - \$250,000). The employment agreement includes a termination provision whereby if Mr. Dessureault's employment is terminated without cause, he will receive a fee equal to 3 months' base salary for each year, or partial year, of service with a minimum of 12 months up to a maximum of 18 months. Upon the occurrence of a "Triggering Event" following a "Change in Control", as both such terms are defined in Mr. Dessureault's employment agreement, Mr. Dessureault will be entitled to a lump sum payment equal to 18 months' base salary and all options to acquire securities in the Corporation will vest immediately.

The Corporation has entered into an employment agreement with Patrick Langlois pursuant to which Mr. Langlois is employed as Vice President, Corporate Development of the Corporation in consideration of an annual base salary of \$225,000 (2017 - \$210,000). The employment agreement includes a termination provision whereby if Mr. Langlois' employment is terminated without cause, he will receive a fee equal to 3 months' base salary for each year, or partial year, of service with a minimum of 12 months up to a maximum of 18 months. Upon the occurrence of a "Triggering Event" following a "Change in Control", as both such terms are defined in Mr. Langlois' employment agreement, Mr. Langlois will be entitled to a lump sum payment equal to 18 months' base salary and all options to acquire securities in the Corporation will vest immediately.

The Corporation has entered into an employment agreement with Marco Gagnon pursuant to which Mr. Gagnon is employed as Executive Vice-President of the Corporation in consideration of an annual base salary of \$230,000 (2017 - \$215,000). The employment agreement includes a termination provision whereby if Mr. Gagnon's employment is terminated without cause, he will receive a fee equal to 3 months' base salary for each year, or partial year, of service with a minimum of 12 months up to a maximum of 18 months. Upon the occurrence of a "Triggering Event" following a "Change in Control", as both such terms are defined in Mr. Gagnon's employment agreement, Mr. Gagnon will be entitled to a lump sum payment equal to 18 months' base salary and all options to acquire securities in the Corporation will vest immediately.

The Corporation has entered into a consulting agreement with Marrelli Support Services Inc., a private corporation, to provide the services of Mr. Marrelli as Chief Financial Officer of the Corporation on a part-time basis in consideration of fees of approximately \$1,500 per month, or approximately \$18,000 per year. Mr. Marrelli is eligible to receive grants of stock options pursuant to the Stock Option Plan on a reasonable basis, consistent with the grant of options to other Stock Option Plan participants. Marrelli Support Services Inc. also provides bookkeeping services to the Corporation at its usual and customary rates charged to its clients. Mr. Marrelli is the President of Marrelli Support Services Inc.

### **Pension Plan Benefits, Termination and Change of Control Benefits**

The Corporation has no pension or retirement plan. The Corporation has not provided compensation, monetary or otherwise to any person who now acts as a NEO of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of a change of control of the Corporation, its subsidiaries or affiliates. Other than as may be provided pursuant to the employment agreements with Dr. Palmer, Mr. Dessureault, Mr. Langlois and Mr. Gagnon, each as described herein, the Corporation is not party to any compensation plan or arrangement with NEOs resulting from the resignation, retirement or the termination of employment of any person. The NEOs have "double trigger" Change of Control provisions in their applicable employment agreements, meaning that an event of termination is also required in a Change of Control to trigger a severance payment.

## Compensation Risk Considerations

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Corporation anticipates the programs will be balanced and will not motivate unnecessary or excessive risk taking. The Corporation does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, to the knowledge of the Corporation, as of the date of hereof, no director or NEO of the Corporation has participated in the purchase of such financial instruments.

Base salaries are fixed in amount and do not encourage risk taking. While annual incentive awards will focus on the achievement of short-term or annual goals and short-term goals may encourage the taking of short-term risks at the expense of long-term results, the Corporation's annual incentive award program will represent a small percentage of employees' compensation opportunities.

