

MANAGEMENT INFORMATION CIRCULAR
as at **January 12, 2021**

This management information circular (“Information Circular”) is furnished in connection with the solicitation of proxies by management of Arcus Development Group Inc. (the “Company”) for use at the annual general meeting (the “Meeting”) of shareholders of the Company (the “Shareholders”) to be held on February 16, 2021 and any adjournment or postponement thereof, for the purposes set forth in the attached notice of Meeting. Except where otherwise indicated, the information contained herein is stated as of January 12, 2021.

In this Information Circular, references to the “**Company**” and “**we**” refer to Arcus Development Group Inc. “**Common Shares**” means common shares without par value in the capital of the Company. “**Registered Shareholders**” means Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “**Non-Registered Shareholders**” means Shareholders who do not hold Common Shares in their own name. “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

INTRODUCTION

In order to comply with measures imposed by the federal and provincial governments related to the COVID-19 pandemic, and to mitigate risks to the health and safety of our communities, Shareholders, and other stakeholders, unless we advise otherwise by way of news release, **the Meeting will be held by way of video conference only.** Registered shareholders and validly appointed proxyholders may attend the Meeting by contacting Ian Talbot at ian@arcusdevelopmentgroup.com to obtain a web link that will permit them to attend the Meeting by video conference.

Due to the COVID-19 pandemic in person voting will not be permitted at the Meeting. If you are a Registered Shareholder and wish to have your vote counted, you will be required to complete, date, sign and return, in the envelope provided for that purpose, the accompanying form of proxy (“**Proxy**”) for use at the Meeting or any adjournment thereof (or vote in one of the other manners described below under the heading “Appointment and Revocation of Proxies”).

If you are a Non-Registered Shareholder and have received this Notice of Meeting and accompanying materials through an Intermediary, please complete and return the voting instructions form (“**VIF**”) provided to you in accordance with the instructions provided therein.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners). As a result, objecting beneficial owners will not receive the Meeting materials unless their Intermediary assumes the costs of delivery.

Appointment and Revocation of Proxies

The individuals named in the accompanying Proxy are officers or directors of the Company, or solicitors for the Company. **If you are a Registered Shareholder, you have the right to attend the Meeting or vote by proxy and to appoint a person or company other than the person designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting.** You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy.

If you are a Registered Shareholder and wish to have your shares voted at the Meeting, you will be required to submit your vote by proxy. **Due to the COVID-19 pandemic in person voting will not be permitted at the Meeting.** Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), in accordance with the instructions on the Proxy. Alternatively, Registered Shareholders may vote their shares via the internet or by telephone as per the instructions provided on the Proxy.

The Proxy must be received at least 48 hours before the Meeting or the adjournment thereof at which the Proxy is to be used.

Registered Shareholders electing to submit a Proxy may do so by:

- (i) **Internet:** Vote online at www.investorvote.com using the Proxy Control Number found in the enclosed Proxy;
- (ii) **Mail:** Completing, dating and signing the enclosed Proxy and returning it to the Company's transfer agent, Computershare, by fax within North America at 1-866-249-7775, or by mail or hand delivery at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada; or
- (iii) **Telephone:** Using a touch-tone phone to transmit voting choices to the toll-free number given in the Proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll-free number, the holder's account number and the Proxy Control Number.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Registered Shareholder or by his/her attorney authorized in writing or, where the Registered Shareholder is a company, by a duly authorized officer or attorney of the company; and
- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof,

or in any other manner provided by law.

Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders 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. If you are a Non-Registered Shareholder, see "Voting by Non-Registered Shareholders" below for further information on how to vote your Common Shares.

Exercise of Discretion by Proxyholder

If you vote by proxy, the persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified;
- (ii) any amendment to or variation of any matter identified therein;

(iii) any other matter that properly comes before the Meeting; and

(iv) the exercise of discretion of proxyholder.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter. Management is not currently aware of any other matters that could come before the Meeting.

Given the fact that voting will only be permitted by proxy due to the COVID-19 pandemic, Management does not intend to allow matters not contemplated in the Notice of Meeting to be considered at the Meeting.

