



### **NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “Meeting”) of the shareholders (“Shareholders”) of New Destiny Mining Corp. (hereinafter called the “Corporation or “New Destiny”) will be held at Suite 1100-1111 Melville Street, Vancouver, British Columbia, V6E3V6 on **Friday, December 11, 2020, at 1:00 p.m. (PST)**, for the following purposes:

1. To receive and consider the audited financial statements of the Corporation for the financial year ended June 30, 2019 and 2020, together with the auditor's report thereon.
2. To confirm the number of directors of the Corporation at four (4).
3. To elect directors of the Corporation for the ensuing year.
4. To appoint the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditors.
5. To consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to re-approve the Corporation’s 10% rolling stock option plan.
6. To transact such other business as may properly come before the meeting.

This notice of Meeting is accompanied by: (a) the Circular; and (b) either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders. **The Circular accompanying this notice of Meeting is incorporated into and shall be deemed to form part of this notice of Meeting.**

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting is November 4, 2020 (the “**Record Date**”). Persons who are registered shareholders at the close of business on the Record Date, will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held.

**A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting.**

As a shareholder, you can choose to vote your shares by proxy and return the form of proxy by mail or delivery in the addressed envelope provided or deposited at the offices of

Odyssey Trust Company  
323 - 409 Granville Street  
Vancouver BC

V6C 1T2, by 1:00 p.m. (Vancouver time) on December 9, 2020

**At the date of this Notice and the accompanying Circular, it is the intention of Management of the Company to hold the Meeting at the location stated above in this Notice. We are continuously monitoring development of the current COVID-19 crisis. In light of the rapidly evolving public health guidelines related to COVID-19, we ask shareholders to consider voting their shares by proxy and not to attend the meeting in person. A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who do wish to attend the Meeting in person are asked to follow the instructions of the federal Public Health Agency of Canada, and all regional health authorities of the Province of British Columbia. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact with has travelled to/from outside of Canada within the 21 days immediately prior to the Meeting. All Shareholders are encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the management information circular accompanying this Notice. Shareholders are invited to listen to the Meeting via teleconference if they wish (call in details below).**

The above time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion without notice.

DATED this 4<sup>th</sup> day of November 2020

**BY ORDER OF THE BOARD OF DIRECTORS**

**“Barry Brown”**

**Barry Brown  
Director**



## MANAGEMENT INFORMATION CIRCULAR

(As at November 4, 2020 except as indicated)

### SOLICITATION OF PROXIES

**This management information circular (“Circular”) is provided in connection with the solicitation of proxies by management of New Destiny Mining Corp. for use at an Annual General Meeting of the holders Shareholders of common shares (“Common Shares”) in the capital of the Corporation. The Meeting will be held on December 11, 2020 at 1:00 p.m. (PST) at Suite 1100-1111 Melville Street, Vancouver, British Columbia for the purposes set forth in the notice of special meeting accompanying this Circular (the “Notice”).**

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

These securityholder materials are being sent to both registered and non-registered owners of Common Shares. If you are a non-registered owner of Common Shares, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.

Accompanying this Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (a “Proxy”). Each Shareholder who is entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and all Shareholders are urged to vote on matters to be considered in person or by proxy. All time references in this Circular are references to Vancouver time.

### APPOINTMENT AND REVOCATION OF PROXIES

#### Appointment of a Proxy

**Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper Proxy to Odyssey Trust Company (the “Transfer Agent”), at 323 - 409 Granville Street Vancouver BC V6C 1T2.**

**The persons named as proxyholders in the Proxy accompanying this Circular are directors or officers of the Corporation, or persons designated by management of the Corporation, and are representatives of the Corporation’s management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) to attend and act for him, her or it and on his, her or its behalf at the Meeting other than the management nominee designated in the Proxy may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person’s name in the blank space provided in the accompanying Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Transfer Agent, at the place and within the time specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Proxy should notify such alternative nominee of the appointment, obtain the nominee’s consent to act as proxy, and provide instructions on how the Common Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the Proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy).**

**In order to validly appoint a proxy, Proxies must be received by the Transfer Agent, at 323 - 409 Granville Street Vancouver BC V6C 1T2, at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting. After such time, the chairman of the Meeting may accept or reject a Proxy delivered to him in his discretion but is under no obligation to accept or reject any particular late Proxy.**

## Revoking a Proxy

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed therein. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the registered office of the Corporation or the Transfer Agent at 323 - 409 Granville Street Vancouver BC V6C 1T2 at any time up to and including the last business day preceding the date of the Meeting at which the proxy is to be used, or deposited with the chairman of such Meeting on the day of the Meeting. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Also, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the chairman before the proxy is exercised) and vote in person (or withhold from voting).

## Signature on Proxies

The Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. A Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

## Voting of Proxies

Each Shareholder may instruct his, her or its proxy how to vote his, her or its Common Shares by completing the blanks on the Proxy.

