www.scorpiogold.com

Unit 1 – 15782 Marine Drive,
White Rock, British Columbia, V4B 1E6 Canada

MANAGEMENT INFORMATION CIRCULAR
FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD

Friday, October 2nd, 2020

Containing information as at September 2, 2020

SOLICITATION OF PROXIES

This Management Information Circular (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Scorpio Gold Corporation (the "**Company**" or "**Scorpio Gold**") for use at the Annual General and Special Meeting (the "**Meeting**") of the Company's shareholders (the "**Shareholders**") (and any adjournment(s) or postponement(s) thereof) to be held on October 2, 2020, at the hour of 9:00 a.m. (PST), in the Company's office located at Unit 1 – 15782 Marine Drive, White Rock, British Columbia.

While it is expected that the solicitation will be made primarily by mail, proxies may be solicited in person or by telephone by directors, officers and employees of the Company. All costs of this solicitation will be borne by the Company.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

References to dollars ($) in this Information Circular shall mean US dollars unless otherwise indicated.

PART 1 - VOTING

APPOINTMENT OF PROXYHOLDER

The individuals named in the accompanying form of proxy (the "**Proxy**") are Brian Lock, Chief Executive Officer and Director of the Company and Doris Meyer, Corporate Secretary of the Company and Dan O'Brien, Chief Financial Officer of the Company. **A SHAREHOLDER OF THE COMPANY WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER'S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER FORM OF PROXY**.

A vote cast in accordance with the terms of a proxy will be valid notwithstanding the previous death, incapacity or bankruptcy of the Shareholder or intermediary on whose behalf the proxy was given or the revocation of the appointment, unless written notice of such death, incapacity, bankruptcy or revocation is received by the chairman of the Meeting at any time before the vote is cast.

REVOCATION OF PROXY

A Shareholder who has given a Proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the Company's Registered Office at Unit 1 – 15782 Marine Drive, White Rock, B.C. V4B 1E6 (facsimile: +1 (604) 536-2788) at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the Chair of the Meeting on the day of the Meeting or any adjournment of it. A Proxy may also be revoked in any other manner permitted by law. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Only registered Shareholders have the right to revoke a Proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the Proxy on their behalf.

VALIDITY OF PROXY

A Proxy will not be valid unless it is signed by the Shareholder or intermediary or by the Shareholder's or intermediary's agent duly authorized in writing or, if the Shareholder or intermediary is a corporation, under its corporate seal and signed by an officer of the Shareholder or intermediary. The instrument empowering the agent, or a notarial copy thereof, should accompany the Proxy. The Proxy, if not dated, is deemed to be dated on the date mailed by the person making the solicitation.

JOINT HOLDERS

A Proxy given on behalf of joint holders must be executed by all of them and may be revoked only by all of them.

If more than one of several joint holders is present at the Meeting and they do not agree as to which of them is to exercise any vote to which they are jointly entitled, they will for the purpose of voting, be deemed not to be present.

DEPOSIT OF PROXY

A Proxy will not be valid unless it is completed, dated and signed and delivered by hand or mail to Computershare Investor Services Inc. at Proxy Dept., 100 University Avenue 8th Floor, Toronto, Ontario M5J 2Y1, or by fax to: (within North America) +1 (866) 249-7775 (outside North America) +1 (416) 263-9524, not less than 48 hours (excluding Saturdays and holidays) prior to the Meeting or to the Chair of the Meeting prior to the commencement of the Meeting. Proxies delivered after that time will not be accepted.

NON-REGISTERED HOLDERS OF SHARES

Only registered Shareholders of record as of the Meeting Record Date (as hereinafter defined) or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are "non-registered" Shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. More particularly, a person is not a registered Shareholder in respect of shares which are held on behalf of such person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and directors or administrators of self-administered RRSP's, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**") of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 ("**NI 54-101**") of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials, or where there is a special meeting involving abridged timing under NI 54-101, will either:

(a) be given a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder, but which is otherwise not completed. Because the Intermediary has already signed the Proxy, this Proxy is not required to be signed by the Non-Registered Holder when submitting the Proxy. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete the Proxy and **deliver it to Computershare Investor Services Inc.** as provided above; or

(b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**proxy authorization form**") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one-page pre-printed form. Sometimes, instead of the one-page pre-printed form, the proxy authorization form will consist of a regular printed Proxy accompanied by a page of instructions, which contains a removable label containing a bar code and other information. In order for the Proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the Proxy, properly complete and sign the Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, this procedure permits Non-Registered Holders to direct the voting of the shares, which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder's name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered**.

The Meeting Materials are not being sent to registered or beneficial owners using the Notice and Access procedures contained in NI 54-101. The Company is sending the Meeting Materials directly to non-objecting beneficial holders (as defined in NI 54-101). The Company will not pay for intermediaries to deliver the Meeting Materials to objecting beneficial holders (as defined in NI 54-101) and objecting beneficial holders will not receive the Meeting Materials unless their intermediary assumes the cost of delivery.

VOTING OF SHARES REPRESENTED BY PROXY AND EXERCISE OF DISCRETION

Voting at the Meeting will be by a show of hands, each Shareholder having one vote, unless a ballot or poll is requested or required in accordance with the Company's By-Laws or the *Business Corporations Act* (British Columbia), in which case each Shareholder is entitled to one vote for each share held. **The Shares represented by a Proxy will be voted on any ballot or poll by the persons named in the Proxy, and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the Shares represented thereby will, on a ballot or poll, be voted or withheld from voting in accordance with the specifications so made. Where no choice has been specified by the Shareholder, such Shares will be voted in favour of the motions proposed to be made at the Meeting as described in this Information Circular.**

A proxy in the enclosed form, when properly completed and delivered and not revoked, confers discretionary authority on the persons named proxyholders therein to vote on any amendments or variations of matters identified in the Notice of Meeting and on any other matters which may properly come before the

Meeting. As of the date of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

HOW A VOTE IS PASSED

Certain of the special business to be conducted at the Meeting as described in the attached Notice of Meeting requires approval by a special resolution, which is a resolution approved by a majority of not less than two-thirds (2/3) of the votes cast by shareholders who vote, in person or by proxy on the special resolution, at the Meeting. Any other matter that may be put forth at the Meeting which does not require approval by a special resolution will require a simple majority of greater than 50% of the votes cast by shareholders who vote, in person or by proxy on the ordinary resolution, at the Meeting.

PART 2 - VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized voting share capital of Scorpio Gold consists of an unlimited number of common shares. Each holder of common shares (the "**Shares**") is entitled to one vote for each Share registered in his or her name at the close of business on August 18th, 2020, the date fixed by our directors as the record date (the "**Meeting Record Date**") for determining who is entitled to receive notice of and to vote at the Meeting.

At the close of business on August 18th, 2020, there were 69,267,291 Shares outstanding. To the best knowledge of the directors and senior officers of the Company, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company.

PART 3 - BUSINESS OF THE MEETING

1. FINANCIAL STATEMENTS

The audited financial statements and management discussion and analysis of Scorpio Gold for the fiscal year ended December 31, 2019, will be placed before you at the Meeting. These financial statements may be requested by completing the enclosed Financial Statement Request Form that accompanies this Information Circular, or they may be viewed on www.sedar.com or on the Company's website www.scorpiogold.com.

2. ELECTION OF DIRECTORS

The board of directors of the Company (the "**Board**" or "**Board of Directors**") presently consists of six directors and it is intended to determine the number of directors at six for the ensuing year.