Voting by Non-Registered Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the VIF received from Computershare or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The VIF supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The VIF sent by Computershare or Broadridge will name the same persons as the Company's Proxy to represent you at the Meeting. As a Non-Registered Shareholder you may not be recognized directly at the Meeting. In order to attend the meeting or appoint a proxyholder of your own choosing to attend the meeting, you should insert your own name or the name of the desired representative in the blank space provided in the VIF. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as proxyholder for your Intermediary. The completed VIF should be returned in accordance with the instructions on the form.

If you receive a VIF from Computershare or Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The VIF must be completed and returned in accordance with its instructions well in advance of the voting deadline in order to have your Common Shares voted at the Meeting.

Voting by Proxy Generally

Proxies will not be accepted at the Meeting. All Proxies must be submitted to Computershare by 10:00 a.m. (*Pacific Standard time*) on Thursday, February 11, 2021 (the "**Proxy Deadline**"). Registered shareholders and validly appointed proxyholders may attend the Meeting by contacting Ian Talbot at ian@arcusdevelopmentgroup.com to obtain a web link that will permit them to attend the Meeting by video conference.

As there will be no in person attendance or voting at the Meeting, votes received by the Proxy Deadline for each matter set out in the Notice will be tabulated in advance of the Meeting by Computershare and compiled in a Proxy report (the "**Proxy Report**"). The determination as to whether a particular matter has been approved, a particular individual has

been appointed or a particular resolution has been passed will be made solely on the basis of the voting results set out in the Proxy Report. Since no in person voting will be permitted due to the COVID-19 pandemic and voting results respecting matters set out in the Notice will be determined solely on the basis of the voting results set out in the Proxy Report, **no ballots will be permitted at the Meeting**. All results will be determined by reference to the Proxy Report. Management of the Company will advise at the Meeting the voting results for each matter set out in the Proxy Report and Shareholders will be entitled to request a copy of the Proxy Report from Management after the Meeting.

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

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and as set out herein. For the purpose of this paragraph, “person” shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company’s last financial year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b).

RECORD DATE AND QUORUM

The board of directors (the “**Board**”) of the Company has fixed the record date for the Meeting as the close of business on January 12, 2020 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Company’s articles, the quorum for the transaction of business at a meeting of Shareholders is one person who is a shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of shareholders, present in person or by proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

On the Record Date, there were 61,878,065 Common Shares issued and outstanding, with each Common Share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by Proxy at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, the beneficial owners or persons exercising control or direction over Common Shares carrying 10% or more of the outstanding voting rights are:

Name	Number of Common Shares ⁽¹⁾	Approximate % of Total Issued
ATAC Resources Ltd.	11,399,910	18.42%

(1) The above information was derived from the shareholder list maintained by the Company’s registrar and transfer agent, or from insider and beneficial ownership reports available at www.sedi.com and www.sedar.com.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company’s directors, the only matters to be placed before the Meeting are those set forth in the accompanying notice of Meeting and more particularly discussed below.

ITEM 1. Presentation of Financial Statements

The annual financial statements of the Company for the financial year ended July 31, 2020, together with the auditor’s reports thereon, will be placed before the Meeting. The Company’s financial statements are available on the System of Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

ITEM 2. Fixing the Number of Directors and Election of Directors

The Company proposes to fix the number of directors of the Company at five (5) and to nominate the persons listed below for election as directors. Each director 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. Management does not contemplate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the Common Shares represented by Proxy for the election of any other person or persons as directors.

The following table sets out the names of the management nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares which each beneficially owns or over which control or direction is exercised.

Name, Residence and Present Position within the Company	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised⁽¹⁾	Principal Occupation⁽¹⁾
Ian J. Talbot British Columbia <i>Director, President and Chief Executive Officer</i>	June 6, 2006	2,688,382	Chief Operating Officer of ATAC Resources Ltd., Strategic Metals Ltd., Silver Range Resources Ltd. and Rockhaven Resources Ltd.
Grant Longhurst⁽²⁾ British Columbia <i>Director</i>	August 4, 2006	389,215	Marketing and corporate communications consultant.
James Gray⁽²⁾ British Columbia <i>Director and Chief Financial Officer</i>	August 4, 2006	1,213,929	Chartered Professional Accountant, Chartered Accountant.
P. Gary Paulson British Columbia <i>Director</i>	August 4, 2006	3,030,952	President of Falcon Drilling Ltd.
Marc Blythe⁽²⁾ British Columbia <i>Director</i>	November 30, 2010	18,500	Consulting mining engineer (January 2013 to October 2017, and March 2019 to present). Vice President of Corporate Development of Nexsun Resources Ltd. (November 2017 to February 2019).