**The Common Shares represented by the enclosed Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. If a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such direction, such Common Shares will be voted FOR THE RESOLUTIONS DESCRIBED IN THE PROXY AND BELOW.** If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or if any other matters properly come before the Meeting, the accompanying Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the Common Shares represented by a valid Proxy will be voted in favour of the election of nominees set forth in this Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such Common Shares may be voted in favour of another nominee in the proxyholder's discretion. As at the date of this Circular, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

## Advice to Beneficial Shareholders

**The information set forth in this section is of significant importance to a substantial number of the Shareholders who do not hold their Common Shares in their own names.** Shareholders who do not hold their Common Shares in their own names (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depositary for Securities Limited, which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. **Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. or other brokers/agents are held.** Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.

Non-registered holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "non-objecting beneficial owners ("**NOBOs**"). Those non-registered holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as "objecting beneficial owners" ("**OBOs**"). The Corporation does not intend to pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary to OBOs. As a result, OBOs will not receive the Meeting materials unless their Intermediary assumes the costs of delivery.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting instruction form in lieu of the Instrument of Proxy, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting instruction forms to Broadridge. Alternatively, Beneficial Shareholders sometimes are provided with a toll-free telephone number or website information to deliver the Beneficial Shareholder's voting instructions. **A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed voting instruction form as directed by Broadridge well in advance of the Meeting.**

**All references to Shareholders in this Circular, the Instrument of Proxy and the Notice are to Shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be made available upon request to registered Shareholders who produce proof of their identity.**

**NOTICE-AND-ACCESS** - The Corporation is not sending the Meeting materials to shareholders using "notice-and-access", as defined under NI 54-101—*Communication with Beneficial Owners of Securities of a Reporting Issuer*.

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

Shareholders of record as of November 4, 2020 are entitled to receive notice and attend and vote at the Meeting, either in person or by proxy. As at the date of this Circular, the Corporation had 16,405,669 Common Shares issued and outstanding. Each Common Share entitles the holder to one vote in respect of any matter that may come before the Meeting. The outstanding Common Shares are listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "NED".

To the knowledge of the Directors (as defined herein) and executive officers of the Corporation, as of the date of this Circular, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares.

### **COVID-19 Meeting Protoc**

At the date of this Notice and the accompanying management information circular, it is the intention of the Company to hold the Meeting at the location stated above in this Notice. We are continuously monitoring development of the current COVID-19 crisis. In light of the rapidly evolving public health guidelines related to COVID-19, we ask shareholders to consider voting their shares by proxy and not to attend the meeting in person. A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who do wish to attend the Meeting in person are asked to follow the instructions of the federal Public Health Agency of Canada, and all regional health authorities of the Province of BC. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact with has travelled to/from outside of Canada within the 21 days immediately prior to the Meeting. All Shareholders are encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the management information circular accompanying this Notice.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **Presentation of Financial Statements**

At the Meeting, Shareholders will receive and consider the audited consolidated financial statements of the Corporation for the year ended June 30, 2019 and 2020 and the auditor's report thereon will be placed before the Meeting. The financial statements, the auditor's report thereon together with management discussion and analysis ("**MD&A**") for the financial year ended June 30, 2019 and 2020 are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Fixing the Number of Directors**

At the Meeting, Shareholders will be asked to fix the number of directors for the present time at four (4) as may be adjusted between Shareholders' meetings by way of resolution of the Board. Accordingly, unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of fixing the number of directors to be elected at the Meeting at four (4).

### **Election of Directors**

At the Meeting, Shareholders will be asked to elect each of the proposed directors set forth below to hold office until the next annual meeting or until their successors are elected or appointed. There are presently Four (4) directors of the Company whose term on the board expires at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form

in favour of the election as directors of each of the nominees hereinafter set forth to hold office until the next annual meeting, or until their successors are elected or appointed:

1. Robert L. Birmingham
2. Wesley Warthe-Anderson
3. Barry Brown
4. Allan Beaton

The names and places of residence of the persons either nominated for or presently holding office as directors, the number of Common Shares beneficially owned, controlled or directed, directly or indirectly, the period served as director and the principal occupation during the last five years of each are as follows:

| Name and Jurisdiction of Residence                                       | Present Position(s) with the Corporation               | Present Principal Occupation and Principal Occupation for the Five Preceding Years                                                                                                                                                                                                                                       | Director Since    | No. of Common Shares Beneficially Owned, Controlled or Directed (1)                 |
|--------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------|
| Robert L. Birmingham <sup>(2)</sup><br><i>British Columbia, Canada</i>   | Chief Executive Officer and Director                   | Mr. Birmingham is President of Benaterra Communication Inc., a wholly owned private company involved in organization and management consultant of private and public sector. He has over 10 years' experience as director and officer of a number of companies. He holds a Business Degree from Capilano University, BC. | November 17, 2011 | 63,500 common shares<br>0.3% undiluted<br>50,000 Warrants<br>0.3% fully diluted     |
| Wesley Warthe-Anderson <sup>(2)</sup><br><i>British Columbia, Canada</i> | Director                                               | Independent Businessman. Over the past four years, Mr. Warthe-Anderson has worked on various mining projects throughout Canada, both in an office and out in the field. He holds an economics degree from the University of Victoria.                                                                                    | August 5, 2016    | 395,000 common shares<br>2.4 % undiluted<br>600,000 Warrants<br>5.8 % fully diluted |
| Barry Brown<br><i>British Columbia, Canada</i>                           | Director, President and Acting Chief Financial Officer | Mr. Brown is President of Barry Developments Ltd., a wholly owned private company involved in the organization, reorganization and management of private and public companies. He has over 35 years of experience as a director and/or officer of a number of                                                            | August 8, 2017    | 200,000 common shares<br>1.2 % undiluted<br>200,000 Warrants<br>2.4 % fully diluted |
| Allan Beaton <sup>(2)</sup><br><i>British Columbia, Canada</i>           | Director                                               | Independent Businessman. Mr. Beaton is an Engineer. He is President of Vicore Mining, a mining construction company since 1995, and currently serves as a Director of Great Atlantic Resources Corp., since February 4, 2015.                                                                                            | February 20, 2018 | NONE                                                                                |

**Notes:**

- (1) The number of shares held includes shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the proposed nominee.
- (2) Member of the Audit Committee .

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

To our knowledge, none of our directors, director nominees or officers: (i) is, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer that, while that person was acting in that capacity, (a) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days (an "order"), (b) was subject to an order that was issued after the director or 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, or (c) 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; (ii) has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver or receiver manager or trustee appointed to hold his assets; or (iii) 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. In addition, no proposed director of the Company 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 his assets..

## **Appointment And Remuneration Of Auditors**

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to appoint the firm of WDM Chartered Accountants, of Suite 420, 1501 West Broadway, Vancouver, British Columbia as the auditors of the Corporation. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of WDM Chartered Accountants as the auditors of the Corporation to hold office for the ensuing year at a remuneration to be fixed by the directors. WDM Chartered Accountants was appointed as auditors of the Corporation on August 17, 2016.

## **Ratification and Approval of Share Option Plan**

Pursuant to Policy 4.4 of the TSX-V, corporations that have a rolling stock option plan reserving a maximum of 10% of the issued and outstanding shares of the corporation must receive yearly shareholder approval of the stock option plan. Please refer to Appendix "A" hereto where the text of the Plan is attached in its entirety. The approval by Shareholders requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. The TSX-V requires such approval before it will allow the adoption of the Plan. Options to purchase Common Shares that were previously granted to directors, officers and employees of the Corporation will be deemed to be granted under the Plan.

The purpose of the Plan is to allow the Corporation to grant options to directors, officers, employees, management company employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Corporation. The granting of such options is intended to align the interests of such persons with that of the Shareholders.

**Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution to ratify, adopt and re-approve the Plan.**

The text of the ordinary resolution regarding this matter is as follows:

### **“BE IT RESOLVED THAT:**

1. the 10% rolling stock option plan (the "**Plan**") of the Corporation, as described in the management information circular and proxy statement of the Corporation dated November 4, 2020, as may be amended by the board of directors as required by applicable securities regulatory authorities or stock exchanges, is hereby ratified, adopted and approved;
2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;
3. the number of common shares of the Corporation issuable pursuant to the Plan shall continue to be set at 10% of the number of common shares of the Corporation issued and outstanding from time to time, subject to any limitations imposed by applicable regulations, laws, rules and policies; and;

(The text of the ordinary resolution Continued)

4. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution.”

In order to be passed, the foregoing resolution must be approved by the affirmative vote of a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting. **The persons named in the accompanying Instrument of Proxy intend, unless otherwise directed, to vote in favour of the resolution approving the Share Option Plan.**

**The Board unanimously recommends that Shareholders ratify, confirm and approve the Share Option Plan by voting in favour of the resolution to be submitted to the Meeting.**

## STATEMENT OF EXECUTIVE COMPENSATION

Under this heading, the Company is including the disclosure required by Form 51-102F6 Statement of Executive Compensation.

For the purposes of this section, named executive officers of the Corporation mean the following individuals (the “**Named Executive Officers**”):

- (a) the Corporation’s Chief Executive Officer or an individual who acted in a similar capacity for any part of the most recently completed financial year (the “**CEO**”);
- (b) the Corporation’s Chief Financial Officer or an individual who acted in a similar capacity for any part of the most recently completed financial year (the “**CFO**”);
- (c) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation (see “Summary of Compensation”) was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

During the most recent fiscal years ended June 30, 2018, 2019 and 2020, the following individuals were NEOs or former NEOs of the Corporation, namely: Robert L. Birmingham, President and CEO; Barry Brown, acting CFO.

### Compensation Discussion and Analysis

Remuneration plays an important role in helping the Corporation attract, motivate, reward and retain knowledgeable and skilled individuals to its management team. The Corporation does not have a formal compensation policy and relies solely on the board of directors (the “**Board**”) discussion with respect to compensation of its directors and officers. The main objectives the Corporation hopes to achieve through its compensation are:

- to attract and retain executives critical to the Corporation’s success, who will be key in helping the Corporation achieve its corporate objectives and increase shareholder value;
- to motivate the Corporation’s management team to meet or exceed targets;
- to recognize the contribution of the Corporation’s executive officers and directors to the overall success and strategic growth of the Corporation; and
- to align the interests of management and the Corporation’s shareholders.