Stock option awards are important to further align employees' interests with those of the Shareholders. The ultimate value of the awards is tied to the price of the Common Shares and since awards are expected to be staggered and subject to long-term vesting schedules, they will help ensure that NEOs have significant value tied in long-term stock price performance.

## Compensation of Directors

Pursuant to its Articles, the Corporation may have a minimum of one and a maximum of ten directors. At the date of the Circular, the Corporation currently has six directors.

The Corporation regularly reviews the competitiveness of non-employee director compensation levels against the competitive marketplace. While the results of that review have generally demonstrated that non-employee director compensation levels at the Corporation were competitive with the market, adjustments to annual fees have been made throughout the Corporation's growth cycle in recent years to further strengthen the Corporation's competitiveness while also reflecting the greater time and commitment required of the roles. In particular, an adjustment was made effective January 1, 2018 to the annual fee for the Chairman of the Board. An additional adjustment was made effective January 1, 2019 to grant an additional annual stipend to be paid to the Chairs of the Board Committees. A summary of the changes in compensation provided to the Corporation's non-employee directors during the past two years is as follows:

	Effective January 1, 2019	Effective January 1, 2018	September 1, 2016 to December 31, 2017	Until August 1, 2016
Chairman of the Board Fee	\$100,000	\$100,000	\$72,000	\$36,000
Board Member Fee	\$36,000	\$36,000	\$36,000	\$18,000
Audit Committee Chair Fee	\$10,000	N/A	N/A	N/A
Other Committee Chair Fee	\$5,000	N/A	N/A	N/A

As a developing pre-production mineral exploration company, the Corporation has a small number of employees and relies extensively on the input and expertise of its non-employee directors. In its efforts to attract and retain experienced directors, the Corporation may choose to compensate directors partly with incentive stock options and/or RSUs, thereby conserving its cash resources and, equally importantly, aligning the directors' incentives with the interests of the Shareholders by providing them with the opportunity to participate in the upside that results from their contributions. While other larger and/or established operating companies may place limits on non-employee director compensation to a maximum amount per director per year in order to satisfy external policies and proxy voting guidelines, the Corporation believes that some methodologies used to quantify the value of options at the time of the grant (using an option pricing model that values options based on a theoretical value at the time of grant) are not suited to calculating such a limit in the case of the Corporation. Because such methodologies typically incorporate stock volatility into the calculation of option value, the volatility of the Corporation's stock (compared with more established operating companies) can significantly inflate option value. The result is that an option grant in a given year could be valued well in excess of the proposed limits discussed

above, even if the option is out-of-the money on the date of grant. While the Corporation does not object to the principle of limiting non-employee director compensation, the Corporation believes that it is not currently at the right stage of its development to impose such limitations based on external, generalized criteria. Accordingly, the Corporation intends to continue to evaluate grants of options and/or RSUs to non-employee directors on a case-by-case basis, making grants based on the contributions of such non-employee directors to the Corporation and having regard to the levels of compensation offered by companies in analogous stages of development.

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

None of the current or proposed directors or officers of the Corporation, nor any affiliate or associate of the current or proposed directors or officers of the Corporation, is or was indebted to the Corporation (or to another entity which is the subject of a guarantee support agreement, letter of credit, or other similar arrangement or undertaking provided by the Corporation) entered into in connection with a Purchase of securities or otherwise per item 10.1 of National Instrument 51-102F5 – *Information Circular*, at any time since its incorporation.

### **AUDIT COMMITTEE**

The Audit Committee is responsible for monitoring the Corporation’s accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, the quality and integrity of financial statements and for directing the auditors’ examination of specific areas. The members of the Audit Committee are Gordon McCreary, Dennis H. Peterson and Basil Haymann. No member of the Audit Committee is an executive officer, employee, or control person of the Corporation or any of its affiliates. Mr. McCreary and Mr. Haymann are “independent” directors as defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Mr. Peterson is not considered an independent director as he is a partner of Peterson McVicar LLP, which provides legal services to the Corporation on a consulting basis. Each member of the Audit Committee is considered to be “financially literate” within the meaning of NI 52-110, which includes 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 Corporation’s financial statements. The full text of the charter of the Audit Committee (the “**Audit Committee Charter**”) is attached as Appendix “A”.

