



New Pacific Metals Corp.

TSX-V: NUAG | OTCQX: NUPMF

**NEW PACIFIC METALS CORP.
Suite 1378 – 200 Granville Street
Vancouver, British Columbia, Canada V6C 1S4**

NOTICE OF ANNUAL GENERAL MEETING AND
MANAGEMENT INFORMATION CIRCULAR
FOR THE 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD AT 10:00 A.M. ON DECEMBER 10, 2018

Dated October 25, 2018



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NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 2018 annual general meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of New Pacific Metals Corp. (the “**Company**”) will be held at 200 Granville Street, Vancouver, British Columbia, Canada V6C 1S4 in the lobby meeting room on Monday, December 10, 2018 at 10:00 a.m. (Vancouver time), and at any adjournment or postponement thereof, for the following purposes:

- (a) to receive the audited financial statements of the Company for the year ended June 30, 2018, together with the report of the auditor thereon;
- (b) to fix the number of directors at six (6);
- (c) to elect directors for the ensuing year;
- (d) to re-appoint Deloitte LLP, Chartered Professional Accountants, as auditor for the Company for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
- (e) to consider and, if thought fit, to pass an ordinary resolution to approve the Company’s amended stock option plan and all unallocated options and entitlements thereunder. The full text of such ordinary resolution is set out in the management information circular accompanying this notice; and
- (f) to transact such further and other business as may be properly brought before the Meeting or at any adjournments thereof.

Only Shareholders of record on **October 23, 2018** are entitled to receive notice of and vote at the Meeting.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Shareholders who are unable to attend the Meeting are requested to read, complete, sign, date and return the enclosed form of proxy and deliver it to the Company’s transfer agent, **Computershare Investor Services Inc.**, in accordance with the instructions set out in the form of proxy and the management information circular accompanying this notice.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of October 2018

BY ORDER OF THE BOARD OF DIRECTORS

“Rui Feng”

Dr. Rui Feng
Chief Executive Officer and Director
New Pacific Metals Corp.

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Vancouver, BC V6C 1S4

MANAGEMENT INFORMATION CIRCULAR

FOR THE 2018 ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD AT 10:00 A.M. ON DECEMBER 10, 2018

This information herein is given as at October 25, 2018, except as otherwise stated.

This management information circular (“**Circular**”) is furnished in connection with the solicitation of proxies by the management (“**Management**”) of New Pacific Metals Corp. (the “**Company**”) for use at the annual general meeting (the “**Meeting**”) of the shareholders of the Company (the “**Shareholders**”) to be held at the time and place and for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”) and at any adjournments thereof.

In this Circular, references to the “**Company**”, “**we**” and “**our**” refer to New Pacific Metals Corp. “**Common Shares**” or “**Shares**” means common shares without par value in the capital of the Company. “**Options**” means the stock options granted to the directors, officers, employees, and consultants of the Company in accordance with the terms of the Company’s stock option plan. “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name and “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

SOLICITATION OF PROXIES

This solicitation is made on behalf of Management. Solicitation of proxies will be conducted by mail, and may be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company or by the Company’s registrar and transfer agent, Computershare Investor Services Inc. (“**Computershare**”). All costs of solicitation will be borne by the Company.

Unless the context otherwise requires, references herein to New Pacific Metals Corp. means the Company and its subsidiaries. The principal executive office of the Company is located at Suite 1378 – 200 Granville Street, Vancouver, British Columbia, Canada, V6C 1S4. The telephone number is (604) 633-1368 and the facsimile number is (604) 669-9387. The Company’s website address is www.newpacificmetals.com. The information on that website is not incorporated by reference into this Circular. The registered and records office of the Company is located at Suite 1378 – 200 Granville Street, Vancouver, British Columbia V6C 1S4.

Unless otherwise indicated, all currency amounts stated in this Circular are stated in the lawful currency of Canada.

PROXY INSTRUCTIONS

Appointment of Proxyholders

The persons named in the accompanying form of proxy (the “**Form of Proxy**”) are directors of the Company. Each Shareholder has the right to appoint some other person, who need not be a shareholder, to represent the Shareholder at the Meeting by striking out the names of the persons designated in the accompanying Form of Proxy and by inserting that other person’s name in the blank space provided.

The instrument appointing a proxyholder must be signed in writing by the Shareholder, or such shareholder’s attorney duly authorized in writing. If signed by a duly authorized attorney, the Form of Proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the Shareholder is a corporation, the instrument appointing a proxyholder must be in writing signed by an officer or attorney of the corporation duly authorized by resolutions of the directors of such corporation, which resolutions must accompany such instrument.

A proxy will only be valid if it is duly completed, signed, dated and received by Computershare in accordance with the instructions in the Form of Proxy, not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the holding of the Meeting, (or any adjournment or postponement thereof) unless the Chair of the Meeting elects to exercise his discretion to accept proxies received subsequently.

REVOCATION OF PROXIES

A Shareholder may revoke a proxy by delivering an instrument in writing executed by the Shareholder or by the Shareholder’s attorney authorized in writing, or where the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, either at the office of the Company at any time up to and including the last business day preceding the day of the Meeting, or with the consent of the Chair of the Meeting on the day of the Meeting or on the day of any adjournment thereof, before any vote in respect of which the proxy is to be used shall have been taken. A Shareholder may also revoke a proxy by depositing another properly executed instrument appointing a proxyholder bearing a later date with Computershare in the manner described above, or in any other manner permitted by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to revocation.

HOW TO VOTE

Only registered Shareholders (each a “Registered Shareholder”) or their duly appointed proxyholders are permitted to vote at the Meeting. Beneficial Shareholders are not permitted to vote at the Meeting as only proxies from Registered Shareholders can be recognized and voted at the Meeting. You may vote as follows:

Registered Shareholders: If you are a Registered Shareholder, you may vote by attending the Meeting in person, or if you do not plan to attend the Meeting, by completing the proxy and delivering it according to the instructions contained in the Form of Proxy and this Circular.

Beneficial Shareholders: If you are a Beneficial Shareholder, you must vote by proxy by carefully following the instructions included in the proxy provided to you by your Intermediary. If you do not follow the special procedures described by your Intermediary, you will not be entitled to vote.

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Circular and the Form of Proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for distribution to Beneficial Shareholder.

VOTING OF SHARES AND EXERCISE OF DISCRETION BY PROXIES

If you complete your proxy properly, then the nominee named in the accompanying Form of Proxy will vote or withhold from voting the Shares represented by the proxy in accordance with your instructions. **If you do not specify a choice on any given matter to be voted upon, your Shares will be voted in favour of such matter.** The proxy grants the nominee the discretion to vote on amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters that may properly come before the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than Dr. Rui Feng (an officer and director of Silvercorp Metals Inc.) and David Kong, (a director of Silvercorp Metals Inc.), no Person (as defined herein) 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. 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 completed 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). Refer to sections “Voting Shares and Principal Shareholders” and “Related Party Transactions” in this Circular.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The Company is authorized to issue an unlimited number of Common Shares without par value, each share carrying the right to one vote. As of the Record Date (as defined below), the Company has issued and outstanding 132,859,479 fully paid and non-assessable Common Shares. The Company has no other classes of voting securities.

The board of directors of the Company (the “**Board**”) has fixed **October 23, 2018** as the record date (the “**Record Date**”) for the determination of Shareholders entitled to receive the Notice of Meeting and to vote at the Meeting. Any transferee who acquires Shares after the Record Date and who wishes to attend the Meeting and to vote the transferred Shares must demand, not later than 10 days before the Meeting, to be included in the list of Shareholders prepared for the Meeting. Registered Shareholders should contact Computershare and non-Registered Shareholders should contact the Intermediary through whom they acquired the Shares.

On a show of hands, every individual who is present as a Registered Shareholder or as a representative of a Registered Shareholder will have one vote (no matter how many Shares such Registered Shareholder holds). On a poll, every Registered Shareholder present in person or represented by a proxy and every person who is a representative of a Registered Shareholder, will have one vote for each Common Share registered in the name of the Registered Shareholder on the list of Registered Shareholders, which is available for inspection during normal business hours at Computershare and at the Meeting. Registered Shareholders represented by proxyholders are not entitled to vote on a show of hands.