The Board has not proceeded to a formal evaluation of the implications of the risks associated with the Corporation’s compensation policies and practices. The Board does not believe that the Corporation’s compensation program results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation. The key elements of the executive compensation program are: (i) fees or salary; and (ii) incentive stock options. The directors are of the view that all elements of the total program should be considered, rather than any single element.



In light of the Corporation's size and limited elements of executive compensation, the Board does not have a compensation committee and does not deem it necessary to consider at this time the implications of the risks associated with the Corporation's compensation policies and practices. Also, there are no risks which have been identified in the Corporation's practices to date which would reasonably be likely to have a material adverse effect on the Corporation.

The Corporation's Named Executive Officers and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officers or directors.

### **Share-Based and Option-Based Awards**

The Board believes that eligible persons working with the Corporation as Named Executive Officers, directors, or consultants should have a stake in the Corporation's future and that their interests should be aligned with the interests of the shareholders. To this end, the Board determines the overall amount of stock option grants and reviews and recommends to the Corporation the allocation of such grants to directors, officers and consultants, primarily based on whose decisions and actions can have the greatest impact on the Corporation's performance.

These option-based awards are granted under the Corporation's stock option plan (the "**Plan**"). The Corporation considers previous grants of stock options when considering new grants. Additional factors necessary to understand the information disclosed above include the terms of the Plan.

### **Long Term Incentive Compensation - Share Options**

Executive officers, along with all officers, directors, employees and consultants retained by the Company, are eligible to participate in the Share Option Plan. The Share Option Plan and the Common Shares reserved thereunder, comply with the policies of the TSXV. The Share Option Plan promotes an ownership perspective among executives, encourages the retention of key executives and provides an incentive to enhance shareholder value by furthering the Company's growth and profitability. As with most companies in the Company's peer group, share options form an integral component of the total compensation package provided to the Company's executive officers. Participation in the Share Option Plan rewards overall corporate performance, as measured through the price of the Common Shares. In addition, the Share Option Plan enables executives to develop and maintain a significant ownership position in the Company.

Options are selectively awarded by the Board upon the commencement of an individual's employment with the Company based on the level of responsibility within the Company. Additional grants may be made periodically to ensure that the number of Options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Company. In considering additional grants, the Board evaluates the number of Options an individual has been granted, the exercise price and value of the Options and the term remaining on those Options. See "Incentive Plans - Share Option Plan" for a description of the detailed terms of our Share Option Plan.

### ***Summary***

The Company's compensation policies have allowed the Company to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing Shareholder value. The Board will continue to review compensation policies to ensure that they are competitive within the mining industry and consistent with the performance of the Company.

### ***Benefits and Perquisites***

The Company's Named Executive Officers and Directors do not receive any benefits or perquisites.

The Company has not placed a restriction on the purchase by its NEOs, directors or other employees of 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 the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or employee. To the Company's knowledge, none of the above people have purchased such financial instruments.

## Summary Compensation Table

The following table is a summary of compensation paid to the Named Executive Officers for the financial years ended June 30, 2018, 2019 and 2020.

| Name and Principal Position   | Year | Salary (\$) | Share based Awards (\$) | Option based Awards (\$) <sup>(1)</sup> | Non-equity incentive Plan Compensation (\$) |                                          | Pension Value (\$) | All Other Compensation (\$) | Total Compensation (\$) |
|-------------------------------|------|-------------|-------------------------|-----------------------------------------|---------------------------------------------|------------------------------------------|--------------------|-----------------------------|-------------------------|
|                               |      |             |                         |                                         | Annual Incentive Plans                      | Long-term Incentive Plans <sup>(2)</sup> |                    |                             |                         |
| Robert L. Birmingham, and CEO | 2018 | Nil         | Nil                     | Nil                                     | Nil                                         | Nil                                      | Nil                | 20,000 <sup>3)</sup>        | 20,000                  |
|                               | 2019 | Nil         | Nil                     | Nil                                     | Nil                                         | Nil                                      | Nil                | 15,000                      | 15,000                  |
|                               | 2020 | Nil         | Nil                     | Nil                                     | Nil                                         | Nil                                      | Nil                | Nil                         | Nil                     |
| Barry Brown, President CFO    | 2018 | Nil         | Nil                     | Nil                                     | Nil                                         | Nil                                      | Nil                | Nil                         | Nil                     |
|                               | 2019 | Nil         | Nil                     | Nil                                     | Nil                                         | Nil                                      | Nil                | Nil                         | Nil                     |
|                               | 2020 | Nil         | Nil                     | Nil                                     | Nil                                         | Nil                                      | Nil                | Nil                         | Nil                     |

### Notes:

- (1) Option-based awards are valued at the date of grant using the Black-Scholes option pricing model which the Corporation has chosen because it is one of the most common valuation methodologies used by junior exploration issuers.
- (2) LTIP or long term incentive plan means any plan that provides compensation intended to motivate performance to occur over a period greater than one financial year, but does not include option or stock appreciate right plans or plans to compensate through restricted shares or restricted share units.
- (3) Paid or accrued to Benaterra Communications, a company controlled by Mr. Birmingham, for management consulting services.