#### **Relevant Education and Experience**

The relevant education and experience of each of the members of the Audit Committee is as follows:

<b>Name of Member</b>	<b>Education</b>	<b>Experience</b>
Gordon A. McCreary	B.Sc. Mining Engineering, Queen's University (1974); M.B.A., Queen's University (1978).	Mining engineer in base metals, coal and precious metals. Has held several senior management positions in the gold and iron ore industries for the past 30 years.
Dennis H. Peterson	B. Comm. (Hons), Queen's University (1983); LL.B., University of Toronto (1986).	Securities lawyer and a partner of Peterson McVicar LLP, a Toronto-based securities law boutique focusing on resource companies.
Basil Haymann	N/A	Accomplished businessman and entrepreneur, with over 40 years of experience focused on identifying, developing and advancing a broad spectrum of business opportunities. He has extensive business management, internal reporting, and financial reporting experience as a career executive.

#### **Audit Committee Oversight**

Since the commencement of the Corporation’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

## Pre-Approval Policies and Procedures

The Audit Committee is required to pre-approve all audit and non-audit services not prohibited by law to be provided by the independent auditors of the Corporation.

## External Auditor Service Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the Corporation's external auditor during the fiscal year ended December 31, 2018.

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
December 31, 2018	\$38,000	\$4,000	\$3,000	NIL

Notes:

- (1) Aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual financial statements.
- (2) Aggregate fees billed for professional services rendered by the auditor and consisted primarily of file quality review fees and fees for the review of quarterly financial statements and related documents.
- (3) Aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.
- (4) No other fees were billed by the auditor of the Corporation other than those listed in the other columns.

## Exemption

Since the Corporation is a "venture issuer" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the U.S., or a market outside of Canada and the U.S.), it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201") of the Canadian Securities Administrators sets out a series of guidelines for effective corporate governance (the "Guidelines"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

Set out below is a description of the Corporation's approach to corporate governance in relation to the Guidelines.

### Board of Directors

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment.

The Board is currently comprised of six members, three of whom the Board has determined to be "independent directors" within the meaning of NI 58-101. Gordon McCreary, Basil Haymann and Jamie Sokalsky are considered independent directors within the meaning of NI 58-101 since they are each independent of management and free from any material relationship with the Corporation. The basis for this determination is that, since the date of incorporation of the Corporation, none of the independent directors have worked for the Corporation, received remuneration from the Corporation or had material contracts with or material interests in the Corporation which could interfere with their ability to act with a view to the best interests of the Corporation. David Palmer is not considered an independent director because he is also an officer of the Corporation. Dennis H. Peterson is not considered an independent director as he is a partner of Peterson McVicar LLP, which provides legal services to the Corporation on a consulting basis. Marco Gagnon is not considered an independent director because he is also an officer of the Corporation.

The Board functions independently of management. To enhance its ability to act independent of management, the Board may in the future meet in the absence of members of management or may excuse such persons from all or a portion of any meeting where an actual or potential conflict of interest arises or where the Board otherwise determines is appropriate.

## Directorships

Certain of the directors and proposed directors of the Corporation are also current directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)	Trading Market
David Palmer	Canstar Resources Inc. Rubicon Minerals Corporation	TSX-V TSX
Dennis H. Peterson	Canstar Resources Inc. Angus Ventures Inc.	TSX-V TSX-V
Gordon A. McCreary	McChip Resources Inc.	TSX-V
Jamie Sokalsky	Agnico Eagle Mines Limited	TSX, NYSE
	Royal Gold Inc.	NASDAQ
Marco Gagnon	Arianne Phosphate Inc.	TSXV

## Orientation and Continuing Education

While the Corporation currently has no formal orientation and education program for new Board members, it is expected that sufficient information (such as recent financial statements, technical reports and various other operating, property and budget reports) will be provided to all new Board members to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board. In addition, new directors will be encouraged to visit and meet with management on a regular basis. The Corporation will also encourage continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Corporation. The Board's continuing education will also consist of correspondence with the Corporation's legal counsel to remain up to date with developments in relevant corporate and securities law matters.

