



**AEX GOLD INC.**

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

**TO BE HELD ON JUNE 5, 2019**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**DATED MAY 6, 2019**



**AEX GOLD INC.**  
123 Front Street, Suite 905  
Toronto, Ontario  
M5J 2M2

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

**NOTICE IS HEREBY GIVEN** that the annual and special meeting of shareholders ("**Shareholders**") of AEX Gold Inc. (the "**Corporation**") will be held at Bennett Jones LLP, One First Canadian Place, Suite 3400, Toronto, Ontario, on Wednesday, June 5, 2019, at 10:00 a.m. (Toronto time) (the "**Meeting**") for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the financial year ended December 31, 2018, together with the report of the auditors thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., Chartered Professional Accountants, as the auditor of the Corporation for the ensuing year and to authorize the board of directors to fix the auditor's remuneration;
4. to consider and, if thought fit, to pass with or without variation, an ordinary resolution confirming, authorizing and approving the Corporation's stock option plan, as more particularly described in the accompanying Management Information Circular; and
5. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Management Information Circular.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is May 1, 2019 (the "**Record Date**"). Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof.

**A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his duly executed form of proxy with the Corporation's transfer agent and registrar, Computershare Investor Services Inc. not later than 5:00 p.m. (Toronto time) on Monday, June 3, 2019, or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays and holidays) preceding the time of such adjourned Meeting.**

Shareholders who are unable to attend the Meeting in person, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

DATED May 6, 2019.

**BY ORDER OF THE BOARD**

(signed) "*George Fowlie*"  
Chairman and Director of Corporate Development

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**AEX GOLD INC.**  
123 Front Street, Suite 905  
Toronto, Ontario  
M5J 2M2

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## **MANAGEMENT INFORMATION CIRCULAR**

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This Management Information Circular dated May 6, 2019 (this "**Circular**") is provided in connection with the solicitation of proxies by the management ("**Management**") of AEX Gold Inc. (the "**Corporation**") for use at the annual meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of common shares of the Corporation ("**Common Shares**"), to be held at the time and place and for the purposes set forth in the accompanying notice of the Meeting (the "**Notice of Meeting**").

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Corporation's proxy solicitation materials (the "**Meeting Materials**") to the beneficial owners of the Common Shares of the Corporation held of record by such parties. The Corporation may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Corporation. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the Shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting.

**If you are not able to attend the Meeting**, please exercise your right to vote by completing the form of proxy or voting instruction form and, in the case of registered Shareholders depositing the enclosed form of proxy or voting instruction form at the offices of the Corporation's transfer agent, **Computershare Investor Services Inc.** ("**Computershare**"), at:

**Computershare Investor Services Inc.**  
**Proxy Department**  
**8<sup>th</sup> Floor, 100 University Avenue**  
**Toronto, Ontario, M5J 2Y1**

at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment or postponement thereof.

If you are a non-registered Shareholder reference is made to the section below entitled "*How can an Objecting Beneficial Owner vote?*"

Unless otherwise indicated, all references in this Circular to "\$" refer to Canadian dollars.

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## **GENERAL INFORMATION RESPECTING THE MEETING**

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To ensure representation of your Common Shares at the Meeting, please complete, sign and return, as soon as possible, your form of proxy (if you are a registered Shareholder or non-objecting beneficial owner) or the voting instruction form (if you are a non-registered Shareholder), as the case may be, that was sent to you. It is important that your Common Shares be represented at the Meeting and that your wishes be made known to the Corporation. This will be assured, whether or not you attend the Meeting, if you complete, sign and return the form of proxy or voting instruction form, as the case may be, that was sent to you. The following questions and answers provide guidance on how to vote your Common Shares.

## VOTING AND PROXIES

### *Who is soliciting my proxy?*

This Circular is being furnished in connection with the solicitation by Management of proxies at the Meeting, including at any adjournment or postponement thereof. The solicitation of proxies will be primarily by mail, but may also be made by telephone, facsimile transmission or other electronic means of communication, or in person by the directors, officers and employees of the Corporation. The cost of solicitation of proxies will be borne by the Corporation.

### *What will I be voting on?*

Shareholders will be voting:

1. to elect the directors of the Corporation (the "**Corporation Directors**") for the ensuing year;
2. to appoint PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., Chartered Professional Accountants, as the auditor of the Corporation for the ensuing year and to authorize the board of directors to fix the auditor's remuneration;
3. to consider and, if thought fit, to pass with or without variation, an ordinary resolution confirming, authorizing and approving the Corporation's stock option plan (the "**Stock Option Plan**"), as more particularly described in the Circular; and
4. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

Common Shares may be voted for, or withheld from voting on, the election of each of the Corporation Directors, the confirmation and approval of the Stock Option Plan, the consideration and approval of the Corporation's name change and on all other matters that Shareholders are entitled to vote on at the Meeting. **The Common Shares represented by proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly. As indicated elsewhere in this Circular, Management recommends that Shareholders vote FOR each of the above resolutions.**

### *How will these matters be decided at the Meeting?*

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast by or on behalf of Shareholders present in person or represented by proxy, except where stated to be a special resolution of the Shareholders, in which case a two-thirds (2/3) majority of affirmative votes is required to be cast at the Meeting in order to pass a special resolution.