Directors of Scorpio Gold are elected for a term of one year and the term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he resigns or otherwise vacates office before that time. The persons named below will be presented for election at the Meeting as management's nominees, and unless otherwise instructed, the persons named in the accompanying form of proxy intend to vote for the election of each of these nominees. You can vote for all of the nominees, vote for some of the nominees and withhold for others, or withhold for all of the nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

Pursuant to the Advance Notice Policy adopted by the Board on April 23rd, 2013, which was approved by shareholders at the annual and special meeting of the Company held on June 25th, 2013 and is filed on SEDAR under the Company's profile at www.sedar.com, any additional director nominees for the Meeting

must have been received by the Company in compliance with the Advance Notice Policy on or before the close of business on August 18th, 2020. No additional director nominations were received.

On April 26, 2019, the Company entered into the convertible secured subordinated debenture indenture (the "**Indenture**") with Computershare Trust Company of Canada (the "**Trustee**") to govern the $7,175,000 debentures (the "Convertible Debentures") issued pursuant to a non-brokered private placement offering. The Convertible Debentures are secured by a security interest subordinate to all existing and future senior indebtedness of the Company as approved by the Company's board of directors, subject to certain board composition requirements. The board composition requirements shall be met if at least half of the Board of Directors are nominees of the Lead Debentureholder, provided that Peter Tegart, Ian Dawson and Bruce Dawson shall be deemed to be the three nominees of the Lead Debentureholder. The Lead Debentureholders means collectively Ianco Holdings Ltd. and Matco Holdings Ltd.

At the Meeting, the Shareholders will be asked to vote on a resolution to elect as directors the nominees set out in the table below. **In the absence of contrary instructions, the persons named in the accompanying form of Proxy intend to vote the Shares represented thereby in favour of election to the Board of the nominees set out in the table below.**

The following table and notes thereto set out the names of each person proposed to be nominated by management for election as a director, the province in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation or employment during the past five years if such nominee is not presently an elected director, the period of time for which he has been a director of the Company, and the number of Shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name, Position(s), Province or State and Country of Residence (1)	**Principal Occupation and if not present and elected director, occupation during last five-years** (1)	**Date Served as a Director Since**	**Ownership or Control Over Voting Shares Held** (2)
Brian Lock CEO and Director *British Columbia, Canada*	CEO of the Company.	June 11, 2009	2,246,934 (7) $20,000 (9)
Peter Brieger (3) (4) (5) Director *Ontario, Canada*	Honorary Chairman of GlobeInvest Capital Management Inc., a portfolio management firm.	July 4, 2013	930,172 (8) $30,000 (9)
Peter Tegart (6) Director *British Columbia, Canada*	Exploration Geologist and President and Chief Executive Officer of Tesoro Minerals Corp., a mineral exploration company.	February 27, 2019	9,466 $10,000 (9)
Ian Dawson (3) (5) (6) Director *British Columbia, Canada*	President of Dawson Group Limited since 1995. The Dawson Group is primarily involved in Construction (1922), Road Maintenance (1988) and Truck Sales, Service and Leasing (1991).	October 30, 2019	2,787,988 (10) $1,466,000 (9)
Bruce Dawson Director (Nominee) *British Columbia, Canada*	Bruce Dawson, AScT, Is Chair of Dawkam Holdings Ltd., a consortium of construction and real estate assets. Mr. Dawson started working for the family construction business in 1970 and developed his own successful	May 21, 2020	1,859,808(11) $1,467,000 (9)

Name, Position(s), Province or State and Country of Residence (1)	Principal Occupation and if not present and elected director, occupation during last five-years (1)	Date Served as a Director Since	Ownership or Control Over Voting Shares Held (2)
	construction firm in 1990. He is a former director of the BC Roadbuilders & Heavy Construction Association, the Southern Interior Construction Association and the Council of Construction Associations.		
Chris Zerga Director (Nominee) *Nevada, U.S.A.*	President of the Company from August 10, 2016 until July 31, 2020.	Nominee	- $-

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Notes:

(1) The information as to province or state and country of residence and principal occupation is not within the knowledge of the management of the Company and has been furnished by the respective directors individually.

(2) The information as to the number of Shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective directors individually.

(3) Member of the Company's Audit Committee.

(4) Member of the Company's Nomination and Corporate Governance Committee.

(5) Member of the Company's Compensation Committee.

(6) The Company has agreed with the Lead Debentureholders to nominate Messer's Tegart, I. Dawson and B. Dawson as nominees for election as a director.

(7) Of these Shares, 100,000 are held by Gillian Lock, the spouse of Brian Lock. Mr. Lock has control or direction over these Shares.

(8) Of these Shares, an aggregate of 603,525 are held by Peter Brieger,and 326,647 are held by Beverly Gwendolyn Hamblin, the spouse of Mr. Brieger. Mr. Brieger has control or direction over these Shares.

(9) Position of held of the Convertible Debentures. Each Convertible Debenture is convertible into Shares at the option of the holder at any time prior to maturity at a conversion price of $0.08 per Share, which is equivalent to 12,500 Shares for each $1,000 principal amount of Convertible Debenture, subject to adjustment in certain circumstances.

(10) These Shares and Convertible Debentures are held by Ianco Holdings Ltd., a private company controlled by Ian Dawson.

(11) Of these Shares, 306,000 are held by Bruce Dawson and 1,553,808 Shares and the Convertible Debentures are held by Matco Holdings Ltd., a private company controlled by Bruce Dawson.

CEASE TRADE ORDERS AND BANKRUPTCY

No director or proposed director of Scorpio Gold is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including Scorpio Gold), that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, 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 director or proposed director of Scorpio Gold, and no shareholder holding a sufficient number of securities of Scorpio Gold to affect materially the control of Scorpio Gold:

(a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including Scorpio Gold) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or proposed director of Scorpio Gold, and no shareholder holding a sufficient number of securities of Scorpio Gold to affect materially the control of Scorpio Gold has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

3. APPOINTMENT AND REMUNERATION OF AUDITOR

Davidson and Company, LLP, Chartered Professional Accountants have served as Auditor of the Company since August 30, 2017 and approved by shareholders on September 18, 2017.

The Company's management recommends that shareholders vote FOR the appointment of Davidson and Company, LLP, Chartered Professional Accountants, as the Company's auditor for the ensuing year and grant the Board of Directors the authority to determine the remuneration to be paid to the auditor.

Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Davidson and Company, LLP to act as our auditor until the close of our next annual general meeting and to authorize the Board of Directors to fix the remuneration to be paid to the auditor.

4. APPROVAL OF RENEWAL OF STOCK OPTION PLAN

The directors of the Company wish to have shareholders approve the renewal of its stock option plan (the "**2013 Option Plan**") pursuant to which the Company may grant incentive stock options to directors, officers, employees, and consultants of the Company or any of its affiliates ("**Eligible Persons**"). In accordance with the rules and policies of the TSX Venture Exchange (the "**TSX-V**"), shareholders must each year approve the 2013 Option Plan. The policies require that a stock option plan must specify a maximum number of shares issuable under it, which number can later be increased to a higher specified number only if authorized by the shareholders and accepted by the TSX-V. The 2013 Option Plan has been conformed to the TSX-V policies and is reported here on that basis:

The 2013 Option Plan permits the granting of options of up to 10% of the Shares of the Company issued and outstanding at the date of grant.

The directors are of the view that it is in the best interests of the Company to renew the 2013 Option Plan, which will enable the directors to grant options to Eligible Persons as a means of rewarding positive

performance and providing incentive to attract and retain personnel to effectively manage the affairs of the Company.

To summarize, the 2013 Option Plan authorizes the Board of Directors to grant stock options to the Eligible Persons on the following terms:

1. The number of shares subject to each option is determined by the Board of Directors provided that the 2013 Option Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12-month period, result in:

    (a) the issuance of stock options to any one person, within that period, of a number of shares exceeding 5% of the issued shares of the Company;

    (b) the issuance, within that period, to insiders of the Company of a number of shares exceeding 10%, or to one insider of a number exceeding 5%, or to a consultant of a number exceeding 2%; the aggregate number of shares granted to all eligible recipients employed to provide investor relations activities (as defined by the TSX-V) must not exceed 2% of the issued shares of the Company.