To the best of the knowledge of the directors and officers of the Company, as at the date of this Circular, there are no persons or companies beneficially owning or controlling or directing, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Company, except as follows:

Name	Number of Shares	Percentage of Outstanding Common Shares
Silvercorp Metals Inc.	39,280,900	29.57%
Pan American Silver Corp.	16,000,000	12.04%

FINANCIAL STATEMENTS

Financial information regarding the Company and its affairs is provided in the Company's comparative financial statements and management discussion and analysis ("MD&A") for its financial year ended June 30, 2018. Shareholders may contact the Company at the address set out on the face page of this Circular to request free copies of the Company's financial statements and MD&A. Alternatively, they can be found under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and the Company's website at www.newpacificmetals.com.

PARTICULARS OF MATTERS TO BE ACTED UPON

NUMBER OF DIRECTORS

The Board presently consists of six directors. Management proposes that the number of directors on the Board be fixed at six. Shareholders will therefore be asked at the Meeting to approve an ordinary resolution that the number of directors elected be fixed at six (6) for the ensuing year, subject to such increases as may be permitted by the Articles of the Company and the provisions of the *Business Corporations Act* (British Columbia) ("BCBCA"). **The Board recommends a vote "FOR" the approval of the resolution setting the number of directors at six (6). In the absence of contrary instructions, the management proxy nominees named as proxyholders in the enclosed Form of Proxy will cast the votes represented by any proxy FOR the approval of the resolution setting the number of directors at six (6).**

ELECTION OF DIRECTORS

Each director of the Company is elected annually and holds office until the next annual general meeting of the Shareholders, or until his or her successor is elected or appointed, unless that person's office is earlier vacated in accordance with the Articles of the Company or with the provisions of the BCBCA.

Management has received written consent from each of Management's nominees for election as a director as to their willingness and ability to serve as a director. The Company has adopted a majority voting policy where any nominee proposed for election as a director is required to tender their resignation if the director receives more *withheld* votes than *for* votes (i.e., a majority of withheld votes) at any meeting where shareholders vote on the uncontested election of directors. An *uncontested election* means the number of director nominees for election is the same as the number of directors to be elected to the Board. The Corporate Governance and Nominating Committee (as defined below) will then submit a recommendation regarding whether or not to accept the resignation to the Board. Within 90 days of receiving the final voting results, the Board will issue a press release either announcing the resignation of the director or explaining the reasons justifying its decision not to accept the resignation. A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board or the Corporate Governance and Nominating Committee at which the resignation is considered. No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

In the absence of contrary instructions, the management proxy nominees named as proxyholders in the enclosed Form of Proxy will cast the votes represented by any proxy FOR the election of the nominees named below.

The following table sets out the names of the management's nominees for election as directors, the municipality and province or state, and country in which each is ordinarily resident, all offices of the Company now held by each of them, each nominee's principal occupation, business or employment, the period of time for which each nominee has served as a director of the Company, and the number of Common Shares beneficially owned by each, directly or indirectly, or over which each nominee exercises control or direction as of the date of this Circular:

Name and Municipality of Residence⁽¹⁾	Current Position and Office Held	Principal Occupations during the Last Five Years⁽¹⁾	Date of Appointment as a Director	Common Shares Beneficially Owned⁽¹⁾
Rui Feng Beijing, China	CEO and Director	CEO, Chair and Director of Silvercorp Metals Inc. since September 2003; Director of the Canada China Business Council - BC Chapter Board; Vice President of Canada-China Business Association.	May 12, 2004	10,427,400 ⁽²⁾
Jack Austin Vancouver, B.C., Canada	Chair and Director ⁽³⁾⁽⁴⁾⁽⁵⁾	Chair and Director of the Company; Advisor to Stern Partners Inc. and Silvercorp Metals Inc.; Honorary Professor and Senior Fellow at the Institute of Asian Research at the University of British Columbia.	May 13, 2008	450,000
David Kong Richmond, B.C., Canada	Director ⁽³⁾⁽⁴⁾⁽⁵⁾	Partner of Ernst & Young LLP from 2005 to 2010. Director of Silvercorp Metals Inc., Uranium Energy Corp., and Gold Mining Inc.	November 29, 2010	513,500 ⁽⁶⁾
T. Gregory Hawkins Vancouver, B.C., Canada	Director ⁽³⁾⁽⁴⁾⁽⁵⁾	Founding director and/or consultant of public and private exploration development ventures (Brohm Mining Inc., Dayton Mining Inc., Nevsun Resources Ltd., Banro Resource Corp., Tagish Lake Gold Corp., and African Gold Group Inc.). Chairman of Yellowhead Mining Inc. Director of Discovery-Corp Enterprises Inc. Managing Director of CME and Co. from 1993 to 2014.	November 29, 2010	998,700
John McCluskey Toronto, Ontario Canada	Director ⁽⁴⁾⁽⁵⁾	President and Chief Executive Officer of Alamos Gold Inc. since 2003. Director of Alamos Gold Inc. since July 2, 2015. Director of World Gold Council.	August 1, 2017	193,750
Martin G. Wafforn Vancouver, B.C., Canada	Director	Senior Vice President of Pan American Silver Corp.	November 27, 2017	Nil
Total				12,583,350

Notes:

- (1) The information as to residence, principal occupation or employment and shares beneficially owned, directly or indirectly, or controlled is not within the knowledge of the Management of the Company and has been furnished by the respective director or officer.
- (2) Silvercorp Metals Inc. itself, or through subsidiaries, beneficially owns and controls 39,280,900 common shares representing 29.57% of the Company's outstanding common shares. Dr. Rui Feng and Silvercorp Metals Inc., acting jointly and in concert, beneficially own, directly and indirectly, or exercise control or direction over 49,708,300 or 37.41% of the outstanding common shares of the Company.
- (3) Denotes member of the Audit Committee.
- (4) Denotes member of the Compensation Committee.
- (5) Denotes member of the Corporate Governance and Nominating Committee.
- (6) Of these shares, 190,000 are held in the name of Mr. Kong's spouse.

The Company confirms that no director, together with his or her associates or affiliates, owns or controls directly or indirectly 10% or more of the outstanding Common Shares.

No proposed director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
 - (i) was subject to an order that was issued while the proposed director was acting the capacity as director, chief executive; or
 - (ii) 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,
- (b) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within 10 years before the date of this 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.

No proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

It is proposed that Deloitte LLP, Chartered Professional Accountants, of Vancouver, British Columbia be reappointed as the auditors of the Company to hold office until the next annual meeting of the Shareholders or until a successor is appointed, and that the directors be authorized to determine the auditor's remuneration.

The Board recommends a vote "FOR" the approval of the resolution appointing Deloitte LLP, Chartered Professional Accountants, as auditors of the Company at remuneration to be fixed by the Board. In the absence of contrary instructions, the management proxy nominees named as proxyholders in the enclosed Form of Proxy will cast the votes represented by any proxy FOR the appointment of Deloitte LLP as auditor of the Company at remuneration to be fixed by the Board.

CORPORATE GOVERNANCE

Board of Directors

In compliance with the requirements of the BCBCA, the directors are elected by the Shareholders to manage or supervise the management of the business and affairs of the Company. In exercising their powers and discharging their duties, the directors are required to act honestly and in good faith with a view to the best interests of the Company, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board is responsible for approving long-term strategic plans and annual operating budgets recommended by Management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions. Any responsibility which is not delegated to Management or to the committees of the Board remains with the Board. The Board meets and engages in discussions on a regular basis, as required by the state of the Company's affairs, and also from time to time as deemed necessary to enable it to fulfill its responsibilities.

The Board believes that good corporate governance is important to the effective performance of the Company and plays a significant role in protecting Shareholders' interests and maximizing value for the Shareholders. The Company has reviewed its own corporate governance practices in light of National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201"). The Board has adopted a written mandate for the Board which is attached hereto as **Schedule "A"** and is posted on the Company's website at www.newpacificmetals.com. The Board is committed to sound corporate governance practices in the interest of its Shareholders and to effective and efficient decision making. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses.