Notes:

- ⁽¹⁾ The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees. Unless otherwise stated above, any nominees named above have held the principal occupation or employment indicated for at least the five preceding years.
- ⁽²⁾ Member of the audit committee of the Company.

Except as otherwise disclosed below, to the knowledge of the Company, no proposed director of the Company is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to an order that was issued after the proposed director 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.

For the purposes of subsection (a) above, “**order**” means:

- (i) a cease trade order;
- (ii) an order similar to a cease trade order; or
- (iii) an order that denied the relevant company access to any exemption under securities legislation; that was in effect for more than 30 consecutive days.

Except as otherwise disclosed below, to the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in the 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;
- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or executive officer;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

ITEM 3. Appointment of Auditor

The Board recommends that Shareholders vote to appoint D&H Group LLP, Chartered Professional Accountants, of 10th Floor, 1333 West Broadway, Vancouver, British Columbia, as auditors of the Company to hold office until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration.

The management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the appointment of D&H Group LLP as auditors of the Company, at a remuneration to be fixed by the Board, unless a Shareholder has specified in his or her proxy that his or her Common Shares are to be withheld from voting on the appointment of auditors.

ITEM 4. Approval of Stock Option Plan

At the Meeting, Shareholders will be asked to approve the continuation of the Company's stock option plan (the "**Plan**"). The purpose of the Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company, to increase their efforts on behalf of the Company, and to reward or compensate their contributions towards the long-term goals of the Company.

The following summary of the material terms of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan.

Eligible Participants. Options may be granted under the Plan to directors or officers of the Company or an affiliate of the Company (collectively, the "**Directors**"), employees of the Company (collectively, the "**Employees**") consultants of the Company or its affiliate (collectively, the "**Consultants**") or Management Company Employees (as that term is defined in the TSX Venture Exchange ("**TSXV**") policy manual). The Board, in its discretion, determines which of the Directors, Employees, Consultants or Management Company Employees will be awarded options under the Plan.

Number of Shares Reserved. The number of Common Shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding Common Shares of the Company from time to time at the date of granting of options.

Limitations. Under the Plan, the aggregate number of options granted to any one person in a 12 month period must not exceed 5% of the issued and outstanding shares of the Company, calculated on the date the option is granted. The aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued and outstanding shares of the Company, calculated at the date the option is granted. The aggregate number of options granted to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding shares of the Company in any 12 month period, calculated at the date an option is granted to any such person.

Term of Options. Subject to the termination and change of control provisions noted below, the terms of any option granted under the Plan is determined by the Board and may not exceed ten years from the date of grant.

Exercise Price. The exercise price of options granted under the Plan is determined by the Board, provided that it is not less than the Discounted Market Price, as that term is defined in the TSXV's Corporate Finance policy manual or such other minimum price as is permitted by the TSXV in accordance with the policies from time to time, or, if the Common Shares are no longer listed on the TSXV, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of options granted to insiders may not be decreased without disinterested shareholder approval at the time of the proposed amendment.

Termination. Any options granted pursuant to the Plan will terminate upon the earliest of:

- (a) such date as the Board has fixed when the option is granted, provided that the date is no more than one year from the date on which the holder ceases to be eligible (the "**Cessation Date**") to hold the option;
- (b) the end of the term of the option;
- (c) if the Cessation Date is as a result of dismissal for cause or regulatory sanction, then immediately on the Cessation Date; or
- (d) if the Cessation Date is as a result of death or disability, then the date that is one year from the date of such death or disability.

Disinterested Shareholder approval will be sought in respect of any material amendment to the Plan.

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution:

“BE IT RESOLVED THAT:

- (a) the Company’s Stock Option Plan be confirmed, ratified and approved, and that in connection therewith a maximum of 10% of the issued and outstanding Common Shares at the time of each grant be approved for granting as options; and
- (b) any director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.”

A copy of the Plan is available at the records office of the Company at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada until the business day immediately preceding the date of the Meeting, and a copy will also be made available at the Meeting.

Proxies received in favour of management will be voted in favour of the approval and the ratification of the Plan, unless the Shareholder has specified in their Proxy that their Common Shares are to be voted against such resolution.