## Incentive Option-Based Awards for Named Executive Officers

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets out option-based awards granted to the Named Executive Officers that were outstanding at the fiscal year ended June 30, 2020.

| Name                            | Option Based Awards                                        |                            |                        |                                                               | Share-Based Awards <sup>(1)</sup>                        |                                                                   |                                                                                 |
|---------------------------------|------------------------------------------------------------|----------------------------|------------------------|---------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------|
|                                 | Number of Common Shares Underlying unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised in-the-money Options (\$) <sup>(1)</sup> | Number of Shares or units of Shares that have not Vested | Market or Payout Value of Share-based Awards that have not Vested | Market or Payout Value of Vested Share-based Awards not paid out or distributed |
| Robert L. Birmingham, CEO       | Nil                                                        | Nil                        | Nil                    | Nil                                                           | Nil                                                      | Nil                                                               | Nil                                                                             |
| Barry Brown, President, and CFO | Nil                                                        | Nil                        | Nil                    | Nil                                                           | Nil                                                      | Nil                                                               | Nil                                                                             |

### Notes:

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.22 and the exercise or base price of the option.

### Incentive Plan Awards – Value Vested or Earned During the Year

There were no option-based awards or share-based awards which vested or were earned during the most recently completed financial year ended June 30, 2018, 2019 or 2020 for any Named Executive Officer.

## Pension Plan Benefits

The Corporation does not provide a defined benefit plan or a defined contribution plan for any of its executive officers, nor does it have a deferred compensation plan for any of its executive officers.

## Termination and Change of Control Benefits

The Corporation has not entered into any plans or arrangements in respect of remuneration received or that may be received by the Named Executive Officers in the Corporation's most recently completed financial year or current financial year in respect of compensating such officers or directors 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.

## **Compensation of Directors**

For a description of the compensation paid to the Corporation's Named Executive Officer(s) who also act as directors, see "Summary Compensation Table".

Other than as disclosed elsewhere in this Circular, no director of the Corporation who is not a Named Executive Officer has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors except for the granting of stock options; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

**The Corporation may grant incentive stock options to directors of the Corporation from time to time pursuant to the stock option plan of the Corporation and in accordance with the policies of the TSX-V. The compensation paid to the directors, other than the Named Executive Officers, during the Corporation's most recently completed financial year is as set out below:**

|                        |                        |                                  |                                                   | Non-equity incentive<br>Plan Compensation<br>(\$) |                                     |                          |                                   |                               |
|------------------------|------------------------|----------------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------------|--------------------------|-----------------------------------|-------------------------------|
| Name                   | Fees<br>Earned<br>(\$) | Share<br>based<br>Awards<br>(\$) | Option<br>based<br>Awards<br>\$( <sup>(1)</sup> ) | Annual<br>Incentive<br>Plans                      | Long-<br>term<br>Incentive<br>Plans | Pension<br>Value<br>(\$) | All Other<br>Compensation<br>(\$) | Total<br>Compensation<br>(\$) |
| Wesley Warthe-Anderson | Nil                    | Nil                              | Nil                                               | Nil                                               | Nil                                 | Nil                      | Nil                               | Nil                           |
| Allan Beaton           | Nil                    | Nil                              | Nil                                               | Nil                                               | Nil                                 | Nil                      | Nil                               | Nil                           |

### **Notes:**

- (1) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Corporation uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.

## *Narrative Discussion*

The Corporation currently does not pay directors who are not employees or officers of the Corporation for attending directors' meetings or for serving on committees. The Corporation has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services as directors, for committee participation, or for involvement in special assignments during the most recently completed financial year. None of the Corporation's directors have received any cash compensation for services provided in their capacity as directors during the Corporation's most recently completed financial year. Additional factors necessary to understand the information disclosed above include the terms of the Plan.

## ***Share Option Plan***

The Share Option Plan conforms with the policies of the TSXV and is reflective of the Company's status as a junior issuer. The Share Option Plan permits the granting of non-transferable Options to purchase Common Shares to directors, officers, key employees and consultants ("Optionees") of the Company. The Share Option Plan is intended to afford persons who provide services to the Company an opportunity to obtain an increased proprietary interest in the Company by permitting them to purchase Common Shares and to aid in attracting as well as retaining and encouraging the continued involvement of such persons with the Company. The Share Option Plan is administered by the Board.

The Share Option Plan currently limits the number of Common Shares that may be issued on exercise of Options to a number not exceeding 10% of the number of Common Shares which are outstanding from time to time. Options that are cancelled, terminated or expired prior to exercise of all or a portion thereof shall result in the Common Shares that were reserved for issuance thereunder being available for a subsequent grant of Options pursuant to the Share Option Plan. As the Share Option Plan is a "rolling" plan, the issuance of additional Common Shares by the Company or the exercise of Options will also give rise to additional availability under the Share Option Plan.