Composition of the Board

NP 58-201 recommends that the board of directors of a reporting issuer be composed of a majority of independent directors. During the most recently completed financial year, the Company had a majority of independent directors; Jack Austin, David Kong, John McCluskey, Greg Hawkins, and Martin Wafforn are "**independent**" within the meaning of National Instrument 52-110 *Audit Committees* ("NI 52-110"). Dr. Rui Feng, the Chair of the Board, is not considered independent as he is the Chief Executive Officer (the "**CEO**") of the Company.

The Company has taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of Management. The size of the Company is such that all the Company's operations are conducted by a relatively small Management team which is also represented on the Board. Any director may submit items for inclusion in the agenda of matters to be discussed at a meeting of the Board. The Board considers that Management is effectively supervised by the independent directors on an informal basis, as the independent directors are actively and regularly involved in reviewing the operations of the Company and has regular and full access to Management. Many of the Company's directors sit on the board of other issuers. This information is listed under each director profile in the "Election of Directors" section starting on page 7.

The Board holds four regularly scheduled quarterly meetings throughout the year. Meetings are also conducted on an as-required basis in order to deal with matters as business developments warrant. The following table summarizes directors' attendance at all Board meetings during the fiscal year ended June 30, 2018:

Director	Number of meetings attended	Number of meetings eligible to attend
Rui Feng	5	5
Jack Austin	5	5
David Kong	5	5
Greg Hawkins	5	5
Martin G. Wafforn (appointed November 29, 2017)	3	3

The Board has developed written position descriptions for the Chair of the Company, the CEO, and the chairs of each committee of the Board.

Orientation and Education

The Company provides new directors with an orientation program upon joining the Company that includes copies of relevant financial, information regarding its properties, as well as opportunities for meetings with Management. Board members are encouraged to communicate with Management and auditors, to keep themselves current with industry trends and development, and to attend related industry seminars. Board members have full access to the Company's records.

Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics (the "**Code**"). A copy of the Code may be obtained by contacting the Company at the address on the cover of this Circular. Alternatively, a copy of the Code can be found under the Company's profile on SEDAR at www.sedar.com and the Company's website at www.newpacificmetals.com. When proposed transactions or agreements in which directors or officers may have an interest, material or not, are presented to the Board, the directors are required to disclose any such interest and the persons who have such an interest are excluded from all discussion on the matter and are not permitted to vote on the proposal. All such interests in transactions or agreements involving senior Management are dealt with by the Board, regardless of apparent immateriality.

Compensation Committee

The compensation committee of the Board (the "**Compensation Committee**") is responsible for determining and approving compensation for directors and senior officers. Fees payable to Management and directors have been determined using a number of factors, such as the nature and extent of the contributions by individual directors, and by direct comparison with other companies of similar size, complexity and risk profile. The Compensation Committee is currently comprised of four directors: David Kong (Chair), Jack Austin, Greg Hawkins, and John McCluskey. Each member of the committee is independent. All Compensation Committee members have direct experience that is relevant to their responsibilities in executive compensation. All members have advised on compensation matters for several public companies and within the resource sector. The charter of the Compensation Committee is attached hereto as **Schedule "B"**. A description of the responsibilities, powers and operation of the Compensation Committee can be found therein.

Corporate Governance and Nominating Committee

The corporate governance and nominating committee of the Board (the "**Corporate Governance and Nominating Committee**") is responsible for assisting the Board in establishing and maintaining a sound system of corporate governance through a process of continuing assessment and enhancement. The Corporate Governance and Nominating Committee works to ensure that the Board functions independently of Management, that Management is clearly accountable to the Board, and that procedures are in place to monitor the effectiveness of the performance of the Board, the committees of the Board and individual directors. The Corporate Governance and Nominating Committee is currently comprised of four directors: John McCluskey (Chair), Jack Austin, David Kong, and Greg Hawkins. Each member of the committee is independent. The charter of the Corporate Governance and Nominating Committee is attached hereto as **Schedule "C"**. A description of the responsibilities, powers and operation of the committee can be found therein.

Nomination of Directors

The Corporate Governance and Nominating Committee is responsible for assisting the Board in respect of the nomination of directors and is required to identify new candidates for appointment to the Board. The Corporate Governance and Nominating Committee periodically examines the size and composition of the Board, with a view to determining the impact of the number of directors upon effectiveness and the appropriate number of directors to

facilitate effective decision making. The identification of candidates is also made in the context of the existing competencies and skills which the Board, as a whole, does possess or determines it should possess. Members of the Board and representatives of the mining industry are often consulted for potential candidates. Once suitable candidates are identified, they are presented for consideration to the Board.

Assessments

The Corporate Governance and Nominating Committee and the Board annually, and at such other times as they deem fit, monitor the adequacy of information given to directors, communications between the Board and Management, and the strategic direction and processes of the Board and its committees. As part of the assessments, the Board and/or the committees may review their respective charter and conduct reviews of applicable corporate policies. Each Board member is well-qualified through current or previous professions. Each member participates fully in each meeting, having in all cases been specifically canvassed for their input.

AUDIT COMMITTEE

The Company's audit committee (the "**Audit Committee**") assists the Board in fulfilling its responsibilities for oversight of financial and accounting matters. The Audit Committee is currently comprised of three directors: David Kong (Chair), Jack Austin, and Greg Hawkins. All of the members are considered independent and financially literate pursuant to NI 52-110. A description of responsibilities, powers and operation of the Audit Committee and a copy of the Audit Committee Charter is attached to the Company's annual information form dated September 28, 2018, filed with the Canadian securities regulators and posted on SEDAR at www.sedar.com.

EXECUTIVE COMPENSATION

Executive Compensation

Set out below are particulars of compensation paid to the following persons (the "**Named Executive Officers**" or "**NEOs**"): (a) the Company's CEO; (b) the Company's Chief Financial Officer (the "**CFO**"); (c) each of the Company's three most highly compensated executive officers, or 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 was, individually, more than \$150,000 for that financial year; and (d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an executive officer of the company, nor acting in a similar capacity, at the end of the most recently completed financial year.

Compensation Discussion and Analysis

The Company's executive compensation program is overseen by the Compensation Committee. See "Compensation Committee" for a description of the composition of this committee. The Compensation Committee is responsible for making recommendations to the Board with respect to the compensation of executive officers of the Company as well as with respect to the Company's stock option plan. The Compensation Committee also assumes responsibility for reviewing and monitoring the long-term compensation strategy for the senior Management of the Company.

The Compensation Committee attempts to ensure that the compensation packages for executive officers and the overall equity participation plan are in line with publicly listed mining and mineral exploration companies of a comparable size and with operations at a similar or a more advanced stage. The Compensation Committee does not rely on any formula, or objective criteria and analysis to determine an exact amount of compensation to pay. Compensation decisions are made through discussion by the Compensation Committee, with input from the CEO, with the final recommendations of the Compensation Committee being submitted to the Board for further discussion and final approval. The target is for the total compensation package granted to the CEO to be approximately in the middle range of other comparably sized mining companies; however, there is no fixed formula, or pre-determined set of peer companies that is used for this determination.