### *Who can vote?*

Shareholders who are registered as at the close of business on May 1, 2019, the Record Date for the Meeting, will be entitled to receive notice and vote at the Meeting or at any adjournment or postponement thereof, either in person or by proxy. If a Shareholder did not hold a Common Share on May 1, 2019, the Shareholder is not entitled to receive notice and vote at the Meeting or at any adjournment or postponement thereof.

### *How many Common Shares are eligible to vote?*

As at the close of business on May 1, 2019, 57,788,499 Common Shares were issued and outstanding. Each Common Share held at that date entitles its holder to one vote at the Meeting.

### *How do I vote?*

If your Common Shares are registered on the Record Date directly in your name with Computershare, then you are a registered Shareholder and you can vote your Common Shares in person at the Meeting or by proxy. **See the instructions below under "How can a registered Shareholder or Non-Objecting Beneficial Owner vote?"**.

If your Common Shares are held in the name of an intermediary, then you are a non-registered Shareholder. There are two kinds of registered or "beneficial" owners (i) those who object to their name being known to the Corporation ("**Objecting Beneficial Owners**") and (ii) those who do not object ("**Non-Objecting Beneficial Owners**"). If you are an Objecting Beneficial Owner and have received your Meeting Materials through an intermediary, **see the instructions below under "How can an Objecting Beneficial Owner vote?"**. If you are a Non-Objecting Beneficial Owner, you will have received your Meeting Materials directly from Computershare, and you are entitled to vote your Common Shares in person at the Meeting or by proxy. **See the instructions below under "How can a registered Shareholder or Non-Objecting Beneficial Owner vote?"**.

### *How can a registered Shareholder or Non-Objecting Beneficial Owner vote?*

If your Common Shares are registered on the Record Date directly in your name with Computershare, you are considered with respect to those Common Shares to be a "registered Shareholder", in which case the Circular and form of proxy have been sent directly to you by Computershare.

#### 1. **Voting by Proxy**

If your Common Shares are registered in your name, you may appoint someone else to vote for you as your proxyholder by using the enclosed form of proxy. The persons named in the enclosed form of proxy are officers of the Corporation. **You have the right to appoint another person or company, who need not be a Shareholder, to represent you at the Meeting, by inserting the person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy. Proxyholders should present themselves to a representative of Computershare at the Meeting.**

#### (i) **You can vote by proxy as follows:**

##### (A) **by Mail**

You can complete, sign and date your form of proxy and return it in the envelope provided to the offices of Computershare at:

**Computershare Investor Services Inc.  
Proxy Department  
8<sup>th</sup> Floor, 100 University Avenue  
Toronto, Ontario, M5J 2Y1**

##### (B) **by Telephone**

You can vote by telephone by calling 1-866-732-8683 (toll free in Canada and the United States) from a touch-tone telephone and follow the voting instructions. You will need your 15 or 16 digit control number which is noted on your form of proxy. **Please note that if you vote by telephone, you cannot appoint anyone other than the persons named in the enclosed form of proxy as your proxyholder.**

##### (C) **on the Internet**

You can vote on the internet by going to [www.investorvote.com](http://www.investorvote.com) and following the instructions on the screen, or scanning the QR code provided on your form of proxy. You will need your 15 or 16 digit control number which is noted on your form of proxy.

#### (ii) **What is the deadline for receiving the form of proxy?**

The deadline for depositing the duly completed form of proxy with Computershare is not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time of the Meeting or any adjournment or postponement thereof.

**(iii) How will my Common Shares be voted if I give my proxy?**

You may indicate the manner in which the appointee is to vote your Common Shares with respect to any matter put to a vote at the Meeting and on any ballot, and your Common Shares will be voted accordingly. If you wish to confer a discretionary authority with respect to any item of business, then leave the space opposite the matter blank. The Common Shares represented by the completed form of proxy submitted by you will be voted in accordance with the directions, if any, given in the form of proxy. **In the absence of such direction, such Common Shares will be voted FOR each item identified in the Notice of Meeting. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, Management knows of no such amendments, variations or other matters to come before the Meeting.

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

**(iv) How can I revoke my proxy?**

You can revoke your proxy at any time before it is exercised, by requesting, or having your authorized attorney request, in writing to revoke your proxy. The request must be deposited either by mail to the office of Computershare at the above-mentioned address at any time up to and including 5:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof. If you have returned a proxy and attend the Meeting in person and vote, any such votes will be counted and the proxy will be disregarded. A Shareholder may also revoke a proxy in any other manner permitted by law.

**2. Voting in Person**

If you wish to vote in person, then you may present yourself to a representative of Computershare at the registration table for the Meeting. Your vote will be taken and counted at the Meeting. If you wish to vote in person at the Meeting, do not complete or return the form of proxy.