2. The aggregate number of shares which may be issued pursuant to options granted under the 2013 Option Plan, inclusive of options granted and outstanding under the previous stock option plan, may not exceed 10% of the issued and outstanding shares of the Company as at the date of the grant (after giving effect to the amendment described above).

3. The exercise price of options must be determined by the Board of Directors in compliance with applicable stock exchange policies.

4. The 2013 Option Plan provides that options are exercisable for ten years unless the Board of Directors provides for another exercise period when the options are granted in compliance with applicable stock exchange policies.

5. Options granted under the 2013 Option Plan are non-assignable and non-transferable. The options can only be exercised by the option holder as long as the option holder remains an Eligible Person pursuant to the 2013 Option Plan or within a period of not more than 90 days (30 days for providers of Investor Relations Activities) after ceasing to be an Eligible Person or, if the option holder dies or can no longer serve the Company due to disability, within the earlier of (a) a period following such death or disability equal to the period of such option holder's service to the Company, and (b) 365 days from the date of the optionee's death or disability.

6. The options granted pursuant to the 2013 Option Plan will be vested on a basis to be determined by the directors and may be vested immediately upon granting. For Eligible Persons conducting Investor Relations Activities options granted must vest in stages over a period of not less than 12 months with no more than ¼ of the options vesting in any three-month period.

7. On the occurrence of certain "substitution events" (including certain reorganizations, amalgamations, mergers or business combinations and takeover bids), all outstanding options will vest, except for options granted to Eligible Persons performing Investor Relations Activities, no acceleration of the vesting provisions on any options granted are permitted without prior TSX-V approval.

8. The 2013 Option Plan provides that the options of a deceased option holder expire on the earlier of (a) a period equal to the period the deceased option holder served the Company and (b) 365 days following death.

9. The 2013 Option Plan treats options held by employees who are no longer able to serve the Company due to disability the same way as options held by deceased option holders.

10. The 2013 Option Plan provides that if a consultant holding options becomes another kind of Eligible Person at the termination of a consulting contract - (e.g. if a consultant is hired as an employee), he or she will continue to hold the options granted when a consultant. Similarly, if an Eligible Person who is not a consultant becomes a consultant, he or she will continue to hold the options granted to him or her prior to becoming a consultant.

11. The Board of Directors has the discretion (subject to applicable stock exchange rules) to extend the expiry dates of options granted to consultants following the termination of a consulting agreement in the same way it can extend the expiry dates of options granted to other option holders following termination of service to the Company.

RECOMMENDATION

The Company is of the view that the 2013 Option Plan, provides the Company with the flexibility necessary to attract and maintain the services of senior management and other employees in competition with other companies in the mineral resource industry. A copy of the 2013 Option Plan will be available for inspection at the Meeting. A Shareholder may also obtain a copy of the 2013 Option Plan by contacting the Company at +1 (604) 536-2711. Directors shall also have the authority to amend the 2013 Option Plan to reduce the benefits to its participants if in their discretion it is necessary or advisable in order to obtain any necessary regulatory approvals.

SHAREHOLDER APPROVAL

The Company is asking its Shareholders to vote affirmatively on the following ordinary resolution to adopt and approve the 2013 Option Plan (the "**Option Plan Resolution**"):

> "**IT IS RESOLVED THAT**, subject to regulatory approval, the 2013 Option Plan, authorizing the directors to grant options on shares totalling up to a maximum of 10% of the Company's Shares issued and outstanding from time to time, as at the date of the relevant grant, be and it is hereby approved, together with all options granted thereunder as at the date hereof, and that the Board of Directors be and they are hereby authorized, without further shareholder approval, to carry out the intent of this resolution."

If this resolution is approved by Shareholders, it is expected that the Board of Directors will in due course grant further options under the 2013 Option Plan as the Board deems fit in light of the overall compensation program and the relative efforts and contributions of the eligible participants under the 2013 Option Plan.

The Board of Directors recommend that Shareholders vote FOR the Option Plan Resolution. In the absence of contrary instructions, the persons named in the enclosed form of proxy intend to vote FOR the Option Plan Resolution. **The discretionary authority granted by the enclosed proxy will be used by management to approve any amendments to the above resolution acceptable to it.**

5. APPROVAL OF A NEW CONTROL PERSON

On August 31, 2020, the Company announced a part and parcel private placement offering of 31,250,000 units of the Company (each, a "**Unit**") at a price of $0.16 per Unit for gross proceeds of $5,000,000 and on September 2, 2020 the Company announced an increase of an additional $1,000,000 for total gross proceeds of $6,000,000 (the "**Offering**").

Each Unit will consist of one Share of the Company and one Share purchase warrant (each a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Share for a period of three years from issuance at an exercise price of of $0.24.

As defined by the TSX-V, a "Control Person" means any person that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer. Pursuant to the policies of the TSX-V, if a Control Person is created as a result of the acquisition of securities of an issuer, the TSXV will require the issuer to obtain the approval of a majority of the shareholders of the issuer, not including the shares held by such potential Control Person and its associates and affiliates, for the issuance of securities that could result in the creation of such Control Person.

Augusta Investments Inc. ("**Augusta**"), a company controlled by Richard Warke, the Executive Chairman of Titan Mining Corporation ("**Titan**"), has subscribed for 29,031,250 Units in the Offering for proceeds of $4,645,000, of which such number of Units will be issued in an initial tranche (the "**Initial Tranche**"), as a result of which, Augusta will hold 19.99% of the outstanding Shares on an undiluted basis. The Company will seek shareholder approval at the Meeting to approve Augusta as a Control Person of the Company, following which, subject to receipt of such shareholder approval and the subsequent approval of the TSX-V, the remaining Units will be issued to Augusta (the "**Second Tranche**"). The Warrants to be issued to Augusta in the Initial Tranche will not be exercisable to the extent they would cause Augusta to hold 20% or more of the outstanding Shares unless such shareholder approval is obtained. If shareholder approval is obtained, upon the closing of the Second Tranche, it is anticipated that Augusta will own or control 29,031,250 Shares and 29,031,250 Warrants, representing 28.8% of the outstanding Shares of the Company on an undiluted basis and, assuming the exercise of all Warrants held by Augusta, 44.8% of outstanding Shares on a partially diluted basis.

Upon closing the Initial Tranche, as long as Augusta continues to hold at least 10% of the outstanding Shares, Augusta will be entitled to appoint one nominee to the Board of Directors of the Company.

The Company is asking its shareholders other than Titan, Augusta, and their respective associates and affiliates, none of whom are known to the Company to hold any Shares on the Record Date (such other shareholders, the "**Disinterested Shareholders**"), to vote **FOR** the following ordinary resolution to approve the creation of a new Control Person (the "**Augusta Control Person Resolution**"), which must be approved by a majority of over 50% of the votes cast by Disinterested Shareholder who vote in person or by proxy on the Augusta Control Person Resolution:

"**IT IS RESOLVED THAT**:

1. the issuance of an aggregate of 29,031,250 Units, comprising 29,031,250 Shares and 29,031,250 Warrants, to Augusta Investments Inc., and the creation of a new Control Person of the Company, as such term is defined in the policies of the TSXV, be authorized and approved; and

2. any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such further agreements, documents and instruments and to do all such other acts and things as such director or officer may determine to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution,

the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or thing being conclusive evidence of such determination."

Should Shareholders fail to approve the Augusta Control Person Resolution by the requisite majority, the Second Tranche will not be completed, and the Warrants issued to Augusta will not be exercisable to the extent they would cause Augusta to hold 20% or more of the outstanding Shares. The Board of Directors has determined that the completion of the Second Tranche and the resulting creation of a new Control Person is in the best interest of the Company and unanimously recommends that the shareholders vote FOR the Augusta Control Person Resolution.

Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the Augusta Control Person Resolution. **The discretionary authority granted by the enclosed proxy will be used by management to approve any amendments to the above resolution acceptable to it. In order to be effected this resolution must be approved by a majority of the votes of Disinterested Shareholders cast in respect thereof.**

6. APPROVAL OF TITAN OPTION AGREEMENT

Transaction Details

On August 31, 2020, the Company announced that it had entered into an option agreement (the "**Option Agreement**") with Titan, pursuant to which the Company granted Titan the option (the "**Earn-in Option**") to earn an 80% ownership interest in Mineral Ridge Gold LLC ("**MRG**"), an indirect subsidiary of Scorpio Gold which holds all of the mineral rights and water rights comprising the Mineral Ridge Property, by spending US$35 million in staged expenditures on the Mineral Ridge Property over a period of five years (the "**Option Term**"). In order to maintain the Earn-In Option in good standing, Titan must incur expenditures of US$7 million on or before January 1, 2022, then a further US$7 million on each of the third, fourth and fifth anniversaries of the commencement of the effectiveness of the Earn-In Option. In addition, if Titan spends the initial US$7 million of expenditures by January 1, 2022, it will also have the right to acquire a 100% interest in MRG by making a cash payment to Scorpio Gold of US$35 million, less certain deductions, on or before December 31, 2022 (the "**Purchase Option**").

Until the earlier of the December 31, 2021 and the date that Scorpio Gold extracts a further 3200 ounces of gold from the Mineral Ridge Property, Scorpio Gold may continue its gold recoveries from the heap leach operations on the Mineral Ridge Property for its own account with 25% of the proceeds of such operation, net of operating costs, to be held in a segregated trust account which will remain an asset of MRG if Titan exercises the Earn-in Option or Purchase Option.

Titan is a mining company which produces zinc concentrate at its 100%-owned Empire State Mining in New York State. Augusta is a Control Person of Titan.

The effectiveness of the Option Agreement remains subject to receipt of the approval of the shareholders of Scorpio Gold pursuant to a special resolution, as well as the approval of the TSX-V.

If exercised, the Earn-in Option or the Purchase Option may constitute the sale of substantially all of the assets of the Company and accordingly, pursuant to Section 301(1) of the Business Corporations Act (*British Columbia*) (the "**BCBCA**"), the Shareholders must approve them pursuant to a special resolution.

The Company has publicly filed the Option Agreement as a material document in accordance with applicable securities laws, which is available for review on the Company's SEDAR profile at www.sedar.com.

Board Approval

On June 4, 2020, the Board formed a special committee (the "**Special Committee**") consisting of Peter Brieger, Ian Dawson and Bruce Dawson, all of whom are independent directors of the Company, to consider the Option Agreement and the Offering, and to make a recommendation to the Board with respect to the approval of the Option Agreement and the Offering. The Special Committee met on June 16, July 9, July 28, July 30 and August 24, 2020, and received advice, reports and presentations from the management of the Company with respect to the Option Agreement and the Offering, and consulted with the Company's legal counsel. On August 24, 2020, the Special Committee passed resolutions recommending to the Board that the Option Agreement and the Offering be approved. On August 25, 2020, the Board passed resolutions approving the Option Agreement and the Offering.

Shareholder Approval of the Option Agreement

At the Meeting, the Company will ask the Shareholders to vote **FOR** the following special resolution to approve the Option Agreement (the "**Option Agreement Resolution**"), which must be approved by: (a) a majority of not less than two-thirds (2/3) of the votes cast by Shareholders, who vote, in person or by proxy on the Option Agreement Resolution, and (b) a simple majority of the votes cast by Disinterested Shareholders, who vote, in person or by proxy on the Option Agreement Resolution:

"**IT IS RESOLVED THAT**:

1. the indirect potential sale by the Company of up to 100% of its ownership interest in Mineral Ridge Gold LLC, which holds the Mineral Ridge Property, to Titan Mining Corporation, pursuant to the terms of the Option Agreement dated August 29, 2020, among the Company, its subsidiaries, and Titan, which, if completed, may constitute the sale of substantially all of the assets of the Company, all as more particularly described in the management information circular of the Company dated September 2, 2020, is hereby approved and authorized, and the actions of the directors and officers of the Company in executing and delivering the Option Agreement and causing the performance of the Company of its obligations thereunder, are hereby confirmed, ratified, authorized and approved;

2. notwithstanding that this resolution has been duly passed by the shareholders of the Company, the board of directors of the Company is hereby authorized and empowered, without further notice to, or approval of, the shareholders of the Company, to amend the **Option Agreement** in a manner that does not materially adversely affect the shareholders; and

3. any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such further agreements, documents and instruments and to do all such other acts and things as such director or officer may determine to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or thing being conclusive evidence of such determination."

Should Shareholders or Disinterested Shareholders fail to approve the Option Agreement Resolution by the requisite majority specified above, the Option Agreement will not become effective. The Board of Directors has determined that Option Agreement is in the best interest of the Company and unanimously recommends that the Shareholders vote FOR the Option Agreement Resolution.

Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the Option Agreement Resolution. **The discretionary authority granted by the enclosed proxy will be used by management to approve any amendments to the above resolution acceptable to it. In order to be effected this requires approval by: (a) a majority of not less than two-thirds (2/3) of**

the votes cast by Shareholders, who vote, in person or by proxy on the Option Agreement Resolution, and (b) a simple majority of the votes cast by Disinterested Shareholders, who vote, in person or by proxy on the Option Agreement Resolution.

Dissent Rights

Registered Shareholders have the right to dissent ("**Dissent Rights**") with respect to the Option Agreement Resolution, and those Registered Shareholders who validly exercise their right of dissent ("**Dissenting Shareholder**") to the Option Agreement Resolution will be entitled to be paid the fair value of their Shares by the Company, subject to strict compliance with Sections 237 to 247 of the BCBCA, substantially in the form attached to the Information Circular as Appendix "B".

The following description of a Shareholder's Dissent Rights is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder and is qualified entirely by reference to the full text of Sections 237 to 247 of the BCBCA attached as Appendix "B" to this Circular.

In general, any Registered Shareholder who dissents from the Option Agreement Resolution in compliance with Sections 237 to 247 of the BCBCA will be entitled, in the event that the Option Agreement becomes effective, to be paid by the Company the fair value of the common shares held by such Dissenting Shareholder determined as at the point in time immediately before the passing of the Option Agreement Resolution.

A Dissenting Shareholder shall be deemed to have sold the common shares for which the Dissent Rights have been exercised to the Company if the dissent is completed. In addition, in accordance with the restrictions set forth in Sections 237 to 247 of the BCBCA, no Shareholder who has voted in favour of the Option Agreement Resolution shall be entitled to dissent.

A Dissenting Shareholder who, for any reason, does not properly fulfill each of the dissent procedures in accordance with the requirements set out herein or who for any other reason is not entitled to be paid the fair value of the holder's common shares shall not be entitled to receive a cash payment for their shares.

A Shareholder who files as dissent notice (a "**Dissent Notice**") to exercise Dissent Rights may not vote in favour of the Option Agreement Resolution.