OTHER BUSINESS

As of the date of this Information Circular, the management of the Company knows of no other matters to be acted upon at the Meeting. Given the fact that voting will only be permitted by Proxy due to the COVID-19 pandemic, management does not intend to allow new matters not contemplated in the Notice of Meeting to be considered at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Information Circular:

“CEO” means the Company’s chief executive officer;

“CFO” means the Company’s chief financial officer;

“Named Executive Officer” or “NEO” means:

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

As at July 31, 2020, the end of the most recently completed financial period of the Company, the Company had two (2) NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

Director and Named Executive Officer Compensation

The following table is a summary of compensation awarded to, earned by, paid to, or payable to each director and NEO of the Company for the two most recently completed financial periods ended July 31, 2020 and July 31, 2019.

Table of compensation excluding compensation securities							
Name and position	Fiscal period end	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Ian J. Talbot President, CEO, and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
James Gray⁽¹⁾ CFO and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Grant Longhurst Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
P. Gary Paulson Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Marc Blythe Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) DeVisser Gray LLP, an accounting firm in which James Gray is a partner, received \$750 in fees related to taxation compliance services provided to the Company in 2019.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each director and NEO by the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company, and outstanding compensation securities held by each director and NEO.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$) ⁽¹⁾	Closing price of security or underlying security at year end (\$)	Expiry Date
Ian J. Talbot⁽¹⁾ President, CEO, and Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James Gray⁽²⁾ CFO and Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Grant Longhurst⁽³⁾ Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant \$(⁽¹⁾)	Closing price of security or underlying security at year end (\$)	Expiry Date
P. Gary Paulson ⁽⁴⁾ Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Marc Blythe ⁽⁵⁾ Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Talbot held a total of 750,000 compensation securities as of the last day of the most recently completed financial year.
- (2) Mr. Gray held a total of 750,000 compensation securities as of the last day of the most recently completed financial year.
- (3) Mr. Longhurst held a total of 500,000 compensation securities as of the last day of the most recently completed financial year.
- (4) Mr. Paulson held a total of 500,000 compensation securities as of the last day of the most recently completed financial year.
- (5) Mr. Blythe held a total of 500,000 compensation securities as of the last day of the most recently completed financial year.

No compensation securities were exercised by the directors or NEOs during the most recently completed financial year.

Stock option plans and other incentive plans

See “Approval of Stock Option Plan” above for the material terms of the Company’s Plan. The Plan was previously approved by Shareholders at the Company’s annual general meeting held on March 18, 2020.

Employment, consulting and management agreements

The Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company that were performed by a director or NEO.

Oversight and description of director and named executive officer compensation

Other than disclosed herein, no cash compensation was paid to any director of the Company for the director’s services as a director during the financial year ended July 31, 2020, other than the reimbursement of out-of-pocket expenses. The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors except, as described below.

The objective of the Company’s compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company’s fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its executive officers based on their skill and experience levels and the existing stage of development of the Company. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual’s experience and qualifications, the Company’s resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Company does not provide medical, dental, pension or other benefits to the executive officers.

The base compensation of the executive officers is reviewed and set annually by the Board. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board from time to time determine the stock option grants to be made pursuant to the Company's Plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of the Company's most recently completed financial year (ended December 31, 2019) with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuances under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders (stock option plan)	3,850,000	\$0.14	2,337,807
Equity compensation plans not approved by security holders	N/A	N/A	N/A
TOTAL:	3,850,000	\$0.14	2,337,807

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, employees, proposed nominees for election as directors and their associates, or any former executive officers, directors and employees of the Company or any of its subsidiaries, is, as at the date of this Information Circular, or has been at any time during the most recently completed financial year, indebted to the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the Company's most recently completed financial year, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by anyone other than by the directors or executive officers of the Company.

STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day to day management of the Company. The Canadian Securities Administrators (“CSA”) have adopted National Policy 58-201 Corporate Governance Guidelines, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The composition of the Board currently consists of five (5) members: Ian J. Talbot, Grant Longhurst, P. Gary Paulson, James Gray and Marc Blythe, and it is proposed that all five individuals will be nominated at the Meeting.

The Board consists of a majority of individuals who qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect “material relationship” with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. Of the proposed nominees, two directors, Ian J. Talbot, President and CEO, and James Gray, CFO, are considered not independent.

Other Directorships

The following table sets forth the directors of the Company who are directors of other reporting issuers as of the Record Date:

<i>Name</i>	<i>Name of other reporting issuer</i>
Ian J. Talbot	Altamira Gold Corp.
Marc Blythe	Alianza Minerals Ltd. Visionary Gold Corp. Mich Resources Ltd.