***How can an Objecting Beneficial Owner vote?***

If your Common Shares are not registered in your name and are held in the name of an intermediary such as a bank, trust company, securities dealer or broker or other financial institution ("**Intermediary**"), and you have objections to the Corporation obtaining your name then you are an Objecting Beneficial Owner.

Registered Shareholders, or the persons they appoint as their proxies, are permitted to vote at the Meeting. However, while non-registered Shareholders are permitted to attend the Meeting, they may not vote at the Meeting unless they have been appointed as a proxyholder or complied with the procedure outlined above under "*Voting in Person*". Without specific instructions, Intermediaries are prohibited from voting Common Shares for Shareholders. If you are an Objecting Beneficial Owner, you can vote your Common Shares in the ways set-forth below:

**1. Giving your Voting Instructions**

In accordance with the requirements of NI 54-101, the Corporation will have distributed copies of the Meeting Materials to either (i) the Intermediary the non-registered Shareholder deals with in respect of their Common Shares, or (ii) a clearing agency of which the Intermediary is a participant, for onward distribution to the non-registered Shareholders. The clearing agencies and Intermediaries are required to then forward copies of the Meeting Materials to non-registered Shareholders. The clearing agencies and Intermediaries will also provide you with a voting instruction form, which must be completed and signed by you in accordance with the directions on the voting instruction form. This will allow you to direct the voting of the Common Shares you beneficially own.

**Objecting Beneficial Owners should carefully follow the instructions of the clearing agency or Intermediary, including any instructions as to the time within which you will be required to return voting instruction forms to the clearing agency or Intermediary.**

You may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote given to the clearing agency or Intermediary, at any time, by written notice to the clearing agency or Intermediary, except that the clearing agency or Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote that is not received by the clearing agency or Intermediary at least seven (7) days prior to the Meeting.

## 2. **Voting in Person**

If you are an Objecting Beneficial Owner, you are permitted to attend the Meeting, but may not vote (or have another person attend and vote on behalf of the non-registered Shareholder) unless you advise the clearing agency or Intermediary in accordance with the instructions set-forth on the voting instruction form. In doing so, you are instructing your nominee to appoint you as a proxyholder. Please register with the Corporation's transfer agent, Computershare, when you arrive at the Meeting. As we have no access to the names of the non-registered Shareholders, if you attend the Meeting without following this procedure, we will have no record of the Common Shares you hold or whether you are entitled to vote.

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

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value. As of May 1, 2019 (the "**Record Date**"), there were a total of 57,788,499 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only registered Shareholders of Common Shares as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Shareholder and proxy holder will have one vote and, on a poll, every Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Corporation's Directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares, other than as set forth below:

<b>Name</b>	<b>Number of Common Shares Owned, Controlled, or Directed</b>	<b>Percentage of Outstanding Common Shares</b>
FBC Holdings S.à r.l. <sup>(1)(2)</sup>	14,224,562	24.61%
Crossroads Holding S.à r.l. <sup>(3)</sup>	5,887,204	10.19%
Vatnar S.à r.l. and Vatnar ehf <sup>(4)</sup>	6,401,358	11.08%

**Notes:**

- (1) Held directly or indirectly through its wholly-owned subsidiaries FBC Mining (Holdings) Limited and AEX Gold Limited (previously known as FBC Mining (Nalunaq) Limited).
- (2) Ultimate parent of FBC Holdings S.à r.l. is Cyrus Capital Partners, LP, a US/London-based investment advisor who manages US\$4.5bn, focused on deep value and legal/process-oriented opportunities.
- (3) A company controlled by Mr Valgard M. Valgardsson and Mrs Dora Bjork Magnusdottir.
- (4) Companies controlled by Mr. Eldur Ólafsson.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

No director or executive officer of the Corporation who was a director or executive officer at any time since the Corporation's last financial year, or any associate or affiliates of any such directors or officers, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## BUSINESS OF THE MEETING

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

### PRESENTATION OF FINANCIAL STATEMENTS

The audited, consolidated financial statements of the Corporation for the year ended December 31, 2018 and the report of the auditors thereon shall be placed before the Shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Corporation are available under the Corporation's profile at [www.sedar.com](http://www.sedar.com).