The Compensation Committee considered the implications of the risks associated with the Company’s compensation policies and practices and concluded that, given the nature of the Company’s business and the role of the Compensation Committee in overseeing the Company’s executive compensation practices, the compensation policies and practices do not serve to encourage any NEO or individual at a principal business unit or division to take inappropriate or excessive risks, and no risks were identified arising from the Company’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

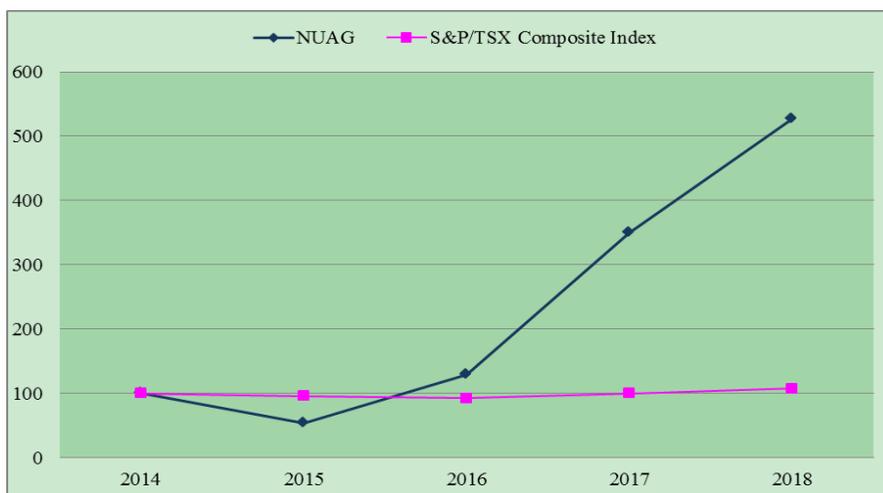
No NEOs or directors are permitted to purchase financial instruments including forward contracts, equity swaps, collars, or like instruments, that are designed to hedge against a decrease in market value of securities of the Company granted to such NEOs or directors as compensation.

No new actions, decisions or policies were made after the end of the most recently completed financial year that could affect a reasonable person’s understanding of an NEO’s compensation for the year ended June 30, 2018.

Performance Graph

From February 16, 2012 to June 30, 2016, the Common Shares of the Company traded on the Toronto Stock Exchange (the “TSX”) and thereafter on the TSX Venture Exchange (“TSXV”) under the symbol “NUX”. On April 10, 2017, the Company announced a proposed acquisition and an intended Change of Business and Change of Name. Trading of the Common Shares on the TSXV was halted pending completion of the transaction, and resumed trading on July 24, 2017 with a new ticker symbol “NUAG”.

The following chart compares the total cumulative shareholder return for CDN\$100 invested in Common Shares of the Company on June 30, 2014, with the cumulative total return of the S&P/TSX Composite Index for the period from June 30, 2014 to June 30, 2018. The Common Share performance as set out in the graph does not necessarily indicate future price performance. The Company has never paid dividends to its Shareholders. The Company does take into account overall share price performance in determining executive compensation amounts; however, share price performance is just one of the many factors, as discussed above, that the Company takes into consideration. There is not a direct correlation between the Company’s share price performance and the amount of compensation paid to NEOs.



Cumulative Total Return

For Date	2014	2015	2016	2017	2018
NUAG	100.00	53.33	130.00	350.00	526.67
S&P/TSX Composite Index	100.00	96.09	92.86	100.24	107.47
NUX Closing Price*	0.30	0.16	0.39	1.05	1.58
S&P/TSX Composite Index	15,146.00	14,553.30	14,064.50	15,182.20	16,277.70

Note:

From February 16, 2012 to June 30, 2016, the Common Shares of the Company traded on the TSX and thereafter on TSXV under the symbol “NUX”. Commencing on July 24, 2017, the Common Shares traded under a new ticker symbol “NUAG”.

Base Compensation

In the Compensation Committee’s view, paying base compensation that is competitive in the market in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. The Compensation Committee makes assessments by making reference to independent salary surveys, and comparing salaries with that of other Canadian mining companies with similar size as discussed above.

Short Term Incentive Plan

The Company does not maintain any short term incentive plans for its CEO or other NEOs.

Option-based Awards

The Company believes that encouraging its executive officers and employees to become shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Company’s stock option plan. Options are granted to executive officers taking into account a number of factors, including the amount and terms of options previously granted, base compensation and performance bonuses, if any, and competitive factors. During the 2018 fiscal year, the Board granted options to employees and directors to purchase a total of 2,165,000 Common Shares which represents 1.6% of the outstanding Common Shares as at June 30, 2018. The Options granted in the 2018 fiscal year were granted at or above market prices with a term of five years, and vesting in equal 6-month amounts over a three year vesting period.

Compensation Governance

See “Compensation Committee” for a description of the composition of the Compensation Committee.

Summary Compensation Table

Name and Principal Position	Fiscal Year Ended June 30	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽⁴⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽⁶⁾	Long Term Incentive Plans			
Rui Feng ⁽¹⁾ CEO and Director	2018	72,000	Nil	47,409	Nil	Nil	Nil	Nil	119,409
	2017	72,000	Nil	155,491	Nil	Nil	Nil	Nil	227,491
	2016	72,000	Nil	Nil	Nil	Nil	Nil	Nil	72,000

Name and Principal Position	Fiscal Year Ended June 30	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽⁴⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽⁶⁾	Long Term Incentive Plans			
Jalen Yuan ⁽²⁾ CFO	2018	Nil	Nil	63,212	Nil	Nil	Nil	Nil	63,212
	2017	Nil	Nil	46,647	Nil	Nil	Nil	Nil	46,647
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gordon Neal ⁽³⁾ President	2018	229,167	Nil	316,061	Nil	Nil	Nil	Nil	545,228
Hongen Ma ⁽³⁾ Vice President	2018	90,000	Nil	Nil	Nil	Nil	Nil	Nil	90,000
	2017	90,000	Nil	Nil	Nil	Nil	Nil	Nil	90,000
	2016	90,000	Nil	Nil	Nil	Nil	Nil	Nil	90,000

Notes:

- (1) The amounts paid to Dr. Rui Feng relate to his role as an officer of the Company and not that of a director. He does not receive any compensation as a director of the Company.
- (2) Jalen Yuan was appointed CFO on February 17, 2015.
- (3) Hogen Ma ceased being President on July 31, 2017. Gordon Neal was appointed President on August 1, 2017.
- (4) The Company has adopted *IFRS 2 – Share-based Payments* to account for the issuance of Options to employees and non-employees. The fair value of Options is estimated at the grant date using the Black-Scholes Option Pricing Model which requires the input of a number of assumptions. Although the assumptions used reflect management's best estimates, they involve inherent uncertainties based on market conditions generally outside of the control of the Company. The following summarizes the key assumptions used to calculate the fair value of each set of Options granted:

Name	Fiscal Year of Options Granted	Grant Date	Options Granted ⁽¹⁾	Exercise price (\$)	Expiry Date	Weighted average expected life (years)	Weighted average risk free rates	Weighted average volatilities	Weighted average fair value per Option (\$)
Rui Feng, CEO and Director	2018	01-Aug-2017	75,000	1.15	31-Jul-2022	2.75	1.32%	91.43%	0.63
	2017	01-Nov-2016	500,000	0.55	31-Oct-2021	2.75	0.58%	95.89%	0.31
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jalen Yuan, CFO	2018	01-Aug-2017	100,000	1.15	31-Jul-2022	2.75	1.32%	91.43%	0.63
	2017	01-Nov-2016	150,000	0.55	31-Oct-2021	2.75	0.58%	95.89%	0.31
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gordon Neal, President	2018	01-Aug-2017	500,000	1.15	31-Jul-2022	2.75	1.32%	91.43%	0.63
	2017	01-Nov-2016	60,000	0.55	31-Oct-2021	2.75	0.58%	95.89%	0.31
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Hongen Ma, Vice President	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Pension Plan Benefits

The Company does not provide any pension plan benefits.