Orientation and Continuing Education

Orientation of new members of the Board is conducted informally by Management and members of the Board. The Company has not adopted formal policies respecting continuing education for Board members.

Ethical Business Conduct

The Board has not adopted a formal code of business conduct and ethics. The Board is of the view that the fiduciary duties placed on individual directors by the Company’s governing legislation and common law together with corporate statutory restrictions on an individual director’s participation in Board decisions in which the director has an interest are sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

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

The Board has not established a nominating committee and this function is currently performed by the Board as a whole.

Compensation

The Board has not established a formal compensation committee. Rather, the independent Board members are responsible for reviewing and determining the adequacy and form of compensation paid to the Company's executives and key employees. The independent Board members evaluate the performance of the CEO and other senior management measured against the Company's business goals and industry compensation levels.

Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors and receives reports from each committee respecting its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

AUDIT COMMITTEE

Audit Committee Disclosure

Pursuant to Section 224(1) of the *Business Corporations Act* (British Columbia) National Instrument 52-110 of the Canadian Securities Administrators ("**NI 52-110**") the Company is required to have an audit committee (the "**Audit Committee**") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by: (i) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii) overseeing the Company's financial reporting processes generally. In meeting these responsibilities, the Audit Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The Audit Committee is also mandated to review and approve all material related party transactions.

The Audit Committee's Charter

The Company has adopted a Charter of the Audit Committee, a copy of which is attached hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee is comprised of the following members: James Gray, Grant Longhurst and Marc Blythe. Each member of the Audit Committee is considered to be financially literate, as defined by NI 52-110, in that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

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

Relevant Education and Experience

All three Audit Committee members have 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 financial statements and are therefore considered "financially literate".

James Gray – Mr. Gray is a Chartered Professional Accountant, Chartered Accountant and has been a partner in the Vancouver accounting firm of DeVisser Gray LLP since 2001. He graduated from Simon Fraser University with a Bachelor of Arts degree (history) in 1990 and from the British Columbia Institute of Technology with a Financial Management diploma in 1993. In 1997, Mr. Gray qualified as a Chartered Accountant in British Columbia. In a volunteer capacity, he previously served as Treasurer of the Association for Mineral Exploration British Columbia and Geoscience BC.

Grant Longhurst – Mr. Longhurst is a marketing and communications professional specializing in services to the financial and investment industry. His firm produces the World Outlook Financial Conference and MoneyTalks Conference series. He currently serves as a director of the Association of Mineral Exploration BC and the Architectural Institute of BC.

Marc Blythe – Mr. Blythe has a Master of Business Administration from La Trobe University in Melbourne and a Bachelor of Mining Engineering degree from the Western Australian School of Mines. Mr. Blythe is currently a consulting mining engineer and sits on the board of directors of Alianza Minerals Ltd. and Strategem Capital Corporation. From 2006 to 2011 he was Vice President, Mining of Almaden Minerals Ltd. and prior to that he was Corporate Senior Mining Engineer for Placer Dome Inc. from 2004 to 2006.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or Part 8 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 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 auditor in the fiscal year in which the non-audit services were provided. Section 6.1.1(4), (5) and (6) provide exemptions in certain circumstances from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the venture issuer. 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.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in respect of each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
July 31, 2020	\$7,605	Nil	Nil	Nil
July 31, 2019	\$7,605	Nil	Nil	Nil

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website at www.sedar.com.

Financial information is provided in the Company's comparative annual audited financial statements and management's discussion and analysis for its most recently completed financial year, and will be available online at www.sedar.com. Shareholders may request additional copies by (i) mail to Suite 402 - 905 West Pender Street, Vancouver, British Columbia, V6C 1L6; or (ii) telephone to: 1.604.687.2522 or 1.888.688.2522.

DIRECTORS' APPROVAL

The contents and the sending of the accompanying Notice of Meeting and this Information Circular have been approved by the Board.

DATED at Vancouver, British Columbia, this 12th day of January, 2021

ON BEHALF OF THE BOARD OF DIRECTORS

"Ian J. Talbot"

Ian Talbot
President and Chief Executive Officer

Schedule “A”

Charter of the Audit Committee of the Board of Directors of Arcus Development Group Inc.