## Ethical Business Conduct

The fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest will ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors and proposed directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the OBCA, 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 will be required to declare the nature and extent of his or her interest, and will not be entitled to vote at meetings of directors at which matters that give rise to such a conflict of interest are considered.

## Board Committees

The Board has four standing committees: the Audit Committee, a nominating and corporate governance committee (the "**Nominating and Corporate Governance Committee**"), an environmental, health and safety committee (the "**Environmental, Health and Safety Committee**") and the Compensation Committee. The members of these committees are in this Circular under the heading "*Audit Committee*" above, and under the headings "*— Compensation Committee*", "*--- Other Board Committees*" and "*— Nomination of Directors*" below. The Board has adopted the Audit Committee

Charter, which is attached as Appendix “A” to this Circular. The Board intends to adopt a charter for the Compensation Committee.

### ***Nomination of Directors***

Responsibility for identifying new candidates to join the Board belongs to the Board as a whole. The Board encourages all directors to participate in the process of identifying and recruiting new candidates. The Nominating and Corporate Governance Committee has the responsibility of making recommendations to the Board with respect to the new nominees and for assessing directors on an on-going basis. While there are no specific criteria for Board membership, the Corporation will seek to attract and retain directors with business knowledge and a particular expertise in mineral exploration and development or other areas of specialized knowledge (such as finance) which will assist in guiding the officers of the Corporation. The members of the Nominating and Corporate Governance Committee are currently Jamie Sokalsky (Chair), Basil Haymann and Dennis H. Peterson. Mr. Sokalsky and Mr. Haymann are independent directors within the meaning of NI 58-101. See “*Executive Compensation*” and “— *Compensation*”.

### ***Compensation Committee***

The Compensation Committee is responsible for assisting the Corporation in determining compensation of senior management of the Corporation as well as reviewing the adequacy and form of the directors’ compensation. The Compensation Committee is expected to annually review the goals and objectives of the Corporation’s Chief Executive Officer for the upcoming year and to perform an appraisal of the Corporation’s Chief Executive Officer’s performance for the past year. The Compensation Committee will also administer and make recommendations regarding the operation of the Corporation’s incentive plans. Its members are Jamie Sokalsky (Chair), Gordon A. McCreary, Basil Haymann and Dennis H. Peterson. Mr. Sokalsky, Mr. McCreary and Mr. Haymann are independent directors within the meaning of NI 58-101. See in this Circular, “*Executive Compensation*” and “— *Compensation*”.

### ***Compensation***

The Compensation Committee of the Board reviews, on an annual basis, the adequacy and form of compensation of directors and officers and will ensure that the levels of compensation of the Board reflect the responsibilities, time commitment and risks involved in being an effective director.

Because of the Corporation’s status as a pre-production mineral company that is still in the development stage, the Corporation has a relatively small number of employees and relies extensively on the input and expertise of its non-employee directors. In its efforts to attract and retain experienced directors, the Corporation may compensate directors in part with grants of options under the Stock Option Plan, thereby conserving its cash resources and aligning the directors’ incentives with the interests of Shareholders by providing them with the opportunity to participate in any increase in shareholder value that results from their contribution. See “*Compensation of Directors*”.

### ***Audit Committee***

The Corporation has established an Audit Committee comprised of directors who are not executive officers, employees, or control persons of the Corporation or any of its affiliates, and who are considered to be financially literate in accordance with applicable securities laws. The Audit Committee Charter is attached as Appendix “A” to this Circular. See “*Audit Committee*”.