Outstanding Share-based Awards and Option-based Awards

The following table summarizes awards outstanding at fiscal year ended June 30, 2018, for each NEO:

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽¹⁾ (\$)	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 (\$)
Rui Feng, CEO and Director	75,000	1.15	31-Jul-2022	32,250	Nil	Nil	Nil
	500,000	0.55	31-Oct-2021	515,000	Nil	Nil	Nil
	100,000	0.57	23-Sep-2018	101,000	Nil	Nil	Nil
Jalen Yuan, CFO	100,000	1.15	31-Jul-2022	43,000	Nil	Nil	Nil
	150,000	0.55	31-Oct-2021	154,500	Nil	Nil	Nil
	25,000	0.57	23-Sep-2018	25,250	Nil	Nil	Nil
Gordon Neal, President	500,000	1.15	31-Jul-2022	215,000	Nil	Nil	Nil
	60,000	0.55	31-Oct-2021	61,800	Nil	Nil	Nil
Hongen Ma, Vice President	25,000	0.57	23-Sep-2018	25,250	Nil	Nil	Nil

Note:

- (1) The value of the unexercised in-the-money options is based on the closing price of the Common Shares on the TSXV of \$1.58 per Common Share as at June 30, 2018 (using the last trading date price of \$1.58 as of June 29, 2018) net of the exercise price of the Options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table discloses the number of option-based grants to the NEOs that have vested during the fiscal year ended June 30, 2018 and provides the aggregate dollar value that would have been realized if these Options had been exercised on the vesting date by determining the difference between the market price of the underlying securities and the exercise price of the Options on the vesting date.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Rui Feng, CEO and Director	160,375	Nil	Nil
Jalen Yuan, CFO	50,854	Nil	Nil
Gordon Neal, President	38,533	Nil	Nil
Hongen Ma, Vice President	2,438	Nil	Nil

Note:

- (1) This amount is calculated based on the dollar value that would have been realized by determining the difference between the closing market price of the Common Shares and the exercise price of the Options on the vesting date.

Termination and Change of Control Benefits

The Company does not have any contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities. There are no deferred compensation plans.

DIRECTOR COMPENSATION

Compensation for Directors

Each director, except those who are NEOs, is paid an annual cash compensation of \$10,000. In addition, the Company pays Jack Austin annual cash compensation of \$30,000 for being Chair of the Board. No other cash compensation was paid to the Company's directors during the most recently completed financial year 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 for the granting from time to time of Options in accordance with the terms of the Company's stock option plan and the policies of the TSXV. The following table sets out compensation paid to directors in the financial year ended June 30, 2018:

Name ⁽¹⁾	Fees earned (\$)	Share-based awards (\$)	Option based awards (\$) ⁽⁴⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Jack Austin	40,000	Nil	47,409	Nil	Nil	Nil	87,409
David Kong	10,000	Nil	47,409	Nil	Nil	Nil	57,409
Greg Hawkins	10,000	Nil	47,409	Nil	Nil	Nil	57,409
John McCluskey ⁽²⁾	10,000	Nil	189,636	Nil	Nil	Nil	199,636
Martin Wafforn ⁽³⁾	5,833	Nil	172,928	Nil	Nil	Nil	178,761

Notes:

- (1) Disclosure about compensation payable to Dr. Rui Feng in his capacity as a director of the Company has already been disclosed above under the heading "Summary Compensation Table".
- (2) Appointed as director on July 31, 2017.
- (3) Appointed as director on November 29, 2017.
- (4) The Company has adopted *IFRS 2 – Share-based Payment* to account for the issuance of stock options to employees and non-employees. The fair value of Options is estimated at the grant date using the Black-Scholes Option Pricing Model which requires the input of a number of assumptions. The assumptions used reflect management's best estimates, but involve inherent uncertainties based on market conditions outside of the control of the Company. The following summarizes the key assumptions used to calculate the fair value of each set of Options granted to directors, who are not NEOs, during the financial year ended June 30, 2018:

Name	Grant Date	Options Granted	Exercise price (\$)	Expiry Date	Weighted average expected lives (years)	Weighted average risk free rates	Weighted average volatilities	Weighted average fair value per option (\$)
Jack Austin	1-Aug-2017	75,000	1.15	31-Jul-2022	2.75	1.32%	91.43%	0.63
David Kong	1-Aug-2017	75,000	1.15	31-Jul-2022	2.75	1.32%	91.43%	0.63
Greg Hawkins	1-Aug-2017	75,000	1.15	31-Jul-2022	2.75	1.32%	91.43%	0.63
John McCluskey ⁽¹⁾	1-Aug-2017	300,000	1.15	31-Jul-2022	2.75	1.32%	91.43%	0.63
Martin Wafforn ⁽²⁾	8-Dec-2017	200,000	1.57	7-Dec-2022	2.75	1.53%	91.38%	0.86

Notes:

- (1) Appointed as director on July 31, 2017.
- (2) Appointed as director on November 27, 2017.

Outstanding Share-based Awards and Option-based Awards

The following tables table summarizes awards outstanding at fiscal year ended June 30, 2018, for each non-executive director.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽¹⁾ (\$)	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 (\$)
Jack Austin	75,000	1.15	31-Jul-2022	32,250	Nil	Nil	Nil
	125,000	0.55	31-Oct-2021	128,750	Nil	Nil	Nil
David Kong	75,000	1.15	31-Jul-2022	32,250	Nil	Nil	Nil
	125,000	0.55	31-Oct-2021	128,750	Nil	Nil	Nil
Greg Hawkins	75,000	1.15	31-Jul-2022	32,250	Nil	Nil	Nil
	125,000	0.55	31-Oct-2021	128,750	Nil	Nil	Nil
	50,000	0.57	23-Sep-2018	50,500	Nil	Nil	Nil
John McCluskey	300,000	1.15	31-Jul-2022	129,000	Nil	Nil	Nil
Martin Wafforn	200,000	1.57	7-Dec-2022	2,000	Nil	Nil	Nil

Notes:

- (1) The value of the unexercised in-the-money options is based on the closing price of the Common Shares on the TSXV of \$1.58 per Common Share as at June 30, 2018 (using the last trading date price of \$1.58 as of June 29, 2018) net of the exercise price of the Options.
- (2) Appointed as director on July 31, 2017.
- (3) Appointed as director on November 27, 2017.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table discloses the number of option-based grants to each non-executive directors of the Company that have vested during the fiscal year ended June 30, 2018 and provides the aggregate dollar value that would have been realized if these Options had been exercised on the vesting date by determining the difference between the market price of the underlying securities and the exercise price of the Options on the vesting date.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jack Austin	44,875	Nil	Nil
David Kong	44,875	Nil	Nil
Greg Hawkins	44,875	Nil	Nil
John McCluskey	12,500	Nil	Nil
Martin Wafforn	Nil	Nil	Nil

Note:

- (1) This amount is calculated based on the dollar value that would have been realized by determining the difference between the closing market price of the Common Shares and the exercise price of the Options on the vesting date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Company has in place is its stock option plan (the “Plan”) which was last approved by the Shareholders on November 28, 2017. At the 2017 annual general meeting, Shareholders approved a new amendment to the Plan in order to, among other things, convert the Plan from a “fixed number plan” to a “rolling 10% plan”. A copy of the Plan is attached as Appendix A to the Circular for the year ended June 30, 2018 and may be obtained by contacting the Company at the address on the cover of this Circular or under the Company’s profile on SEDAR at www.sedar.com.

The Plan has been established to attract and retain employees, consultants, officers or directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company. The Plan is administered by the directors and Compensation Committee. The maximum number of Common Shares that may be reserved for issuance for all purposes under the Plan is 10% of the issued and outstanding Common Shares, from time to time. Any Common Shares reserved for issuance pursuant to an Option which for any reason is cancelled or terminated without having been exercised will again be available for grant under the Plan. Additionally, if any Option has been exercised, the number of Common Shares into which such Option was exercised will become available to be issued upon the exercise of Options subsequently granted under the Plan. Thus, upon exercise of Options, the Common Shares underlying such Options will become available for issuance under the Plan. See Appendix A for additional detail.

The Company has an authorized capital of an unlimited number of common shares without par value, of which 132,859,479 Common Shares were issued and outstanding as fully paid and non-assessable as of the Record Date. The total number of Options available under the Plan is 13,285,948 (representing 10% of the Company’s issued and outstanding Common Shares). A further 3,835,000 Options have been reserved and allotted for issuance upon the due and proper exercise of certain Options outstanding as at the date hereof which represents 2.9% of the Company’s issued and outstanding Common Shares. 9,089,948 Options are available for future issuance under the Plan (representing 6.8% of the Company’s issued and outstanding Common Shares).

As of the date of this Circular, the Company has outstanding Options to purchase 3,835,000 Common Shares at exercise prices from \$0.55 to \$1.57 per Common Share and original terms of five years, with the last Options expiring on December 7, 2022.

The following table sets out equity compensation plan information as at the end of the financial year ended June 30, 2018.