### ELECTION OF DIRECTORS

The Board currently consists of five directors to be elected annually. Five directors will be put up for nomination at the Meeting. The following table states the names of the five persons nominated by Management for election as directors, any offices with the Corporation currently held by them, their principal occupations or employment, the period or periods of service as directors of the Corporation and the approximate number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name, Province (or State) and Country of Residence and Position with the Corporation	Principal Occupation for the Past Five Years <sup>(1)</sup>	Served as director of the Corporation since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(2)</sup>	Percentage of voting shares owned or controlled <sup>(3)</sup>
George Fowlie <sup>(4)(6)</sup> Ontario, Canada <i>Chairman of the Board and Director of Corporate Development</i>	Managing director of GRF Capital Advisors Inc. since 2008.	February 22, 2017	124,000	0.21%
Eldur Ólafsson <sup>(5)</sup> Reykjavik, Iceland <i>President, Chief Executive Officer and Director</i>	Co-founder of Iceland Petroleum in 2012, which was later reorganized into Arctic Resources Capital S.à r.l.; founder and Chief Executive Officer of Orka Energy ehf from 2010 to 2012.	April 14, 2017	6,401,358	11.08%
Robert Ménard <sup>(4)(5)</sup> Québec, Canada <i>Director</i>	Director of Engineering and Construction for Newmont Mining Corporation's Surgold Merian Project in Suriname from 2012 to 2016; president of Robert Ménard Consultant Inc. since 2007.	April 14, 2017	35,000	0.06%
Georgia Quenby <sup>(6)</sup> London, United Kingdom <i>Director</i>	Commercial lawyer at Morgan, Lewis & Bockius LLP since January 2018 and at Reed Smith LLP from 2010 to January 2018.	April 14, 2017	50,000	0.09%

Name, Province (or State) and Country of Residence and Position with the Corporation	Principal Occupation for the Past Five Years <sup>(1)</sup>	Served as director of the Corporation since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(2)</sup>	Percentage of voting shares owned or controlled <sup>(3)</sup>
Graham Stewart <sup>(4)(6)</sup> Aberdeen, United Kingdom <i>Director</i>	Chief Executive Officer of Faroe Petroleum PLC from 2002 to April 2019.	April 14, 2017	1,489,257	2.58%

**Notes:**

- (1) The information as to principal occupation, business or employment is not within the knowledge of the Corporation and has been furnished by the respective nominees.
- (2) The information as to the number of securities beneficially owned or over which control or direction is exercised has been obtained by the Corporation from publicly disclosed information and/or has been furnished by the respective nominees.
- (3) The percentage of voting rights calculations stated above is based on 57,788,499 Common Shares outstanding as at May 1, 2019.
- (4) Member of the Audit Committee.
- (5) Member of the Safety Committee.
- (6) Member of the Corporate Governance and Compensation Committee.

The term of office of each director will be from the date of the meeting at which he or she is elected until the next annual meeting, or until his or her successor is elected or appointed.

Proxies received in favour of Management will be voted for the election of the above-named nominees, unless the Shareholder has specified in the proxy that his or her shares are to be withheld from voting in respect thereof. Management has no reason to believe that any of the nominees will be unable to serve as a director but, if a nominee is for any reason unavailable to serve as a director, proxies in favour of Management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the Shareholder has specified in the proxy that his or her shares are to be withheld from voting in respect of the election of directors.

***Corporate Cease Trade Orders or Bankruptcies***

Except as disclosed below, no proposed director or executive officer of the Corporation 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 Corporation) that:

- (i) was the subject, while the proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation (an "**Order**"); or
- (ii) was subject to an Order that was issued after the proposed director or executive officer ceased to be a director, chief executive officer or chief financial officer but which resulted from an event that occurred while the proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Except as disclosed below, no proposed director, executive officer or Shareholder holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation:

- (i) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act

in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (ii) has, within the 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; or
- (iii) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (iv) has been subject to any 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.

Mr. Fowlie was Chairman, interim Chief Executive Officer and Chief Financial Officer of Maudore Minerals Ltd. ("**Maudore**") from July 2012 to March 2015. On February 27, 2015, an Order was issued by the Commercial Division of the Superior Court of Québec to protect Maudore from its creditors while it reorganized its business pursuant to a plan of arrangement under the *Companies' Creditors Arrangement Act* (Canada). In addition, Maudore's subsidiary, Aurbec Mines Inc., was placed into receivership on December 17, 2014 and declared bankruptcy on January 7, 2015 under the *Bankruptcy and Insolvency Act* (Canada) while Mr. Fowlie was a director and officer of such subsidiary. Mr. Fowlie was also a director of March Entertainment Inc., which was voluntarily placed into bankruptcy on July 15, 2013.

Joan Plant was an officer of Arctic Mining Ltd (United Kingdom) ("**Arctic Mining**") and a director of Angel Mining (Gold) A/S ("**Angel Mining Subco**") during the restructuring process of Angel Mining Subco and its affiliates initiated in 2014. As a result of such restructuring, Arctic Mining went into creditors' voluntary liquidation on December 17, 2014 pursuant to the *Insolvency Act 1986* (United Kingdom) and Angel Mining Subco filed a petition for bankruptcy in 2015 pursuant to the *Bankruptcy Act* (Denmark).

#### ***Personal Bankruptcies***

None of the directors has, within the ten 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 such person.

#### ***Penalties and Sanctions***

None of the directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

#### **APPOINTMENT OF AUDITORS**

Proxies received in favour of management will be voted in favour of the appointment of PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l. ("**PwC**"), a partnership of Chartered Professional Accountants, as auditors of the Corporation to hold office until the next annual meeting of Shareholders and the authorization of the directors to fix the auditor's remuneration, unless the Shareholder has specified in the proxy that his or her Common Shares are to be withheld from voting in respect thereof. PwC was engaged on February 6, 2017 to assist the Corporation on statutory and regulatory deliverables in connection with the IPO.