The number of Common Shares issuable pursuant to Options granted under the Share Option Plan or any other security-based compensation arrangements of the Company: (i) to any one Optionee in a 12 month period may not exceed 5% of the outstanding Common Shares; (ii) issuable to insiders at any time shall not exceed 10% of the issued and outstanding Common Shares; (iii) issued to insiders within any one-year period may not exceed 10% of the outstanding Common Shares; and (iv) to any one insider and the associates of such insider may not exceed 5% of the issued and outstanding Common Shares.

Options issued under the Share Option Plan may be exercisable for a period not exceeding five years and vest as determined by the Board on the date of grant. Options issued pursuant to the Share Option Plan have an exercise price that cannot not be less than the current market price of the Common Shares, which means the most recent closing price per share for Common Shares on the last trading day preceding the date of grant on which there was a closing price on the TSXV (or if the Common Shares are not listed on the TSXV, on such stock exchange as the Common Shares are then traded).

In the event an Optionee ceases to be a director, officer or key employee of the Company, any Option previously granted to such Optionee shall be exercisable until the earlier of: (i) the end of the Option period as set forth in the grant; or (ii) the expiration of 90 days from the date of the normal retirement of such participant, or one year from the date of the death or permanent disability of such participant, and then, in the event of death or permanent disability, only by the person or persons to whom the participant's rights under the Option pass by the participant's will or applicable law, and only to the extent that the Optionee was entitled to exercise the Option as at the date of the holder's death or permanent disability.

Without the prior approval of the Shareholders, the Board may not: (i) make any amendment to the Share Option Plan to increase the percentage of Common Shares issuable on exercise of outstanding Options at any time; (ii) reduce the exercise price of any outstanding Options; (iii) extend the term of any outstanding Options beyond the original expiry date of such Option; (iv) make any amendment to increase the maximum limit on the number of securities that may be issued to Insiders (as such term is defined in the Share Option Plan); (v) make any amendment to increase the maximum number of Common Shares issuable on exercise of Options to directors who are not officers or employees of the Company; (vi) make any amendment to the Share Option Plan that would permit an Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; or (vii) amend the restrictions on amendments that are provided in the Share Option Plan. Subject to restrictions set out above, the Board may amend or discontinue the Share Option Plan and Options granted thereunder at any time, without Shareholder approval, provided that any amendment to the Share Option Plan that requires approval of any stock exchange on which the Common Shares are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Share Option Plan or Options granted pursuant to the Share Option Plan may be made without the consent of the Optionee if it adversely alters or impairs any Option previously granted to such Optionee.

The policies of the TSXV require that the Share Option Plan receive Shareholder approval at each annual meeting. The Share Option Plan was first approved at the Company's 2019 annual meeting of Shareholders. A copy of the Share Option Plan will be available for inspection at the Meeting and will be sent to any Shareholder upon request.

**The Board unanimously recommends that Shareholders ratify, confirm and approve the Share Option Plan by voting in favour of the resolution to be submitted to the Meeting.**

## Outstanding Share-Based Awards and Option-Based Awards

The following table sets out option-based awards granted to the directors that were outstanding at the fiscal year ended June 30, 2020.

| Name                   | Option Based Awards                                        |                            |                        |                                                               | Share-Based Awards <sup>(1)</sup>                        |                                                                   |                                                                                 |
|------------------------|------------------------------------------------------------|----------------------------|------------------------|---------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------|
|                        | Number of Common Shares Underlying unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised in-the-money Options (\$) <sup>(1)</sup> | Number of Shares or units of Shares that have not Vested | Market or Payout Value of Share-based Awards that have not Vested | Market or Payout Value of Vested Share-based Awards not paid out or distributed |
| Wesley Warthe-Anderson | Nil                                                        | Nil                        | Nil                    | Nil                                                           | Nil                                                      | Nil                                                               | Nil                                                                             |
| Allan Beaton           | Nil                                                        | Nil                        | Nil                    | Nil                                                           | Nil                                                      | Nil                                                               | Nil                                                                             |

### Notes:

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.04 and the exercise or base price of the option.

## Incentive Plan Awards – Value Vested or Earned During the Year

There were no option-based awards or share-based awards which vested or were earned during the most recently completed financial year ended June 30, 2018 for any director, who was not also a Named Executive Officer.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has an incentive stock option plan under which stock options are granted. Stock options have been determined by the Corporation's directors and are only granted in compliance with applicable laws and regulatory policy. The policies of the TSX-V limit the granting of stock options to employees, officers, directors and consultants of the Corporation and provide limits on the length of term, number and exercise price of such options. The TSX-V also requires annual approval of rolling stock option plans by shareholders. See below under "Particulars of Matters to be Acted On - Incentive Stock Option Plan (10% Rolling Plan)". The following table sets out equity compensation plan information as at the date of this information circular being November 4, 2020.