Equity Compensation Plan Information as at June 30, 2018

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	4,145,000 Common Shares	\$1.73	9,089,948 Common Shares
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	4,145,000 Common Shares	\$1.73	9,089,948 Common Shares

APPROVAL OF AMENDED OPTION PLAN

The only equity compensation plan which the Company has in place is its Plan which was approved by the Shareholders on November 28, 2017. A copy of the Plan may be obtained by contacting the Company at the address

on the cover of this Circular or under the Company's profile on SEDAR at www.sedar.com. There have been no changes to the Plan since it was approved by the Shareholders.

The Plan was established to attract and retain employees, consultants, officers or directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company. The Plan is administered by the directors and the Compensation Committee.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan.

The Plan provides for the following terms and restrictions of stock option grants:

- (a) Directors, officers, employees and consultants of the Company or any of its subsidiaries are eligible to receive grants of options under the Plan.
- (b) The maximum number of Shares issuable under the Plan, together with the number of Shares issuable under outstanding options granted otherwise than under the Plan, shall not exceed 10% of the issued and outstanding Shares of the Company. If a stock option is surrendered, terminated or expires without being exercised, the Shares reserved for issuance pursuant to such stock option shall be available for new stock options granted under the Plan.
- (c) The aggregate number of Shares issued to insiders in any 12-month period under the Plan or any other share compensation arrangements of the Company shall not exceed 10% of the outstanding Shares.
- (d) The aggregate number of stock options granted to any one person (and Companies wholly owned by that Person) in a 12-month period must not exceed 5% of the issued Shares, calculated on the date a stock option is granted to the person (unless the Company has obtained the requisite disinterested Shareholder approval).
- (e) The aggregate number of options granted to any one consultant in a 12-month period must not exceed 2% of the issued shares of the Company, calculated at the date a stock option is granted to the Consultant.
- (f) The aggregate number of options granted to all persons retained to provide investor relations activities must not exceed 2% of the issued shares of the Company in any 12-month period, calculated at the date a stock option is granted to any such person. For the purposes of the Plan, persons retained to provide investor relations activities shall include any consultant that performs investor relations activities and any employee or director whose role and duties primarily consist of investor relations activities.

Major terms of the Plan terms in regards to exercise price, expiry, vesting, assignment, and cessation are as follows:

- (a) The exercise price per Share for a stock option shall not be less than the last daily closing price per Share on the TSX Venture Exchange (the "**Exchange**") on the last trading day immediately preceding any grant of stock options on the date of grant;
- (b) Every stock option granted pursuant to this Plan shall have a term not exceeding, and shall therefore expire no later than, ten years after the date of grant;
- (c) Pursuant to the policies of the Exchange, the Board shall determine the manner in which a stock option shall vest and become exercisable;
- (d) No stock option granted under this Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession except that,

if permitted by the rules and policies of the Exchange, an optionee shall have the right to assign any stock option granted to him hereunder to a trust, RRSP, RESP or similar legal entity established by such optionee;

- (e) If an officer, employee or consultant is terminated for cause, each stock option held by such optionee shall terminate and shall therefore cease to be exercisable upon such termination for cause;
- (f) If a director, officer, employee or consultant dies prior to the expiry of his stock option, his legal representatives may, within the lesser of one year from the date of the optionee's death or the expiry date of the stock option, exercise that portion of an stock option granted to the director, officer, employee, or consultant under the Plan which remains outstanding;
- (g) If a director, officer, employee or consultant ceases to be an eligible person under the Plan for any reason whatsoever (other than for termination for cause or death) each stock option held by such party will cease to be exercisable 90 days after the termination date. The Board may extend the date of such termination and the resulting period in which the stock option remains exercisable to a date not exceeding the expiry date;
- (h) In the event of a change of control, all stock options that are not vested shall vest immediately and automatically without further action by the Board, subject to any restrictions imposed by the Exchange pursuant to its policies stated herein or otherwise at the time of vesting. Stock options granted to investor relations providers are not eligible for accelerated vesting without prior Exchange approval; and,
- (i) The Board may amend any stock option with the consent of the affected optionee and the Exchange, including any shareholder approval as required by the Exchange. Disinterested Shareholder approval will be obtained for any reduction in the exercise price if the optionee is an insider of the Company at the time of the proposed amendment.

In accordance with the policies of the Exchange, a stock option plan with a rolling 10% maximum must be confirmed by shareholders at each annual general meeting. The Plan is also subject to Exchange approval. Accordingly, at the Meeting, the Shareholders will be asked to pass the following resolution:

The Board recommends a vote “FOR” the approval of the Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the Company's last completed financial year-ended June 30, 2018, no director or executive officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any of the foregoing persons has been indebted to the Company or any of its subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

There are no management functions of the Company that are to any substantial degree performed by a person or company other than the directors or executive/senior officers (or private companies controlled by them, either directly or indirectly) of the Company or its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, during the most recently completed financial year, no informed person of the Company, nominee for election as a director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. An “**informed person**” means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as, it has purchased, redeemed or otherwise acquired any of its shares.

Material Transactions - Since July 1, 2017

Related Party Transactions

The following summarizes the Company’s relationship with related parties:

Transactions with related parties	Years ended June 30,	
	2018	2017
Silvercorp Metals Inc. (a)	\$ 351,280	\$ 380,523

Related party transactions are entered into based on normal market conditions at the amounts agreed on by the parties. As at June 30, 2018, the balances with related parties, which are unsecured, non-interest bearing, and due on demand, are as follows:

Due to related parties	June 30, 2018	June 30, 2017
Silvercorp Metals Inc. (a)	\$ 24,417	\$ 50,928

Silvercorp Metals Inc. has two common directors and one officer with the Company and shares office space and provides various general and administrative services to the Company. During the year ended June 30, 2018, the Company recorded total expenses of \$351,280 (year ended June 30, 2017 - \$380,523) for services rendered and expenses incurred by Silvercorp Metals Inc. on behalf of the Company.

AUDITOR

Deloitte LLP, Chartered Professional Accountants, of Vancouver, British Columbia, are the auditors for the Company and have advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

OTHER BUSINESS

Management knows of no other matters which will come before the Meeting, other than as set forth above and in the Notice of Meeting, but if such should occur, the persons named in the enclosed Form of Proxy intend to vote on them in accordance with their best judgment exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting, or any adjournments thereof.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company’s profile under SEDAR at www.sedar.com.

Financial information regarding the Company and its affairs is provided in the Company's comparative financial statements and management discussion and analysis ("MD&A") for its financial year ended June 30, 2018. Shareholders may contact the Company at the address set out on the face page of this Circular to request free copies of the Company's financial statements and MD&A. Alternatively, they can be found under the Company's profile on SEDAR at www.sedar.com and the Company's website at www.newpacificmetals.com.

BOARD APPROVAL

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

Dated at Vancouver, British Columbia, this 25th day of October, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

"Rui Feng"

Dr. Rui Feng

Chief Executive Officer and Director
New Pacific Metals Corp.

SCHEDULE "A"

MANDATE OF THE BOARD OF DIRECTORS OF NEW PACIFIC METALS CORP.

The Board is responsible for the stewardship of the Company and for the oversight of its management and affairs.

Directors shall exercise their best business judgment in a manner consistent with their fiduciary duties. The Board's primary responsibilities, which are discharged directly and through delegation to its Committees, include the following:

- To act honestly and in good faith with a view to the best interests of the Company.
- To exercise due care, diligence and skill that reasonably prudent persons would exercise in comparable circumstances.
- Consistent with its responsibilities to the Company, to further the interests of the shareholders.
- To consider business opportunities and risks and to adopt strategic plans from time to time.
- To identify the principal risks of the Company's business, and to implement an appropriate system to manage these risks.
- To develop an investor relations and shareholder communications policy for the Company.
- To oversee management's adoption of effective internal control and management information systems.
- To review and approve annual and quarterly financial statements and the publication thereof by management.
- To approve operating plans and any capital budget plans.
- To select and approve all key executive appointments, and to monitor executive development.
- To develop the Company's approach to corporate governance, including establishing a set of corporate governance principles and guidelines that are specifically applicable to the Company.
- To adopt a code of conduct to govern employees and management in their activities for and on behalf of the Company.
- To promote a culture of integrity throughout the Company consistent with the adopted code of conduct.
- To take action on issues that by law or practice requires the independent action of a Board or one of its Committees.
- To oversee management in its implementation of effective programs to provide a safe work environment, to employ sound environmental practices, and to operate in accordance with applicable laws, regulations and permits.
- To oversee management in its implementation of an effective communications policy with regard to investors, employees, the communities in which it operates and the governments of those communities.