## APPROVAL OF STOCK OPTION PLAN

The Corporation has adopted the Stock Option Plan for senior officers, directors, employees and consultants of the Corporation. The Stock Option Plan provides for the issuance of stock options to acquire up to 10% of the Corporation's issued and outstanding capital as at the date of grant, subject to standard anti-dilution adjustment. This is a "rolling plan" as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Corporation's issued and outstanding share capital increases. At no time will more than 10% of the outstanding shares be subject to grant under the Stock Option Plan. If a stock option expires, is exercised or otherwise terminates for any reason, the number of Common Shares of the Corporation in respect of that expired, exercised or terminated stock option shall again be available for the purpose of the Stock Option Plan. The principal features of the Stock Option Plan are described in more detail below (see "*Executive Compensation – Long Term Compensation – Options*").

In June 2018, the Board approved minor amendments to its Stock Option Plan. The amendments made to the Stock Option Plan will now require the Corporation to seek disinterested shareholder approval for any reduction in the exercise price of a stock option, if that stock option is held by an insider of the Corporation, as of the time of the proposed amendments. The Corporation has also amended the Stock Option Plan to clarify that it is the responsibility of the Corporation and the individual being granted stock options to confirm that the stock options are being granted to a bona fide employee, consultant or management company employee (as the case may be). The TSX Venture Exchange ("**TSXV**") has reviewed and approved the amended Plan.

As the Stock Option Plan is a "rolling" stock option plan and under Policy 4.4 of the TSX Venture Exchange, a listed company on the TSXV is required to obtain the approval of its Shareholders for a "rolling" stock option plan at each annual meeting of Shareholders. Accordingly, Shareholders will be asked to approve the following resolution:

### "BE IT RESOLVED THAT:

1. the Stock Option Plan of the Corporation as described in the Management Information Circular dated May 6, 2019, be and it is hereby approved."

In accordance with the policies of the TSXV, the Stock Option Plan must be approved by the majority of votes cast at the Meeting on the resolution.

**Proxies received in favour of Management will be voted for the approval of the Stock Option Plan unless a Shareholder has specified in the proxy that his or her Common Shares are to be voted against such approval.**

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## EXECUTIVE COMPENSATION

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Under applicable securities legislation, the Corporation is required to disclose certain financial and other information relating to the compensation of its President and Chief Executive Officer, Chief Financial Officer and all of the other most highly compensated executive officers of the Corporation who meet the applicable disclosure threshold (collectively, the "**Named Executive Officers**"). A summary of salary and other annual compensation earned by the Named Executive Officers for the most recently completed financial year ended December 31, 2018, is set out in the "**Summary Compensation Table**". Other than the current President and Chief Executive Officer being Eldur Ólafsson and the Chief Financial Officer being Ingrid Martin, there are no other executive officers, or individuals acting in similar capacity of the Corporation that would otherwise qualify for inclusion in the discussions below.

## COMPENSATION DISCUSSION AND ANALYSIS

### *Introduction*

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's philosophy, objectives and processes regarding compensation for its executives. It explains how decisions regarding compensation are made by the Board through the Corporate Governance and Compensation Committee, and the reasoning behind these decisions.

All members of the Corporate Governance and Compensation Committee have expertise and experience in compensation and other human resources areas through their involvement with a wide variety of companies, both public and private.

### ***Philosophy***

In determining the compensation to be paid or awarded to the executives, the Corporate Governance and Compensation Committee seeks to encourage the advancement of the Corporation's exploration projects and the growth of its reserves, the whole with a view to enhancing shareholder value. To achieve these objectives, the Corporation believes it is critical to create and maintain a compensation program that attracts and retains committed, highly qualified personnel by providing appropriate rewards and incentives that align the interest of the executives with those of its Shareholders.

The Corporation's executive compensation program consists of a combination of base salary, short-term incentives in the form of bonuses and long-term incentives in the form of participation in the Corporation's Stock Option Plan. Given the Corporation's current status as an early stage mineral exploration company without any significant revenue, the Corporation is constrained by the amount of capital and other resources it has available to it. As a result, in the near-term, the long-term incentive component of the compensation mix has been given more emphasis than the base salary component.

### **Base Salary**

The base salary for each executive was established based upon the position held, the related responsibilities and functions performed and the salary ranges for similar positions in comparable companies. Individual and corporate performance were also taken into account in determining base salary levels for executives.

Given the Corporation's current status as an early stage mineral exploration company, without any significant revenue, some of the executives have been hired on a consulting basis.

### **Short-Term Incentive Plan**

The Corporation focuses on exploration, which will be followed eventually by mine development and ultimately full scale production. As each of these stages require different experiences and skills, the Corporation believes that short term goal specific incentives will be effective in aligning efforts towards those phases of activity. The short-term incentive plan includes both cash and share-based compensation for performance.