### ***Other Board Committees***

The Corporation has established an Environmental, Health and Safety Committee in March 2018. Its members are Gordon A. McCreary (chair), Marco Gagnon and David Palmer.

The Board has no committees other than the Audit Committee, Environmental, Health and Safety Committee, the Nominating and Corporate Governance Committee and the Compensation Committee. The Board may establish additional committees depending on the needs of the Corporation.

### ***Assessments***

The Board will consider the Board and committee performance from time to time, as required.

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

Since the Corporation's incorporation, no director, executive officer, or Shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associates or affiliates or such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Corporation.

### **MANAGEMENT CONTRACTS**

There are no management functions of the Corporation which are to any substantial degree performed by a person or a company other than the directors or executive officers of the Corporation.

### **ADDITIONAL INFORMATION**

The Corporation will provide to any shareholder, upon written request to the Chairman of the Corporation at 56 Temperance Street, Suite 1000, Toronto, Ontario M5H 3V5, telephone: (416) 777-6703, facsimile: (416) 777-6705, a copy of:

- (a) the audited financial statements of the Corporation for its most recently completed financial period, together with the management's discussion and analysis of such financial results and the auditor's report thereon, and one copy of any interim financial statements subsequent to the financial statements of the Corporation that have been filed for any period after the end of its most recently completed financial period; and
- (b) this Circular.

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Corporation may be found in the Corporation's consolidated financial statements and management's discussion and analysis for its most recently completed financial period.

### **APPROVAL**

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Board.

**DATED** this 9<sup>th</sup> day of May, 2019.

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

*(Signed) "David Palmer"*

David Palmer  
President and Chief Executive Officer



## APPENDIX "A"

### AUDIT COMMITTEE CHARTER

#### MANDATE

The Audit Committee (hereinafter referred to as the "**Audit Committee**") shall i) assist the Board of Directors in its oversight role with respect to the quality and integrity of the financial information; ii) assess the effectiveness of the Corporation's risk management and compliance practices; iii) assess the independent auditor's performance, qualifications and independence; iv) assess the performance of the Corporation's internal audit function; v) ensure the Corporation's compliance with legal and regulatory requirements, and vi) prepare such reports of the Committee required to be included in any Management Information Circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.

#### STRUCTURE AND OPERATIONS

The committee shall be composed of not less than three Directors. A majority of the members of the Committee shall not be an Officer or employee of the Corporation. All members shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities.

Each member of the Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment.

Members of the Committee shall be appointed or reappointed at the annual meeting of the Corporation and in the normal course of business will serve a minimum of three years. Each member shall continue to be a member of the Committee until a successor is appointed, unless the member resigns, is removed or ceases to be a Director. The Board of Directors may fill a vacancy that occurs in the Committee at any time.

The Board of Directors or, in the event of its failure to do so, the members of the Committee, shall appoint or reappoint, at the annual meeting of the Corporation a Chairman among their number. The Chairman shall not be a former Officer of the Corporation. Such Chairman shall serve as a liaison between members and senior management. The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members therefore provided that:

- (a) a quorum for meetings shall be at least three members;
- (b) the Committee shall meet at least quarterly;
- (c) notice of the time and place of every meeting shall be given in writing or by telephone, facsimile, email or other electronic communication to each member of the Committee at least 24 hours in advance of such meeting;
- (d) a resolution in writing signed by all directors entitled to vote on that resolution at a meeting of the Committee is as valid as if it had been passed at a meeting of the Committee.

The Committee shall report to the Board of Directors on its activities after each of its meetings. The Committee shall review and assess the adequacy of this charter annually and, where necessary, will recommend changes to the Board of Directors for its approval. The Committee shall undertake and review with the Board of Directors an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this charter and set forth the goals and objectives of the Committee for the upcoming year. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board of Directors may take the form of an oral report by the chairperson of the Committee or any other designated member of the Committee.