A Shareholder who wishes to dissent must deliver a Dissent Notice to the registered office of the Company at Unit 1 - 15782 Marine Drive, White Rock, British Columbia, V4B 1E6, Attention: Doris Meyer, Corporate Secretary, not less than 2 days prior to the time of the Meeting or any adjournment(s) or postponement(s) thereof. **If a Dissenting Shareholder also holds a beneficial interest in common shares, the registered owner of such shares must also dissent.**

The Dissent Notice must set out the number of common shares in respect of which the Dissent Notice is being sent and:

(a) if such common shares constitute all of the common shares of which the Shareholder is both the registered and beneficial owner and the Shareholder owns no other common shares, a statement to that effect;

(b) if such common shares constitute all of the common shares of which the Shareholder is both the registered and beneficial owner but if the Shareholder owns additional common shares beneficially, a statement to that effect and the names of the registered owners of such common shares, the number of common shares held by such registered owners and a statement that Dissent Notices have or will be sent with respect to such securities; or

(c) if the Dissent Rights are being exercised by a registered owner who is not also the beneficial owner of such common shares, a statement to that effect and the name of the beneficial owner

and a statement that the registered owner is dissenting with respect to all common shares of the beneficial owner registered in such registered owner's name.

The Company is required, promptly after the later of: (i) the date on which the Option Agreement becomes effective; and (ii) the date on which the Dissent Notice was received, to notify each Dissenting Shareholder when the Option Agreement becomes effective. Upon receipt of such notification, each Dissenting Shareholder is then required, if the Dissenting Shareholder wishes to proceed with the dissent, within one month after the date of such notice to send to the Company: (a) a written statement that the Dissenting Shareholder requires the Company to purchase all of its common shares; (b) the certificates representing such common shares; and (c) if the Dissent Right is being exercised by the Dissenting Shareholder on behalf of a beneficial owner who is not the registered owner, a statement to that effect and the name of the beneficial owner and a statement that the registered owner is dissenting with respect to all common shares of the beneficial owner registered in such registered owner's name. A Shareholder who fails to send to the Company within the required time frame, the written statements described above and the certificates representing the Shares in respect of which the Dissenting Shareholder dissents, forfeits the Shareholder's right to dissent.

On sending the required documentation to the Company, the fair value for the Dissenting Shares will be determined as follows:

(a) if the Company and a Dissenting Shareholder agree on the fair value of the common shares, then the Company must promptly pay that amount to the Dissenting Shareholder unless the Company is insolvent or payment would render the Company insolvent in which case it must promptly send notice to the Dissenting Shareholder that the Company is lawfully unable to pay the Dissenting Shareholder for its common shares; or

(b) if a Dissenting Shareholder and the Company are unable to agree on a fair value, the Dissenting Shareholder may apply to the Court to determine the fair value of the common shares, and the Company must pay to the Shareholder the fair value determined by the Court unless the Company is insolvent or payment would render the Company insolvent in which case it must promptly send notice to the Dissenting Shareholder that the Company is lawfully unable to pay the Dissenting Shareholder for its common shares.

If the Company is insolvent or would be rendered insolvent by making the payment to the Dissenting Shareholders, Dissenting Shareholders will have 30 days to elect to either: (a) withdraw their dissent; or (b) retain their status as a claimant and be paid as soon as the Company is lawfully able to do so or, in a liquidation, be ranked subordinate to its creditors but in priority to its shareholders.

If the Option Agreement does not become effective for any reason, Dissenting Shareholders will not be entitled to be paid the fair value for their common shares, and such common shares will not be deemed to be transferred to the Company.

The discussion above is only a summary of the Dissent Procedures which are technical and complex. A Shareholder who intends to exercise his or her Dissent Right should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA. Persons who are Non-Registered owners of common shares registered in the name of an intermediary such as a broker, custodian, nominee, other intermediary, or in some other name, who wish to dissent should be aware that only the registered owner of such shares is entitled to dissent. It is suggested that any Shareholder wishing to avail himself or herself of the Dissent Rights seek his or her own legal advice, as failure to comply strictly with the applicable provisions of the BCBCA and this Information Circular may prejudice the availability of such Dissent Rights. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time consuming and expensive process.

PART 4 - EXECUTIVE COMPENSATION

Named Executive Officers

"Named Executive Officers" and "NEOs" means each of the following individuals:

(a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of the company 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, as determined in accordance with subsection 1.3(5), for that financial year;

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

During the most recent fiscal year ended December 31, 2019, the Company had five NEOs.

Table of compensation excluding stock options and compensation securities

Name and position	Year	Salary [1], consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation [2] ($)	Total compensation ($)
Brian Lock, Interim CEO and Director	2019 2018	265,000 265,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	265,000 265,000
Golden Oak Corporate Services Ltd., Chief Financial Officer and Corporate Secretary [3]	2019	108,333	Nil	Nil	Nil	Nil	108,333
Gilbert Comtois,[4] CFO	2019 2018	130,520 202,500	Nil Nil	Nil Nil	Nil Nil	Nil 10,125	130,520 212,625

Chris Zerga,[5] President	2019 2018	265,360 259,530	Nil Nil	Nil Nil	Nil Nil	Nil 12,022	265,360 271,552
David LaCount, Mine Controller	2019 2018	179,118 175,183	Nil Nil	Nil Nil	Nil Nil	8,017 8,847	187,135 184,030
Alan Wilson, Maintenance Manager	2019 2018	172,484 168,695	Nil Nil	Nil Nil	Nil Nil	8,017 7,421	180,501 175,116
Peter J. Hawley,[6] Director and Chairman	2019 2018	70,000 70,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	70,000 70,000
Peter Tegert, Director	2019	25,000	Nil	Nil	Nil	Nil	25,000
Peter Brieger, Director	2019 2018	30,000 30,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	30,000 30,000
Ian Dawson, Director	2019	5,000	Nil	Nil	Nil	Nil	5,000
Bruce Dawson, Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
Luc Pelchat[7] , Director	2019 2018	22,500 30,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	22,500 30,000
Murray Bockhold [6]	2019	5,000	Nil	Nil	Nil	Nil	5,000

Notes:

(1) Where necessary, salary or all other compensation, paid or payable in United States ("US") dollars, was converted from US to Canadian dollars using the exchange rate of 1.3268 and 1.30 in 2019 and 2018 respectively, that prevailed during the period during which the NEOs were paid.

(2) Amounts for "All other compensation" represent amounts paid as the Company's contribution to the NEO's RRSP/401(k) account.

(3) Consulting fees are paid to Golden Oak Corporate Services Ltd., which provide Dan O'Brien and Doris Meyer's services to the Company as Chief Financial Officer and Corporate Secretary respectively. Golden Oak was engaged June 30, 2019

(4) Gilbert Comtois resigned as Chief Financial Officer of the Company on June 10, 2019.

(5) Chris Zerga resigned as President of the Company on July 31, 2020.

(6) Peter Hawley did not stand for re-election

(7) Luc Pelchat resigned as a Director of the Company on October 30, 2019.

External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide management services to the Company, directly or indirectly.

Stock Options and Other Compensation Securities

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Brian Lock, CEO, Director	Options	750,000 1.2%	June 5, 2019	$0.10	$0.10	$0.11	June 5, 2024
Peter Hawley, Director	Options	350,000 0.56%	June 5, 2019	$0.10	$0.10	$0.11	June 5, 2024
Peter Brieger, Director	Options	150,000 0.24%	June 5, 2019	$0.10	$0.10	$0.11	June 5, 2024
Peter Tegart, Director	Options	150,000 0.24%	June 5, 2019	$0.10	$0.10	$0.11	June 5, 2024
Chris Zerga, President	Options	350,000 0.56%	June 5, 2019	$0.10	$0.10	$0.11	June 5, 2024
David LaCount, Controller Mine Site	Options	150,000 0.24%	June 5, 2019	$0.10	$0.10	$0.11	June 5, 2024
Alan Wilson, Maintenance Manager	Options	150,000 0.24%	June 5, 2019	$0.10	$0.10	$0.11	June 5, 2024
Luc Pelchat, Director	Options	150,000 0.24%	June 5, 2019	$0.10	$0.10	$0.11	June 5, 2024

Gilbert Comtois Former CFO	Options	150,000 0.24%	June 5, 2019	$0.10	$0.10	$0.11	June 5, 2024

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Notes:

(1) Each stock option entitles the holder to purchase one common share of the Company, each stock option fully vests on date of grant.