1. Purpose

The purpose of the Audit Committee of the Board of Directors (“**Board**”) of Arcus Development Group Inc. (the “**Company**”) shall be to:

- Oversee the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;
- Assist the Board in oversight and monitoring of (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the independent auditor’s qualifications, independence and performance, and (iv) the Company’s internal accounting and financial controls;
- Prepare the Audit Committee report in compliance with the laws, regulations and guidelines affecting the Company which relate to the duties and functions of the Audit Committee;
- Provide the Board with the results of its monitoring and recommendations derived therefrom; and
- Provide to the Board such additional information and materials as it may deem necessary to make the Board aware of significant financial matters that require the attention of the Board.

In addition, the Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe, or as may be required by law from time to time.

The Board and management shall ensure that the Audit Committee has adequate funding and other resources and authority to discharge its responsibilities as determined by the Audit Committee.

2. Membership

The Audit Committee members will be appointed by, and will serve at the discretion of the Board. The Audit Committee will consist of at least three members of the Board, the majority of whom, in the judgment of the Board shall be “independent” as defined in Multilateral Instrument 52-110 – Audit Committees (“**MI 52-110**”) of the Canadian Securities Administrators (“**CSA**”). In the event that a securities regulatory authority or stock exchange, on which the Company’s shares trade, requires all of the members of the audit committee to be independent, then this charter shall be amended accordingly.

Each member of the Audit Committee shall in the judgment of the Board of Directors have the ability to read and understand the Company’s financial statements and, if applicable, shall be “financially literate” as defined under MI 52-110. At least one member of the Audit Committee shall in the judgment of the Board have accounting or related financial management expertise. Audit Committee members will satisfy any additional requirements mandated by rules and regulations of the CSA or the listing standards of any stock exchange on which the Company’s shares trade. The Audit Committee will review its membership annually for compliance with the above requirements.

Unless a chairman is elected by the full Board, the members of the Audit Committee may designate a chairman by majority vote of the full Audit Committee membership.

3. Responsibilities

The responsibilities of the Audit Committee shall include:

3.1 Reviewing on a continuing basis the adequacy of the Company’s system of internal controls, including:

- (i) meeting periodically with the Company’s management and the independent auditors to review the adequacy of such controls;

- (ii) to review before release, the disclosure regarding such system of internal controls required under applicable CSA rules, law, regulations and stock exchange policies to be contained in the Company's periodic filings and the attestations or reports by the independent auditors relating to such disclosure;
- (iii) appointing, compensating and overseeing the work of the independent auditors (including resolving disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work;
- (iv) pre-approving all audit services provided to the Company by the independent auditors and in this regard, the Audit Committee shall have the sole authority to approve the hiring and firing of the independent auditors, all audit engagement fees and terms and all non-audit engagements, as may be permitted under applicable CSA rules, laws, regulations and stock exchange policies, with the independent auditors;
- (v) pre-approving non-audit services provided to the Company by the independent auditors (or subsequently approving non-audit services in those circumstances where a subsequent approval is necessary and permissible) and in this regard the Audit Committee shall have the authority to appoint a subcommittee of one or more members of the Audit Committee and/or to pre-approve non-audit services by establishing detailed pre-approval policies as to the particular service, provided that the Audit Committee is informed of each service pre-approved (no less frequently than at each meeting of the Audit Committee) and that no pre-approval shall be delegated to management of the Company except as permitted by applicable law and regulation. In considering whether to pre-approve any non-audit services, the Audit Committee or the subcommittee members shall consider whether the provision of such services is compatible with maintaining the independence of the Company's independent auditors;
- (vi) reviewing and providing guidance with respect to the external audit and the Company's relationship with its independent auditors by:
 - (a) reviewing the independent auditors' proposed audit scope, approach and independence;
 - (b) obtaining on a periodic basis a statement from the independent auditors regarding relationships and services with the Company which may impact independence, and to the extent there are relationships, monitoring and investigating them, including actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors, and presenting such information to the Board of Directors;
 - (c) receiving and reviewing a report by the independent auditors describing any material issues raised by the most recent internal quality control review, or peer review, of the independent auditing firm, or by any inquiry or investigation by governmental or professional authorities and any steps taken to deal with any such issues;
 - (d) discussing with the Company's independent auditors the financial statements and audit findings, including any significant adjustments, management judgments and accounting estimates, significant new accounting policies and disagreements with management; and
 - (e) reviewing reports submitted to the Audit Committee by the independent auditors in accordance with the applicable CSA requirements, laws, regulations and stock exchange policies;
- (vii) recommending to the Board as to whether the Company's audited financial statements should be included in the Company's Annual Report based on the Audit Committee's review and discussions with management of the audited financial statements and with the independent auditor concerning the independent auditor's independence;
- (viii) reviewing and discussing with management and the independent auditors the annual audited financial statements and quarterly unaudited financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to filing the Company's Annual and Quarterly Reports with the CSA;