SCHEDULE "B"

CHARTER FOR THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF NEW PACIFIC METALS CORP.

1.0 Purpose of the Committee

- 1.1 The purpose of the Compensation Committee is to assist the Board in discharging its duties relating to compensation of the executive officers of the Company.

2.0 Members of the Compensation Committee

- 2.1 The Compensation Committee shall consist, whenever possible, of no less than three Directors, a majority of whom shall be "independent" as defined under Multilateral Instrument 52-110, while the Company is in the developmental stage of its business. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.

3.0 Meeting Requirements

- 3.1 The Committee shall meet as necessary, but at least once each year, to enable it to fulfill its responsibilities. Without a meeting, the Committee may act by unanimous written consent of all members.
- 3.2 The Committee may meet by telephone conference call or by any other means permitted by law or the Company's by-laws. A majority of the members of the Committee shall constitute a quorum.
- 3.3 Minutes will be kept of each meeting of the Compensation Committee.

4.0 Committee Responsibilities

- 4.1 The Committee shall be responsible for:
- i. reviewing and approving corporate goals and objectives relative to the compensation of senior management, evaluating senior management's performance in light of those goals and objectives, and making recommendations to the board with respect to senior management's compensation level based on this evaluation;
 - ii. making recommendations to the Board with respect to the compensation of other senior management and executive officers of the Company;
 - iii. reviewing the adequacy and form of the compensation and benefits of the directors in their capacity as directors of the Company to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director;
 - iv. reviewing and making periodic recommendations to the Board as to the general compensation and benefits policies and practices of the Company, including incentive compensation plans and equity based plans;
 - v. reviewing directors and officers compensation disclosure before the Company discloses this information;
 - vi. performing such other functions as the Board may from time to time assign to the Committee;
 - vii. approving all special perquisites, special cash payments, bonuses and other special compensation and benefit arrangements for the Company's executive officers; and
 - viii. reviewing its charter from time to time and recommending any changes thereto to the Board.

5.0 Miscellaneous

- 5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

SCHEDULE "C"

CHARTER FOR THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE OF THE BOARD OF DIRECTORS OF NEW PACIFIC METALS CORP.

New Pacific Metals Corp. (the "Company") has established a Corporate Governance and Nominating Committee (the "Committee") of the Board of Directors (the "Board") which consists of three or more directors, a majority of whom shall be independent. The Committee meets at least annually, or more frequently as required.

The Committee's mandate is to assist the Board in establishing and maintaining a sound system of corporate governance through a process of continuing assessment and enhancement.

The Committee's duties and responsibilities are:

- To advise the Chairman of the Board and the Board on matters of corporate governance, including adherence to any governance guidelines or rules established by applicable regulatory authorities.
- To advise the Board on issues of conflict of interest for individual directors.
- To examine the effectiveness of the Company's corporate governance practices at least annually and to propose such procedures and policies as the Committee believes are appropriate to ensure that the Board functions independently of management, management is accountable to the Board and procedures are in place to monitor the effectiveness of performance of the Board, committees of the Board and individual directors.
- To develop and review, together with the Chairman, CEO and the President of the Board, annual Board goals or improvement priorities.
- To identify and to recommend to the Board suitable candidates for nomination as new directors, and to review the credentials of directors standing for re-election.
- With assistance of management, to organize and provide an orientation program for new directors where appropriate.
- To periodically review the mandates of the Board and committees of the Board and determine what additional committees of the Board, if any, are required or appropriate.
- To develop such codes of conduct and other policies as are appropriate to deal with the confidentiality of the Company's information, insider trading and the Company's timely disclosure and other public company obligations.
- To take such other steps as the Committee decides are appropriate, in consultation with the Board, to ensure that proper corporate governance practices are in place for the Company, with reference to the Toronto Stock Exchange guidelines or recommendations and other regulatory requirements on corporate governance.
- To review its charter and assess annually the adequacy of this mandate, the effectiveness of its performance and, when necessary, and to recommend changes to the Board of Directors for its approval.

APPENDIX A

**New Pacific Metals Corp.
(the "Company")**

INCENTIVE STOCK OPTION PLAN

Date of Plan: February 17, 2004

Amended:

September 30, 2004,

November 20, 2006,

November 30, 2007,

November 28, 2008,

November 27, 2009,

November 29, 2010,

November 30, 2012,

November 30, 2013,

May 12, 2016, and

November 28, 2017

1. DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) "Affiliate" has the meaning ascribed thereto by the Exchange;
- (b) "Associate" has the meaning ascribed thereto by the Exchange;
- (c) "Black-Out Period" means that period during which a trading blackout is imposed by the Company to restrict trades in the Company's securities by an Eligible Person;
- (d) "Board" means the Board of Directors of the Company or, as applicable, a committee consisting of not less than three Directors of the Company duly appointed to administer this Plan;
- (e) "Change of Control" means the acquisition by any person or by any person and a Joint Actor, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than 50% of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;"
- (f) "Common Shares" means the common shares of the Company;
- (g) "Company" means New Pacific Metals Corp. and its successors;
- (h) "Consultant" means an individual who provides consulting, technical, management or other services to the Company or any of its subsidiaries, and who is permitted by Exchange policy and by securities laws to receive Option, either directly or through a Company;
- (i) "Director" means a director of the Company or of an Affiliate;
- (j) "Disinterested Shareholder Approval" means that the proposal must be approved by a majority of the votes cast at the shareholders' meeting other than votes attaching to securities beneficially owned by Insiders to whom shares may be issued pursuant to this Plan;
- (k) "Eligible Person" means a Director, Officer, Employee or Consultant;
- (l) "Employee" means any individual in the employment of the Company or any of its subsidiaries or of a company providing management or administrative services to the Company;
- (m) "Exchange" means the TSX Venture Exchange;
- (n) "Expiry Date" means the last day of the term for an Option, as set by the Board at the time of grant in accordance with Section 5.2 and, if applicable, as amended from time to time;
- (o) "Insider" has the meaning ascribed thereto by the Exchange;
- (p) "Joint Actor" means a person acting "jointly or in concert with" another person as that phrase is interpreted in Multilateral Instrument 62-104;

- (q) "Market Price" of a Share means, on any given day, the last daily closing price per Common Share on the Exchange on the last trading day immediately preceding any grant of Options;
- (r) "Option" means an option to purchase Common Shares pursuant to this Plan;
- (s) "Participant" means an Eligible Person who has been granted an Option;
- (t) "Plan" means this Stock Option Plan; and
- (u) "Securities Act" means the Securities Act, R.S.B.C. 1996, c.418, as amended from time to time.

1.2 Interpretation

References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.

2. ESTABLISHMENT OF PLAN

2.1 Purpose

The purpose of this Plan is to advance the interests of the Company, through the grant of Options, by:

- (a) providing an incentive mechanism to foster the interest of Eligible Persons in the success of the Company and its Affiliates;
- (b) encouraging Eligible Persons to remain with the Company or its Affiliates; and
- (c) attracting new Eligible Persons.

2.2 Number of Shares

- (a) The maximum number of Shares issuable under the Plan, together with the number of Shares issuable under outstanding options granted otherwise than under the Plan, shall not exceed 10% of the issued and outstanding Shares of the Company. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.
- (b) If there is a change in the outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:
 - (i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
 - (ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and

- (iii) the vesting of any Options, including the accelerated vesting thereof on conditions the Board deems advisable,

and if the Company undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Participants as it shall deem advisable.