(2) This figure represents the number of underlying common shares issuable upon exercise of the stock option as a percentage of the total issued and outstanding common shares of the Company at December 31, 2019, being 62,747,118 shares.

No compensation securities were exercised by any NEO or director of the Company during the most recently completed financial year ended December 31, 2019.

As of December 31, 2019, the total compensation securities held by NEO's and directors of the Company, including the stock options granted in the year ended December 31, 2019, were as follows

Name and position	Type of compensation security	Total number of compensation securities	Total number of common share underlying compensation securities
Brian Lock, CEO, Director	Stock Options	887,500	887,500
Peter Hawley, Director	Stock Options	600,000	600,000
Peter Brieger, Director	Stock Options	225,000	225,000
Peter Tegart, Director	Stock Options	150,000	150,000
Chris Zerga, President	Stock Options	550,000	550,000
David LaCount, Controller Mine Site	Stock Options	262,500	262,500
Alan Wilson, Maintenance Manager	Stock Options	150,000	150,000
Luc Pelchat, Director	Stock Options	287,500	287,500
Gilbert Comtois	Stock Options	300,000	300,000

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

As described in Part 3, Item 4, the Company has in place the 2013 Option Plan pursuant to which the Company may grant incentive stock options to directors, officers, employees, and consultants of the Company or any of its affiliates ("**Eligible Persons**"). In accordance with the rules and policies defined in Part 3, Item: 4, shareholders must each year approve the Option Plan – see Part 3, Item: 4. - Approval of Renewal of Stock Option Plan.

The Board is of the view that it is in the best interests of the Company to approve the renewal of the Option Plan, which will enable the Board to grant options to Eligible Persons as a means of rewarding positive performance and providing incentive to attract and retain personnel to effectively manage the affairs of the Company.

The Company does not have any other compensation security plans.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

The Company has the following arrangements in respect of remuneration received or that may be received by the NEOs in the Company's most recently completed fiscal year ended December 31, 2019 in respect of compensating such officers in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control.

Golden Oak Corporate Services Ltd. ("Golden Oak")

Pursuant to a consulting agreement (the "**Golden Oak Agreement**") between the Company and Golden Oak, which through Golden Oak provides services as the CFO and Corporate Secretary, dated effective June 10, 2019, the CFO and Corporate Secretary receive an annual fee of $200,000 for providing services as CFO and Corporate Secretary respectively.

If the Company terminates the Golden Oak Agreement without cause, the Company is required to pay to Golden Oak an amount equal to the annual fee.

The estimated incremental payments from the Company to Golden Oak on (i) termination or resignation of employment following a Change of Control; (ii) termination without cause, assuming the triggering event occurred on December 31, 2019, are as follows:

Name	Base Fee Value ($)	Bonus Value ($)	Benefits Value ($)	Total Estimated Incremental Payment [(1)] ($)
Golden Oak	200,000	Nil	Nil	200,000

DIRECTORS' AND OFFICERS' INSURANCE

The Company procures a comprehensive directors' and officers' liability insurance program. Subject to policy conditions, this program is intended to cover each individual's liability arising from their duties as a director or officer of the Company provided, they acted honestly and in good faith with a view to the best interests of the Company.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NEO COMPENSATION

Compensation Discussion and Analysis

The Company's executive compensation program is administered by the Compensation Committee consisting of three directors of the Board of Directors, the majority of whom are independent. The Compensation Committee has, as part of its mandate, the responsibility for reviewing recommendations from management for subsequent approval by the Board of Directors with respect to the appointment and remuneration of executive officers of the Company. The Compensation Committee also monitors the

performance of the Company's executive officers and reviews the design and competitiveness of the Company's executive compensation plans.

Composition of Compensation Committee

In 2019, the Compensation Committee consisted of Luc Pelchat and Peter Brieger (both independent) and Peter Hawley (Mr. Hawley was the CEO of the Company until November 1, 2016 and he is not considered to be independent). Luc Pelchat resigned as a director on October 30, 2019 and Ian Dawson was appointed as an independent member of the Compensation Committee. Given Peter Hawley is not standing for re-election the Board of Directors will appoint a replacement to the Compensation Committee after the Meeting

The Board of Directors is of the view that the members of the Compensation Committee collectively have the knowledge, skills, experience and background to make decisions on the suitability of the Company's compensation policies and practices.

Relevant Experience of the Compensation Committee

Peter J. Hawley

Peter J. Hawley, founder of Scorpio Mining Corporation (renamed Americas Silver Corporation), served as CEO of that company from 1998 until November 2010 and is currently a director. He has over 30 years of mining industry experience that spans grassroots exploration through to development and production and has worked extensively with a large number of intermediate and senior mining companies including Teck, Noranda, Placer Dome and Barrick Gold. Mr. Hawley is also highly experienced in private and public company financing and corporate administration.

Peter Brieger

Peter Brieger has over 50 years' experience in Canadian investment business as a securities research analyst, market strategist and portfolio manager. Mr. Brieger is the co-founder of GlobeInvest Capital Management Inc. and built it into a nationally recognized portfolio management firm where he is currently Honorary Chairman.

Ian Dawson

Ian G. Dawson BA, MBA, President Dawson Group Limited. The Dawson Group is primarily involved in Construction (1922), Road Maintenance (1988) and Truck Sales, Service and Leasing (1991). Mr. Dawson has the necessary experience that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised at the Compensation Committee.

Luc Pelchat

Luc Pelchat has significant experience in business, human resources and financings in Canada, Mexico and Africa. Mr. Pelchat is also the founder of the Chamber of Commerce of Canada in the north of Mexico. Mr. Pelchat has over 15 years' experience as an executive of various companies. Mr. Pelchat resigned as a director on July 31, 2020.

DIRECTOR COMPENSATION PROGRAM

Compensation of directors of the Company is reviewed annually and determined by the Board of Directors. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

Each non-management director is paid an annual retainer of $30,000 and the Chairman an additional $40,000 a year. In 2017 each director accrued and deferred payment of $7,500 and in 2018 each director deferred payment of $30,000 all of which was paid in 2019. All board fees were cancelled until further notice on April 1, 2020.

In the Board of Director's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board of Directors considers option grants to directors under the Company' Stock Option Plan from time to time, the Board of Directors does not employ a prescribed methodology when determining the grant or allocation of stock options. Other than the Stock Option Plan, as discussed above, the Company does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

EXECUTIVE COMPENSATION PROGRAM

While the Board of Directors has not adopted a written program concerning the compensation of NEOs, it has developed a consistent approach relating to executive compensation. The objective in the determination of executive compensation is the need to provide total compensation packages that will:

- ensure external competitiveness by developing and maintaining compensation levels that reflect current market rates of pay;
- promote pay-for-performance levels that reward consistently high-performance levels;
- provide the Company with the resources to recruit and retain a highly capable work force; and
- establish incentives to develop and achieve performance targets that maximize the success and value of the Company to the benefit of the Company's shareholders and other stakeholders.

The Company's executive compensation program is based on a pay-for-performance philosophy. It is designed to retain, encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and the long-term. The Compensation Committee reviews and recommends to the Board of Directors base salaries based on a number of factors enabling the Company to compete for and retain executives critical to the Company's long-term success. Incentive compensation in the form of cash bonuses is directly tied to corporate and individual performance. Share ownership opportunities through stock options are provided to align the interests of executive officers with the longer-term interests of shareholders. Independent consultants may be retained on an as needed basis by the Company to assess its executive compensation program.

Compensation for the NEO's, as well as for executive officers of the Company as a whole, consists of a base salary, along with annual incentive compensation in the form of consideration for a discretionary annual bonus, and a longer-term incentive in the form of grants of stock options. The Company attempts to

pay competitively in the aggregate as well as deliver an appropriate balance between annual compensation (base salary and discretionary cash bonuses) and long-term compensation (stock options). The relative portions of annual compensation and long-term incentives for the CEO are intended to provide a significant portion of the executive's compensation through long-term incentives.