- (ix) directing the Company's independent auditors to review before filing with the CSA, the Company's interim financial statements included in Quarterly Reports, using professional standards and procedures for conducting such reviews;
- (x) conducting a post-audit review of the financial statements and audit findings, including any significant suggestions for improvements provided to management by the independent auditors;
- (xi) reviewing before release the unaudited Quarterly Reports and related financial statements;
- (xii) reviewing and discussing with management and the Company's independent auditors the preparation and content of any officer certifications required to be filed with the Company's Quarterly Reports, Annual Reports or any other periodic report;
- (xiii) discussing with management and internal audit representatives the activities, organizational structure and qualifications of the Company's internal audit function;
- (xiv) reviewing any reports by management or internal auditors regarding the effectiveness of, or any deficiencies in, the design or operation of internal controls and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls and reviewing before release, the disclosure regarding the Company's system of internal controls required under applicable CSA rules, laws, regulations or stock exchange policies to be contained in the Company's periodic filings and the attestations or reports by the independent auditors relating to such disclosure;
- (xv) overseeing compliance with legal requirements for disclosure of auditor's services and Audit Committee members, member qualifications and activities;
- (xvi) reviewing, in conjunction with legal counsel, any legal matters that could have a significant impact on the Company's financial statements;
- (xvii) providing oversight and review at least annually of the Company's risk management policies, including its investment policies;
- (xviii) if necessary, instituting special investigations with full access to all books, records, facilities and personnel of the Company;
- (xix) as appropriate, obtaining advice and assistance from outside legal, accounting or other advisors and setting the pay and compensation for such advisors employed by the Audit Committee;
- (xx) reviewing and approving in advance any proposed related party transactions, including, without limitation, approving all transactions required to be disclosed pursuant to applicable CSA rules, laws, regulations and stock exchange policies;
- (xxi) reviewing its own charter, structure, processes and membership requirements on an annual basis;
- (xxii) providing a report in the Company's proxy statement in accordance with the applicable CSA rules, laws, regulations and stock exchange policies;
- (xxiii) establishing procedures for receiving, retaining and treating complaints received by the Company regarding accounting, internal accounting controls or auditing matters and procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and
- (xxiv) reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.

4. Meetings

The Audit Committee will meet at least four times each year. The Audit Committee may establish its own schedule, which it will provide to the Board in advance.

The Audit Committee will meet separately with the Chief Executive Officer and separately with the Chief Financial Officer of the Company at such times as are appropriate to review the financial affairs of the Company. The Audit Committee will meet separately with the independent auditors of the Company, at such times as it deems appropriate, but not less than quarterly, to fulfill the responsibilities of the Audit Committee under this charter.

A majority of the authorized members of the Audit Committee shall represent a quorum of the Audit Committee and, if a quorum is present, any action approved by at least a majority of the members present shall represent the valid action of the Audit Committee.

5. Minutes

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

6. Reports

In addition to preparing the report in the Company's proxy statement in accordance with applicable CSA rules, laws, regulations and stock exchange policies, the Audit Committee will summarize its examinations and recommendations to the Board as may be appropriate, consistent with the Audit Committee's charter, and otherwise make regular reports to the Board.

7. Compensation

Members of the Audit Committee shall receive such fees, if any, for their service as Audit Committee members as may be determined by the Board in its sole discretion. Such fees may include retainers or per meeting fees. Fees may be paid in such form of consideration as is determined by the Board.

Members of the Audit Committee may not receive any compensation from the Company except the fees that they receive for service as a member of the Board of Directors or any committee thereof.

8. Delegation of Authority

The Audit Committee may delegate to one or more designated members of the Audit Committee the authority to pre-approve audit and permissible non-audit services, provided such pre-approval decision is presented to the full Audit Committee at its scheduled meetings.