### **Stock Options**

The Corporation believes that encouraging its executives to become Shareholders is the best way of aligning their interests with those of its Shareholders and encouraging them to remain associated with the Corporation. Equity participation is accomplished through the Corporation's Stock Option Plan. Options are granted to executives taking into account a number of factors, including base salary and bonuses and competitive factors. The number of outstanding options is also considered by the Board when determining the number of options to be granted in any particular year due to the limited number of options which are available for grant under the Stock Option Plan. See "*Executive Compensation – Long Term Compensation – Options*" for a summary of the terms of the Corporation's Stock Option Plan and "*Executive Compensation – Incentive Plan Awards – Outstanding Option-Based Awards*" for a description of the options that the Board granted to the Named Executive Officers under the Stock Option Plan.

### **Other**

In developing its compensation structure and philosophy, the Corporate Governance and Compensation Committee did consider other factors, such as target share ownership guidelines, pension plans, specific target weightings and percentage of compensation at risk. However, it was determined that it would not be appropriate to incorporate any of such components into the executive compensation structure at this stage of the Corporation's development.

### ***Ongoing Review***

On an ongoing basis, the Corporate Governance and Compensation Committee assesses the executives of the Corporation and the appropriateness of their compensation packages, having regard to their individual performance, experience and contribution to the operations and growth of the Corporation. In this regard, the Chief Executive Officer of the Corporation makes recommendations to the Corporate Governance and Compensation Committee regarding total compensation to the

executives of the Corporation (other than the Chief Executive Officer), including base salaries and option-based awards. These recommendations are considered by the Corporate Governance and Compensation Committee against information derived from publicly available information and adjusted, as applicable, for inflation and anticipated increases in the current year. As part of this exercise, the Corporate Governance and Compensation Committee uses all the data which, in its reasonable discretion, it believes to be relevant, to ensure that the Corporation is maintaining a level of compensation that is both commensurate with the size of the Corporation and sufficient to retain personnel it considers essential to the success of the Corporation. In reviewing comparative data, the Corporate Governance and Compensation Committee does not engage in any specific benchmarking for the purpose of establishing compensation levels relative to any predetermined point.

### ***Compensation Risk Assessment and Mitigation***

The Corporate Governance and Compensation Committee has considered the implications of the risks associated with the Corporation's compensation policies and practices and believes that none of its policies encourage executives to take inappropriate or excessive risks that are reasonably likely to have a material adverse effect on the Corporation. The Corporate Governance and Compensation Committee continues to monitor such matters on a case-by-case basis.

## **LONG TERM COMPENSATION**

### ***Options***

The purpose of the Corporation's Stock Option Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified directors, senior officers, employees and consultants of the Corporation, to reward such of these participants from time to time for their contributions toward the long-term goals of the Corporation and to enable and encourage such participants to acquire Common Shares as long-term investments.

The Corporation's Stock Option Plan has the following key features:

- The total number of Common Shares issuable pursuant to the Stock Option Plan is up to a maximum of 10% of the number of issued and outstanding Common Shares at the time of the grant.
- Options may be granted from time to time to directors, senior officers, employees and consultants of the Corporation ("**Eligible Persons**"). All Eligible Persons shall be bona fide Eligible Persons.
- The maximum number of Common Shares that may be issued to any individual in any 12-month period under the Stock Option Plan may be no more than 5% of the number of issued and outstanding Common Shares. The foregoing restriction is reduced to 2% in the case of any consultant to the Corporation.
- The maximum number of Common Shares which may be reserved in any 12-month period for issuance to all persons engaged in investor relations activities may not exceed 2% of the number of issued and outstanding Common Shares.
- The exercise price for each option is fixed by the Board at the time of the grant in compliance with the Stock Option Plan, applicable law, and the policies of the TSXV, which state that the exercise price may not be less than the closing price of the Common Shares on the TSXV or any other exchange on the last trading day immediately preceding the grant of an option to an Eligible Person. If the shares have not traded during the 10 trading day period immediately preceding the award date, then the Board must wait until the shares have been traded for at least 10 days (which need not be consecutive days) before granting the stock option and setting the exercise price of such option. Disinterested shareholder approval must be obtained for any reduction in the exercise price of any option if the optionee is an insider of the Corporation at the time of the proposed amendment to the exercise price.
- Options cannot be granted for a term exceeding 10 years.
- Options granted shall vest, and become exercisable, according to the terms in the Stock Option Plan. Options granted to consultants providing investor relations activities shall vest in stages over a 12 month period, with a maximum of one-quarter of the options vesting in any three-month period.
- Options granted pursuant to the Stock Option Plan are non-transferable and non-assignable, other than by will

or by the laws of descent and distribution.

- Options are subject to early termination in the event that an optionee ceases to be an Eligible Person, in which case such optionee may exercise his or her vested options, but only within three months of the date on which the Eligible Person ceases to be eligible, but not beyond the normal expiry of the term of the options.
- In the event that an Eligible Person ceases to be an Eligible Person as a result of permanent disability, such optionee may exercise his or her vested options, but only within three months of the date on which the Eligible Person ceases to be eligible, but not beyond the normal expiry of the term of the options.
- In the event of the death of an Eligible Person, vested options held by such Eligible Person may continue to be exercised up to one year following the death, but not beyond the normal expiry of the term of the options.