- (c) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.
- (d) The Company shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

2.3 Non-Exclusivity

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

2.4 Effective Date

This Plan shall be subject to the approval of any regulatory authority whose approval is required. Any Options granted under this Plan prior to such approvals being given shall be conditional upon such approvals being given, and no such Options may be exercised unless and until such approvals are given.

3. ADMINISTRATION OF PLAN

3.1 Administration

- (a) This Plan shall be administered by the Board. Subject to the provisions of this Plan, the Board shall have the authority:
 - (i) to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Participant's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited;
 - (ii) to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section 3.2 hereof.
- (b) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Company, Eligible Persons, Participants and all other persons.

3.2 Compliance with Legislation

- (a) This Plan, the grant and exercise of Options hereunder and the Company's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any governmental or regulatory agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue, or deliver Common Shares upon exercise of Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals.
- (b) No Option shall be granted and no Common Shares sold, issued or delivered hereunder where such grant, sale, issue or delivery would require registration or other qualification of this Plan or of the Common Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or any sale, issue and delivery of Common Shares hereunder in violation of this provision shall be void. In addition, the Company shall have no obligation to sell, issue, or deliver any Common Shares hereunder unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading.
- (c) Common Shares sold, issued and delivered to Participants pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable securities laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.

4. OPTION GRANTS

4.1 Eligibility and Multiple Grants

Options shall only be granted to Eligible Persons. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions.

4.2 Option Agreement

Every Option may be evidenced by an option agreement executed by the Company and the Participant, which shall, if the Participant is an Employee or Consultant, contain a representation and warranty by the Company and such Participant that such Participant is a bona fide Employee or Consultant, as the case may be, of the Company or an Affiliate. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

4.3 Limitation on Grants and Exercises

- (a) **To Insiders:**
 - (i) the aggregate number of Common Shares issuable to Insiders under this Plan and any other share compensation arrangements of the Company shall not exceed 10% of the outstanding Common Shares;

- (ii) the aggregate number of Common Shares issued to Insiders in any 12 month period under this Plan and any share compensation arrangements of the Company shall not exceed 10% of the outstanding Common Shares.
- (b) **Exclusion.** For purposes of subsection (a) (ii) herein, any Common Shares reserved for issuance or issued to any person pursuant to this Plan prior to the person becoming an Insider shall be excluded for purposes of the calculations in subsection (a) (ii) herein.
- (c) The aggregate number of options granted to any one Person (and Companies wholly owned by that Person) in a 12 month period must not exceed 5% of the issued shares of the Issuer, calculated on the date an option is granted to the Person (unless the Issuer has obtained the requisite disinterested Shareholder approval).
- (d) The aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued shares of the Issuer, calculated at the date an option is granted to the Consultant.
- (e) The aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued shares of the Issuer in any 12 month period, calculated at the date an option is granted to any such Person. For the purposes of this Plan, Persons retained to provide Investor Relations Activities shall include any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities.

5. OPTION TERMS

5.1 Exercise Price

The exercise price per Common Share for an Option shall not be less than the Market Price on the date of grant.

5.2 Expiry Date

Every Option granted pursuant to this Plan shall have a term not exceeding, and shall therefore expire no later than, ten years after the date of grant.

5.3 Vesting

Pursuant to Exchange policies the Board shall determine the manner in which an Option shall vest and become exercisable.

5.4 Assignment

No Option granted under this Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession except that, if permitted by the rules and policies of the Exchange, an optionee shall have the right to assign any Option granted to him hereunder to a trust, RRSP, RESP or similar legal entity established by such optionee.

5.5 Cessation

- (a) If an Officer, Employee or Consultant is terminated for cause, each Option held by such Participant shall terminate and shall therefore cease to be exercisable upon such termination for cause.

- (b) If an Eligible Person dies prior to the expiry of his Option, his legal representatives may, within the lesser of one year from the date of the optionee's death or the expiry date of the Option, exercise that portion of an Option granted to the deceased Eligible Person under this Plan which remains outstanding.
- (c) If a Director, Officer, Employee or Consultant ceases to be a Participant for any reason whatsoever (other than for termination for cause or for death) each Option held by such Participant will cease to be exercisable 90 days after the termination date. The Board may extend the date of such termination and the resulting period in which the Option remains exercisable to a date not exceeding the Expiry Date.

5.6 Change of Control

In the event of a Change of Control, all Options that are not vested shall vest immediately and automatically without further action by the Board, subject to any restrictions imposed by the Exchange pursuant to its policies stated herein or otherwise at the time of vesting. Options granted to Investor Relations providers are not eligible for accelerated vesting without prior Exchange approval.

6. EXERCISE PROCEDURE

6.1 Exercise Procedure

An Option may be exercised and shall be deemed to be validly exercised by the Participant only upon the Participant's delivery to the Company at its registered office:

- (a) a written notice of exercise addressed to the Corporate Secretary of the Company, specifying the number of Common Shares with respect to which the Option is being exercised;
- (b) the originally signed option agreement or option certificate with respect to the Option being exercised (or if the Company is holding such original, confirmation of same);
- (c) a certified cheque or bank draft made payable to the Company for the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised; and
- (d) documents containing such representations, warranties, agreements and undertakings, including such as to the Participant's future dealings in such Common Shares, as counsel to the Company reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of the laws of any jurisdiction;

and on the business day following, the Participant shall be deemed to be a holder of record of the Common Shares with respect to which the Option is being exercised, and thereafter the Company shall, within a reasonable amount of time, cause certificates for such Common Shares to be issued and delivered to the Participant. If an Option expires during a Black-Out Period, then, notwithstanding any other provision of the Plan, the Option shall expire 10 days after the Black-Out Period is lifted by the Company.

6.2 Taxes

The Board and the Company may take all such measures as they deem appropriate to ensure that the Company's obligations under the withholding provisions under income tax laws applicable to the Company and other provisions of applicable laws are satisfied with respect to the issuance of Common Shares pursuant to the Plan or the grant or exercise of Options under the Plan. Issuance of Common Shares or delivery of share certificates for Common Shares purchased pursuant to the Plan may be delayed, at the discretion of the Board, until the Board is satisfied that the applicable requirements of income tax laws and other applicable laws have been met.

7. AMENDMENTS

7.1 Amendments to Options

The Board may amend any Option with the consent of the affected Participant and the Exchange, including any shareholder approval as required by the Exchange. Disinterested Shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Issuer at the time of the proposed amendment.

7.2 Amendments to the Plan

The Board may from time to time, subject to applicable law and prior approval, if required, of the Exchange or any other regulatory body having authority over the Company and the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee.

Notwithstanding the foregoing, the Board is specifically authorized to amend or revise the terms of the Plan or any Option without obtaining shareholder approval in the following circumstances, provided that, in the case of any Option, no such amendment or revision may, without the consent of the Optionee, materially decrease the rights or benefits accruing to such Optionee or materially increase the obligations of such Optionee:

- (a) changes of a "housekeeping" nature including, but not limited to, of a clerical, grammatical or typographical nature;
- (b) changes to correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (c) changes to the vesting provisions of any Option or the Plan;
- (d) changes to reflect any changes in requirements of any securities regulatory authority or Exchange to which the Company is subject;
- (e) changes to termination provisions of an Option which does not result in an extension beyond the Expiry Date as contemplated in section 5.5 of the Plan;
- (f) in the case of any Option, such amendments or revisions contemplated in subsection 2.2(b) of the Plan; and
- (g) changes to the definition of "change of control" for the purposes hereof.

8. MISCELLANEOUS

8.1 No Rights as Shareholder

Nothing in this Plan or any Option shall confer upon a Participant any rights as a shareholder of the Company with respect to any of the Common Shares underlying an Option unless and until such Participant shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

8.2 No Right to Employment

Nothing in this Plan or any Option shall confer upon a Participant any right to continue in the employ of the Company or any Affiliate or affect in any way the right of the Company or any Affiliate to terminate the Participant's employment, with or without cause, at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any Affiliate to extend the employment of any Participant beyond the time which the Participant would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Company or any Affiliate.

8.3 Governing Law

This Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising therefrom.