| Plan category                                          | Number of securities to be issued upon exercise of outstanding options, warrants and rights<br>(a) | Weighted-average exercise price of outstanding options, warrants and rights<br>(b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<br>(c) |
|--------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity compensation plans approved by shareholders     | 5,139,750                                                                                          | 0.16                                                                               | 1,640,567                                                                                                                                          |
| Equity compensation plans not approved by shareholders | Nil                                                                                                | Nil                                                                                | Nil                                                                                                                                                |
| Total                                                  | 5,139,750                                                                                          |                                                                                    | 1,640,567                                                                                                                                          |

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or officers of the Corporation nor any of their associates or affiliates is now or has been indebted to the Corporation since the commencement of the last completed fiscal year, nor has any indebtedness of any such person been subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No Director or executive officer of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them, has or has had, at any time since the commencement of the Corporation's last financial year, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

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

Other than the election of Directors or the appointment of Auditors, no person who has been a Director or Executive Officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee of management of the Corporation for election as a Director of the Corporation and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting, except that the Directors and Executive Officers of the Corporation may have an interest in (i) the resolution regarding the re-approval of the Corporation's 10% rolling stock option plan, as such persons are eligible to participate in such plan; and (ii) the resolution regarding the approval of the proposed consolidation of the Corporation's Common Shares, as such persons may be Shareholders of the Corporation.

## MANAGEMENT CONTACT

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

### Composition of the Audit Committee

The Audit Committee shall be comprised of three Directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. A copy of the Audit Charter is attached hereto as Schedule "A"

The following are the members of the Audit Committee:

| Member                 | Independent <sup>(1)</sup> | Financially Literate <sup>(2)</sup> |
|------------------------|----------------------------|-------------------------------------|
| Wesley Warthe-Anderson | Y                          | Financially literate                |
| Allan Beaton           | Y                          | Financially literate                |
| Robert L. Birmingham   | N                          | Financially literate                |

**Note:**

- (1) A member of an audit committee is independent if the member has had no direct or indirect material relationship within the past three years with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

### Relevant education and experience

For the relevant experience of each Audit Committee member, see their principal occupations for the last five years under the heading – "Election of Directors". Each member of the audit committee has had experience that would provide the member with:

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with the accounting for estimates, accruals and provisions;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

## Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, WDM Chartered Accountants Vancouver, British Columbia) not adopted by the Board.

## Reliance on Certain Exemptions

During the most recently completed financial year, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110 *Audit Committees*. 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 all the non-audit services not pre-approved is reasonably expected to be no more than 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided, the Corporation did not recognize the services as non-audit services at the time of engagement, and the services are promptly brought to the attention of the Audit Committee and approved prior to the completion of the audit by the Audit Committee. Section 8 permits a Corporation to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

## Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of National Instrument 52-110 *Audit Committees*, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

## External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by the external auditors, to the Corporation to ensure auditor independence. Fees incurred for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

|                               | Fees Paid to Auditor in Year Ended |               |
|-------------------------------|------------------------------------|---------------|
|                               | June 30, 2019                      | June 30, 2020 |
| Audit Fees <sup>(1)</sup>     | 17,000                             | 18,000        |
| All Other Fees <sup>(2)</sup> | Nil                                | Nil           |
| <b>Total</b>                  | <b>17,000</b>                      | <b>18,000</b> |

### Note:

- (1) "Audit Fees" include fees necessary to perform the annual audit of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "All Other Fees" include all other non-audit services.

## Exemption

The Corporation is relying upon the exemption set forth in section 6.1 of NI 52-110 with respect to Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. The Corporation will continue to review and implement corporate governance guidelines as the business of the Corporation progresses and becomes more active in operations. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

## **Board of Directors**

The mandate of the Board is to supervise the management of the Corporation and to act in the best interests of the Corporation. The Board acts in accordance with:

- (a) the *Business Corporations Act* (British Columbia)
- (b) the Corporation's articles of incorporation and by-laws
- (c) the Corporation's code of business conduct
- (d) the charters of the Board and the Board committees; and
- (e) other applicable laws and Corporation policies

The Board approves all significant decisions that affect the Corporation before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Corporation's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Corporation's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems. The Board also monitors the Corporation's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Corporation's external auditor.

The Board is responsible for choosing the President and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all of the Corporation's major communications, including annual and quarterly reports, financing documents and press releases. The Corporation communicates with its stakeholders through a number of channels including its website. The Board approved the Corporation's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Corporation's internal control processes and management information systems. The Board consults with the external auditor and management of the Corporation to ensure the integrity of these systems. The external auditor submits a report to the Audit Committee each year on the quality of the Corporation's internal control processes and management information systems.

The Board is responsible for determining whether or not each director is an independent director. The President, Secretary and any other officer are not considered independent. None of the other directors work in the day-to-day operations of the Corporation, are party to any material contracts with the Corporation, or receive any fees from the Corporation except as disclosed in this circular.