## SUMMARY COMPENSATION TABLE

The following table sets forth the compensation paid during or payable to each Named Executive Officer for the services they have provided to the Corporation during the most recently completed financial year:

Name Principal Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$) <sup>(1)</sup>	Committee or Meeting Fees <sup>(2)</sup> (\$)	Value of Perquisites <sup>(3)</sup> (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Eldur Ólafsson	2018	\$181,256 <sup>(4)</sup>	-	-	-	21,165 <sup>(4)</sup>	\$202,421
<i>Director, President and CEO</i>	2017	\$133,334 <sup>(4)</sup>	-	-	-	-	\$133,334
Ingrid Martin <sup>(5)</sup>	2018	\$54,675 <sup>(5)</sup>	-	-	-	-	\$54,675
<i>CFO</i>	2017	\$56,659 <sup>(5)</sup>	\$5,000 <sup>(5)</sup>	-	-	-	\$61,659
George Fowlie <sup>(6)</sup>							
<i>Chairman and Director of Corporate Development</i>	2018	\$31,251	-	-	-	-	\$31,251
	2017	\$33,336	-	-	-	-	\$33,336
Robert Ménard <sup>(7)</sup>	2018	-	-	\$6,250	-	-	\$6,250
<i>Director</i>	2017	-	-	\$16,667	-	-	\$16,667
Georgia Quenby <sup>(7)</sup>	2018	-	-	\$6,250	-	-	\$6,250
<i>Director</i>	2017	-	-	\$16,667	-	-	\$16,667
Graham Stewart <sup>(7)</sup>	2018	-	-	\$6,250	-	-	\$6,250
<i>Director</i>	2017	-	-	\$16,667	-	-	\$16,667

### Notes:

- (1) Bonuses payable, if any, will be determined at a future date. See also note (5).
- (2) Directors of the Corporation may choose to receive their fees in Common Shares in lieu of cash, which decision would be made annually and would be in force for the following 12 month period.
- (3) Value of perquisites is indicated only if such perquisites are not generally available to all employees and are, in the aggregate, greater than (a) \$15,000, if the Named Executive Officer's total salary for the financial year is \$150,000 or less, (b) 10% of the Named Executive Officer's salary for the financial year, if the Named Executive Officer's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000, if the Named Executive Officer's total salary for the financial year is \$500,000 or greater.
- (4) Eldur Ólafsson receives his compensation through Vatnar ehf. a company controlled by the CEO. The above table discloses his compensation since his nomination on April 28, 2017.
- (5) Ingrid Martin is employed by Ingrid Martin CPA Inc. ("**Ingrid Co.**") and provides services to the Corporation pursuant to the terms of a consulting agreement entered into between Ingrid Co and the Corporation on February 22, 2017 (the "**Consulting Agreement**"). The above table discloses her compensation since her nomination as CFO on April 28, 2017 and it does not include the fees for her support staff. A \$5,000 bonus was paid to Ingrid Co for additional work during the IPO process.

- (6) George Fowlie received his compensation through a GRF Capital Advisors Inc., a company controlled by him. The above table discloses his compensation since his nomination on February 22, 2017.
- (7) Robert Ménard, Georgia Quenby and Graham Stewart were appointed directors on April 14, 2017.

## INCENTIVE PLAN AWARDS

### *Compensation Securities*

The following table sets forth all compensation securities granted or issued to each Corporation's Named Executive Officer and directors by the Corporation or its subsidiaries during the most recently completed financial year ended December 31, 2018 for services provided or to be provided, directly or indirectly, to the Corporation or its subsidiaries.

Compensation Securities							
Name and Position	Type of compensation security (1)(2)(3)(4)	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Option Exercise Price <sup>(5)</sup> (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Eldur Ólafsson <i>Director, President and CEO</i>	Stock Options	550,000	2018-08-22	\$0.45	\$0.38	\$0.38	2023-08-22
Ingrid Martin <i>CFO</i>	Stock Options	100,000	2018-08-22	\$0.45	\$0.38	\$0.38	2023-08-22
George Fowlie <i>Chairman and Director of Corporate Development</i>	Stock Options	250,000	2018-08-22	\$0.45	\$0.38	\$0.38	2023-08-22
Robert Ménard <i>Director</i>	Stock Options	150,000	2018-08-22	\$0.45	\$0.38	\$0.38	2023-08-22
Georgia Quenby <i>Director</i>	Stock Options	150,000	2018-08-22	\$0.45	\$0.38	\$0.38	2023-08-22
Graham Stewart <i>Director</i>	Stock Options	150,000	2018-08-22	\$0.45	\$0.38	\$0.38	2023-08-22

**Note:**

- (1) As at December 31, 2018, the following persons held the following number of stock options to acquire as many as Common Shares: Eldur Ólafsson 1,050,000, Ingrid Martin 200,000, George Fowlie 450,000, Robert Ménard 250,000, Georgia Quenby 250,000, Graham Stewart 250,000.
- (2) The stock options have been granted pursuant to the Stock Option Plan of the Corporation.
- (3) None of the compensation securities have been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.
- (4) As at December 31, 2018, of the 3,020,000 total outstanding stock options, 3,020,000 were convertible, exercisable and exchangeable without restrictions or conditions.
- (5) The stock option exercise price shall be fixed by the Board within the parameters set by the policies of the Exchange, but in any event shall not be less than the closing trading price of the Shares on the last trading day immediately preceding the grant date.