In determining specific compensation amounts for the NEOs, the Compensation Committee considers factors such as experience, individual performance, length of service, role in achieving corporate objectives, positive production, exploration and development results, stock price, and compensation compared to other employment opportunities for executives. As an executive officer's level of responsibility increases, a greater percentage of total compensation is based on performance (as opposed to base salary and standard employee benefits) and the mix of total compensation shifts towards annual bonuses, and in particular, stock options, thereby increasing the mutuality of interest between executive officers and shareholders. The Company does not have precise criteria or formulas to determine global remuneration of NEO's and uses its senior officers and Board of Directors' experience and knowledge of the market to do so. The Company's compensation program is designed to reward NEO's for the success of the Company in achieving its technical and financial objectives.

Compensation Risk Assessment and Mitigation

Although the Company does not have formal policies specifically targeting risk taking in a compensation context, the practice of the Compensation Committee and the Board of Directors is to consider all factors related in an executive's performance, including any risk mitigation efforts, in determining compensation.

Under the Company's policies, NEOs and directors are not permitted to purchase financial instruments, (including, 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 securities of the Company granted as compensation or held, directly or indirectly, by the NEO or director.

The Company operates in a volatile market and the following elements of the compensation package are required to provide the motivation to NEO's and other employees and achieve retention of the Company's skilled people in such market.

Base Salary

Senior management of the Company make recommendations to the Compensation Committee, as applicable, as to base salaries for officers and employees at all levels of the Company based on assigned responsibilities, the performance of each of the officers and employees as well as the overall financial performance of the Company. The level of base salary for each employee within a specified range is determined by the level of past performance as well as by the level of responsibility, the importance of the position to the Company and market factors. The NEO's employment contracts will be reviewed periodically and adjusted as a result of the economic situation in which the Company finds itself, subject to acceptance of the NEO's.

Annual Discretionary Bonuses

The Board of Directors determines, on a discretionary basis, incentive awards or bonuses to be paid by the Company to the executive officers of the Company, if any, in respect of a particular fiscal year, following recommendations from the Compensation Committee. The CEO makes recommendations to the Compensation Committee who determine, on a discretionary basis, bonuses to be paid by the Company to

all other eligible employees and consultants of the Company in respect of a fiscal year. Corporate performance is assessed by reference to a number of factors, including the Company's progress and development, corporate and operations efficiency and success in enhancing shareholder value. Individual performance is measured by reviewing personal performance and other significant factors, such as level of responsibility and importance of the position to the Company. The individual performance factor allows the Company to recognize and reward those individuals whose efforts have particularly assisted the Company to attain its corporate performance objectives.

DEFINED BENEFIT OR ACTUARIAL PLAN DISCLOSURE

The Company does not provide retirement benefits for its NEO's other than as referred to herein.

BENEFITS AND PERQUISITES

The Company's NEOs do not receive perquisites or benefits that are not generally available to all employees of the Company. All the Company's employees receive reimbursement for the use of personal vehicles for valid Company business.

PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information in respect of securities authorized for issuance under the Company's equity compensation plans as at December 31, 2019.

Plan Category	Number of securities to be issued on exercise	Weighted-average exercise price of outstanding securities	Number of securities available for future issuance
Equity compensation plans approved by shareholders (1)	5,190,000	C$0.21	1,057,412
Equity compensation plans not approved by shareholders	-	-	-
Total	5,190,000	C$0.21	1,057,412

Notes:

(8) The Stock Option Plan is detailed under the heading Part 3: Business of the Meeting – "Renewal of Stock Option Plan".

PART 6 – AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), companies are required to provide disclosure with respect to their audit committee including the text of the audit committees charter, composition of the audit committee and the fees paid to the external auditor. Accordingly, the Company provides the following disclosure with respect to its Audit Committee.

CHARTER OF THE AUDIT COMMITTEE

The Audit Committee has a charter that sets out its mandate and responsibilities. A copy of the charter is attached to this Information Circular as Appendix "A"'.

COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Audit Committee are Messrs. Brieger, Hawley and I. Dawson [(1)] all of whom are financially literate [(2)]. Given Peter Hawley is not standing for re-election the Board of Directors will appoint a replacement to the Audit Committee after the Meeting.

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgement. Mr. Hawley is not independent as he receives fees for acting as Chairman of the Company. See "Part 4 – Executive Compensation".

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

RELEVANT EDUCATION AND EXPERIENCE

Certain members of the Audit Committee are independent, and all are financially literate. Mr. Brieger is the Chair of the Audit Committee. Peter Hawley was a member of the Audit Committee and as he is not standing for re-election at the Meeting the elected Board will choose a replacement member at a Board meeting to immediately follow the Meeting. The relevant education and experience of such members is as follows:

PETER BRIEGER

Mr. Brieger has over 50 years' experience in Canadian investment business as a securities research analyst, market strategist and portfolio manager. Mr. Brieger is the co-founder of GlobeInvest Capital Management Inc. and built it into a nationally recognized portfolio management firm where he is currently Honorary Chairman.

IAN DAWSON

Ian G. Dawson BA, MBA, President Dawson Group Limited. The Dawson Group is primarily involved in Construction (1922), Road Maintenance (1988) and Truck Sales, Service and Leasing (1991). Mr. Dawson is considered to be "financially literate" in that he has the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's consolidated financial statements.

Based on their business and educational experiences, each Audit Committee member has a reasonable understanding of the accounting principles used by the Company; an ability to assess the general application of such principles in connection of the accounting for estimates, accruals and reserves; experience analyzing and evaluating financial statements that present a breadth and level of complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

AUDIT COMMITTEE OVERSIGHT

At no time was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

RELIANCE ON CERTAIN EXEMPTIONS

The Company has not relied on the exemptions contained in sections 2.4 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the external auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the external auditor in the fiscal year in which the non-

audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

In providing Audit Committee disclosure in this information circular, the Company is relying on the exemption in Section 6.1 of NI 52-110.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee is authorized by the Board of Directors to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work which the Chairman of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.

EXTERNAL AUDITOR SERVICE FEES

Except as noted, all dollar amounts herein are in Canadian dollars. Fees, for professional services rendered by Davidson & Company LLP to the Company were:

	Fiscal Year Ended December 31, 2019 ($)	Fiscal Year Ended December 31, 2018 ($)
Audit Fees (1)	80,000	80,000
Audit Related Fees (2)	Nil	Nil
Tax Fees (3)	6,500	35,000
All other Fees (4)	Nil	15,000

Notes:

(1) "Audit Fees" represent the fees for the audit of the Company's consolidated financial statements for the fiscal year ended December 31, 2019, and December 30, 2018.

(2) "Audit Related Fees" represent the fees for the review of the Company's interim consolidated financial statements and services normally provided by the accountant in connection with the Company's interim statutory and regulatory filings.

(3) "Tax Fees" represent the fees for tax services consisting of tax compliance and tax planning and advice.

(4) "All Other Fees" represent the fees for products and services not disclosed in (2), (3) or (4) above.

PART 7 - CORPORATE GOVERNANCE DISCLOSURE

On June 30, 2005, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**") came into force in every province and territory in Canada. In addition, the Company is subject to NI 52-110 which has been adopted in various Canadian provinces and territories and which prescribes certain requirements in relation to audit committees and defines the meaning independence with respect to directors. There instruments and policies reflect current regulatory guidelines of the Canadian Securities Administrators ("**CSA**"). The following is a summary of Scorpio Gold's approach to Corporate Governance.