## Directorships

The following table sets forth the directors of the Corporation who currently hold directorships on other reporting issuers:

| Name                   | Name of Other Reporting Issuer                                                                       |
|------------------------|------------------------------------------------------------------------------------------------------|
| Wesley Warthe-Anderson | Ximen Mining Corp.                                                                                   |
| Allan Beaton           | Alliance Mining Corp.                                                                                |
| Barry Brown            | Goldbank Mining Corporation (TSX-V)<br>GGX Gold Corp. (TSX-V)<br>Fort St. James Nickel Corp. (TSX-V) |

## Orientation and Continuing Education

The Board of the Corporation briefs all new directors with the policies of the Board, and other relevant corporate and business information.

### Ethical Business Conduct

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

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Corporation or an affiliate of the Corporation, (ii) is for indemnity or insurance for the benefit of the director in connection with the Corporation, or (iii) is with an affiliate of the Corporation. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Corporation at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Corporation for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Corporation and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

### Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, show support for the Corporation's mission and strategic objectives, and a willingness to serve.

### Compensation

The Board conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of directors with the return to shareholders. The Board decides the compensation of the Corporation's officers, based on industry standards and the Corporation's financial situation.

### Other Board Committees

The Corporation and the Board has no committees other than the Audit Committee.

## **Assessments**

The Board monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees.

## **MANAGEMENT CONTRACTS**

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

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's financial statements and management's discussion and analysis. These documents are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

Pursuant to NI 51-102, the Corporation is required to annually send a request form to registered holders and beneficial owners of the Corporation's securities, other than debt securities, that such registered holders and beneficial owners may use to request a copy of the Corporation's annual financial statements and MD&A, interim financial statements and MD&A, or both. Registered holders and beneficial owners should review the request form carefully. In particular, registered holders and beneficial owners should note that, under applicable Canadian securities laws, the Corporation is only required to deliver financial statements and MD&A to a person or company that requests them. Failing to return a request form or otherwise specifically requesting a copy of the financial statements or MD&A from the Corporation may result in a registered holder or beneficial owner not being sent these documents. Copies of these documents can also be found at [www.sedar.com](http://www.sedar.com).

The Corporation will provide to any securityholder upon request, copies of the Corporation's financial statements and MD&A for the most recently completed financial year. Please direct your request to the Corporation at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia V6C 3K4, to request the Corporation's financial statements and MD&A.

## **APPROVAL OF DIRECTORS**

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have, the Corporation has relied upon information furnished by such person.

Dated at Vancouver, British Columbia, this 4<sup>th</sup> day of November 2020

/s/ "*Barry Brown*"

**Barry Brown**  
President and Director

## **Schedule “A”**

### **AUDIT COMMITTEE**

National Instrument 52-110 – Audit Committees (“NI 52-110”) requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee (the “**Audit Committee**”) and its relationship with its independent auditor, as set forth in the following.

#### **The Audit Committee’s Charter**

The Audit Committee's mandate and charter can be described as follows:

Each member of the Audit Committee shall be a member of the Board, in good standing, and the majority of the members of the Audit Committee shall be independent in order to serve on this committee.

1. At least one of the members of the Audit Committee shall be financially literate.
2. Review the Audit Committee's charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board. Consider changes that are necessary as a result of new laws or regulations.
3. The Audit Committee shall meet at least four times per year, and each time the Corporation proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Audit Committee may ask members of the Management or others to attend the meetings and provide pertinent information as necessary.
4. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the Audit Committee.
5. The Audit Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
6. Approve any non-audit services provided by the independent auditors, including tax services. Review and evaluate the performance of the independent auditors and review with the full Board any proposed discharge of the independent auditors.
7. Review with the Management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
8. Consider, with the Management, the rationale for employing accounting firms rather than the principal independent auditors.
9. Inquire of the Management and the independent auditors about significant risks or exposures facing the Corporation; assess the steps the Management has taken or proposes to take to minimize such risks to the Corporation; and periodically review compliance with such steps.
10. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
11. Inquire regarding the "quality of earnings" of the Corporation from a subjective as well as an objective standpoint.
12. Review with the independent accountants: (a) the adequacy of the Corporation's internal controls including

computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with the Management's responses thereto.

13. Review with the Management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.

14. Review with the Management, the independent auditors, the interim and annual financial reports before they are filed with the regulatory authorities.

15. Review with the independent auditor that performs an audit: (a) all critical accounting policies and practices used by the Corporation; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Management of the Corporation, the ramifications of each alternative and the treatment preferred by the Corporation.

16. Review all material written communications between the independent auditors and the Management.

17. Review with the Management and the independent auditors: (a) the Corporation's annual financial statements and related footnotes; (b) the independent auditors' audit of the financial statements and their report thereon; (c) the independent auditor's judgments about the quality, not just the acceptability, of the Corporation's accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors' audit plan; and (e) any serious difficulties or disputes with the Management encountered during the audit.

18. Periodically review the Corporation's code of conduct to ensure that it is adequate and up-to-date.

19. Review the procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.

20. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.

21. The Audit Committee will perform such other functions as assigned by law, the Corporation's articles, or the Board.