**SPECIFIC DUTIES**

## Oversight of the Independent Auditor

- Sole authority to appoint or replace the independent auditor (subject to shareholder ratification) and responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between Management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Committee.
- Sole authority to pre-approve all audit services as well as non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain and review a report from the independent auditor at least annually regarding: the independent auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm; any steps taken to deal with any such issues; and all relationships between the independent auditor and the Corporation.
- Review and discuss with Management and the independent auditor prior to the annual audit the scope, planning and staffing of the annual audit.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
- Review as necessary policies for the Corporation's hiring of employees or former employees of the independent auditor.

*Financial Reporting*

- Review and discuss with Management and the independent auditor the annual audited financial statements prior to the publication of earnings.
- Review and discuss with Management the Corporation's annual and quarterly disclosures made in Management's Discussion and Analysis. The Committee shall approve any reports for inclusion in the Corporation's Annual Report, as required by applicable legislation.
- Review and discuss with Management and the independent auditor management's report on its assessment of internal controls over financial reporting and the independent auditor's attestation report on management's assessment.
- Review and discuss with Management the Corporation's quarterly financial statements prior to the publication of earnings.
- Review and discuss with Management and the independent auditor at least annually significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies.

- Review and discuss with Management and the independent auditor at least annually reports from the independent auditors on: critical accounting policies and practices to be used; significant financial reporting issues, estimates and judgments made in connection with the preparation of the financial statements; alternative treatments of financial information within generally accepted accounting principles that have been discussed with Management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and other material written communications between the independent auditor and Management, such as any management letter or schedule of unadjusted differences.
- Discuss with the independent auditor at least annually any “Management” or “internal control” letters issued or proposed to be issued by the independent auditor to the Corporation.
- Review and discuss with Management and the independent auditor at least annually any significant changes to the Corporation's accounting principles and practices suggested by the independent auditor, internal audit personnel or Management.
- Discuss with Management the Corporation's earnings press releases, including the use of “pro forma” or “adjusted” non-GAAP information, as well as financial information and earnings guidance (if any) provided to analysts and rating agencies.
- Review and discuss with Management and the independent auditor at least annually the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements.
- Review and discuss with the Chief Executive Officer and the Chief Financial Officer the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the annual filings with applicable securities regulatory authorities.
- Review disclosures made by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process for the annual filing with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which could adversely affect the Corporation's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving Management or other employees who have a significant role in the Corporation's internal controls.
- Discuss with the Corporation's General Counsel at least annually any legal matters that may have a material impact on the financial statements, operations, assets or compliance policies and any material reports or inquiries received by the Corporation or any of its subsidiaries from regulators or governmental agencies.

#### *Oversight of Risk Management*

- Review and approve periodically Management's risk philosophy and risk management policies.
- Review with Management at least annually reports demonstrating compliance with risk management policies.
- Review with Management the quality and competence of Management appointed to administer risk management policies.
- Review reports from the independent auditor at least annually relating to the adequacy of the Corporation's risk management practices together with Management's responses.
- Discuss with Management at least annually the Corporation's major financial risk exposures and the steps Management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies.

#### *Oversight of Regulatory Compliance*

- Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Discuss with Management and the independent auditor at least annually any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Corporation's financial statements or accounting.
- Meet with the Corporation's regulators, according to applicable law.
- Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board of Directors.

#### **FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS**

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Committee. The Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefore shall also be funded by the Corporation.

#### **Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters**

1. The Corporation shall inform employees on the Corporation's intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the "Complaints Officer") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Corporation.
4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

#### **Procedures for Approval of Non-Audit Services**

1. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:
  - (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;

- (b) financial information systems design and implementation;
  - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
  - (d) actuarial services;
  - (e) internal audit outsourcing services;
  - (f) management functions;
  - (g) human resources;
  - (h) broker or dealer, investment adviser or investment banking services;
  - (i) legal services;
  - (j) expert services unrelated to the audit; and
  - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
2. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
  3. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.