INDEPENDENCE OF MEMBERS OF BOARD

The Board of Directors consists of six directors, four of whom are independent based upon the tests for independence set forth in NI 52-110. Brian Lock is not independent as the Company incurred consulting fees to Brigill Investments Ltd., a firm controlled by Brian Lock and is the current Chief Executive Officer. Chris Zerga is not independent as he was until July 31, 2020, the President of the Company. Peter Brieger, Peter Tegart, Ian Dawson and Bruce Dawson are independent.

MANAGEMENT SUPERVISION BY BOARD

The operations of the Company do not support a large board of directors and the Board has determined that the current size and constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability, having strong independent Board members and implementing reporting mechanisms to inform the Board of management's operation of the Company. The independent directors are able to meet at any time without any members of management including the non-independent director being present.

DIRECTORSHIPS

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

Name of Director	Directorships (other reporting issuer or equivalent in a foreign jurisdiction)
Brian Lock	Castle Peak Mining Ltd. San Marco Resources Inc.
Peter Brieger	GlobeInvest Capital Management Inc.
Peter Tegart	Finlay Minerals Corp. Nortec Minerals Corp. Tesoro Minerals Corp.

Mr. Hawley was the Chair of the Board until this Meeting. It has not yet been determined if Board will appoint a replacement Chair.

ORIENTATION AND CONTINUING EDUCATION

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
2. access to management and technical experts and consultants;
3. copies of all Company policies; and
4. a summary of significant corporate and securities law responsibilities.

Board members are encouraged to communicate with management, auditors, legal advisors and technical consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

ETHICAL BUSINESS CONDUCT

The Board views good corporate governance as an integral component to the success of the Company and to meeting its responsibilities to shareholders. The Board has adopted a Code of Business Conduct and Ethics, as amended (the "**Code**"). The Code has been filed on SEDAR and is available under the Company's profile at www.sedar.com.

The Audit Committee ensures that all directors, officers and employees abide by the Code. The Audit Committee has not been advised of any conduct of the directors, officers or employees of the Company that constitutes a departure from the Code.

The Code has been developed to communicate to directors, officers and employees standards for business conduct in the use of Company time, resources and assets and, to identify and clarify proper conduct in areas of potential conflict of interest. Each director, officer and employee is provided with a copy of the Code, and if requested by the Company asked to sign an acknowledgement that the standards and principles of the Code will be maintained at all times on the Company's business.

The Code is designed to deter wrongdoing and promote (a) honest and ethical conduct; (b) compliance with laws, rules and regulations; (c) prompt internal reporting of Code violations; and (d) accountability for adherence to the Code. Violations from standards established in the Code, and specifically under "Whistleblower" situations, are reported to the Chairperson of the Audit Committee and can be reported anonymously. The Chairperson of the Audit Committee will report to the Board any reported violations at least quarterly or, more frequently depending on the specifics of the reported violation. To date there have been no reported violations of the Code.

NOMINATION OF DIRECTORS

The Company has a Nomination and Corporate Governance Committee, the majority of the members which are directors independent of management, which has the responsibility for identifying potential Board candidates. The Nomination and Corporate Governance Committee assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mineral exploration industry are consulted for possible candidates. If a candidate looks promising, the Nomination and Corporate Governance Committee will conduct due diligence on the candidate and, if the results of the due diligence are satisfactory, the candidate is invited to join the Board.

COMPENSATION OF DIRECTORS, THE CHIEF EXECUTIVE OFFICER AND OTHER KEY OFFICERS

The Company has a Compensation Committee, who until the date of this Meeting was composed of Peter Brieger, Peter Hawley and Ian Dawson. Peter Hawley is not standing for re-election at the Meeting and the elected Board will choose a replacement member at a Board meeting to immediately follow the Meeting.

The Compensation Committee have the responsibility for determining compensation for the directors and senior management.

For a discussion of the factors considered by the Compensation Committee in determining the compensation payable to the Chief Executive Officer and other key officers, see "Part 4 – Executive Compensation".

BOARD COMMITTEES

The Board has no other Committees.

ASSESSMENTS

The Board does not consider that formal assessments of the Board, its committees and individual directors would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. As part of the assessments, the Board or the individual committees may review its mandate and conduct reviews of applicable corporate policies.

PART 8 – OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS

Since January 1, 2019, the beginning of the Company's last completed financial year, no current or former director, executive officer or employee of the Company, or of any of its subsidiaries, has been indebted to the Company or to any of subsidiaries, nor has any of these individuals been indebted to another entity

which indebtedness is the subject guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular, there are no material interests, direct or indirect, of any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

Management functions of the Company are not performed, to any substantial degree, by a person or persons other than the directors or executive officers of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year ended December 31, 2019, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon, other than the election of directors or the renewal of the Option Plan.

OTHER BUSINESS

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the form of the Proxy to vote the Shares represented in accordance with their best judgment on the matter.

ADDITIONAL INFORMATION

You may obtain additional financial information about Scorpio Gold in our Financial Statements and Management's Discussion and Analysis for the fiscal year ended December 30, 2019, by completing the enclosed Financial Statement Request Form, which is being mailed with this Information Circular. Copies may be obtained free of charge upon request to the Company at Unit 1 – 15782 Marine Drive, White Rock, B.C. Canada V4B 1E6 – telephone: +1 (604) 536-2711 | fax: +1 (604) 536-2788. You may also access our disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com or the Company's website at www.scorpiogold.com.

BOARD APPROVAL

The contents of this Information Circular have been approved, and its mailing has been authorized by the Directors of the Company.

Dated at White Rock, British Columbia, this 2nd day of September 2020.

ON BEHALF OF THE BOARD,

"Brian Lock"

Chief Executive Officer and Director

APPENDIX "A"

AUDIT COMMITTEE CHARTER

(Adopted by the Board of Directors on December 1, 2009)

A. PURPOSE

The overall purpose of the Audit Committee (the "**Committee**") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Corporation and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the "**Board**").

2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.

4. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

5. The Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

6. Meetings of the Committee shall be conducted as follows:

    (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

    (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

    (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

7. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

C. ROLES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:

    (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;

    (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;

    (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and

    (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.

2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

    (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;

    (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;

    (c) review the audit plan of the external auditors prior to the commencement of the audit;

    (d) to review with the external auditors, upon completion of their audit:

        (i) contents of their report;

        (ii) scope and quality of the audit work performed;

        (iii) adequacy of the Corporation's financial and auditing personnel;

        (iv) co-operation received from the Corporation's personnel during the audit;

        (v) internal resources used;

        (vi) significant transactions outside of the normal business of the Corporation;

        (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and

        (viii) the non-audit services provided by the external auditors;

    (e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and

    (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

3. The duties and responsibilities of the Committee as they relate to the Corporation's internal auditors are to:

(a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;

(b) review and approve the internal audit plan; and

(c) review significant internal audit findings and recommendations, and management's response thereto.

4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

(a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

(b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;

(c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and

(d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

5. The Committee is also charged with the responsibility to:

(a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;

(b) review and approve the financial sections of:

(i) the annual report to shareholders;

(ii) the annual information form;

(iii) annual and interim MD&A;

(iv) prospectuses;

(v) news releases discussing financial results of the Corporation; and

(vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;

(c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;

(d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;

(e) review and report on the integrity of the Corporation's consolidated financial statements;

(f) review the minutes of any audit committee meeting of subsidiary companies;

(g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;

(h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and

(i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

APPENDIX "B"

DISSENT PROCEDURES IN PART 8, DIVISION 2 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

Pursuant to the *Business Corporations Act* (British Columbia), registered shareholders of the Company have the right to dissent in respect of the Option Agreement Resolution. The full text of Division 2 (Dissent Proceedings) of Part 8 (Proceedings) of the *Business Corporations Act* (British Columbia) is set out below.

Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2)

(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(d) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(e) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company,

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(a) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that

beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered

owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before

payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.