### *Exercise of Compensation Securities by Directors and Named Executive Officers*

The following table sets forth each exercise of compensation securities by a Named Executive Officer or director of the Corporation during the most recently completed financial year ended December 31, 2018.

<b>Name and Position</b>	<b>Type of compensation security</b>	<b>Number of underlying securities exercised</b>	<b>Exercise price per security (\$)</b>	<b>Date of exercise</b>	<b>Closing price per security on date of exercise (\$)</b>	<b>Difference between exercise price and closing price on date of exercise (\$)</b>	<b>Total value on exercise date <sup>(1)</sup> (\$)</b>
Eldur Ólafsson <i>Director, President and CEO</i>	Stock Option	-	-	-	-	-	-
Ingrid Martin <i>CFO</i>	Stock Option	-	-	-	-	-	-
George Fowlie <i>Chairman and Director of Corporate Development</i>	Stock Option	-	-	-	-	-	-
Robert Ménard <i>Director</i>	Stock Option	-	-	-	-	-	-
Georgia Quenby <i>Director</i>	Stock Option	-	-	-	-	-	-
Graham Stewart <i>Director</i>	Stock Option	-	-	-	-	-	-

**Note:**

- (1) Calculated by multiplying the number in the column entitled "Number of Underlying Securities Exercised" by the number in the column entitled "Difference between Exercise Price and Closing Price on Date of Exercise".

***Employment and Consulting Agreements***

Eldur Ólafsson and the Corporation entered into an employment agreement effective on April 4, 2017. Pursuant to the employment agreement, the Corporation may terminate the employment of Mr. Ólafsson with or without cause upon providing him with a written notice of termination. His employment may also be terminated by either the Corporation or Mr. Ólafsson following a change of control of the Corporation. In the event that the Corporation terminates his employment without cause, Mr. Ólafsson shall be entitled to the following: (i) any amount accrued and payable to Mr. Ólafsson pursuant to his employment agreement as well as any reimbursable expenses, (ii) his salary for a period of one year following such termination (or a one-time lump sum payment in lieu thereof), and (iii) continued participation in the Corporation's benefit programs for its senior executives for a period of one year following such termination (excluding short-term and long-term disability insurance). In the event that his employment is terminated following a change of control of the Corporation, Mr. Ólafsson shall be entitled to the same rights as in the event of termination without cause by the Corporation, except that such rights shall be for a period of two years following termination as opposed to a period of one year. In the event that it is not possible for the Corporation to maintain Mr. Ólafsson's coverage under its benefit plans, the Corporation may, in lieu thereof, pay Mr. Ólafsson a lump sum amount equal to the estimated net cost to him of maintaining benefits for the period previously specified, less the amount of any contributions that Mr. Ólafsson would have been required to make for the period under the benefit plans, up to a maximum of \$350,000.

The Corporation entered into the Consulting Agreement with Ingrid Co. pursuant to which Ingrid Martin and her staff provide services to the Corporation. The Consulting Agreement may be terminated by the Corporation upon 60 days' prior notice and a lump sum payment equal to the amount of fees earned by Ingrid Co. during the previous period equivalent to two months after one year of service, which severance payment shall be increased by an amount equivalent to an additional two months of fees earned for each year of service after the first year of service, up to a maximum of 18 months. The fees payable to Ingrid Co. pursuant to the Consulting Agreement comprise principally the fees payable to Ms. Martin for services rendered to the Corporation. However, in the event the Consulting Agreement is terminated following a breach by Ingrid Co. of its obligations under the Consulting Agreement or following fraud, dishonesty, willful neglect, misconduct or criminal conduct by Ms. Martin or Ingrid Co., then the severance payment shall not be payable by the

Corporation. In the event of the termination by Ingrid Co. of the Consulting Agreement, the Corporation shall pay the fees earned by Ingrid Co. through to the last day of its engagement with the Corporation. If the Consulting Agreement is terminated following a change of control of the Corporation, the severance payment payable shall be doubled up to a maximum of 18 months.

On April 28, 2017, the Corporation entered into the consulting agreement with GRF Capital Advisors Inc. ("GRF") pursuant to which George Fowlie provides services to the Corporation as Chairman and Director of Corporate Development until the Annual General Meeting for 2017 provided, however, that the term may be extended for another year if Mr. Fowlie is re-elected as Chairman. The fee payable to GRF is \$4,167 per month. In April 2018, Mr. Fowlie agreed to reduce his monthly fee to \$2,083 per month. The GRF agreement does not contemplate any compensation with respect to change of control, severance, termination or constructive dismissal.

#### PENSION PLAN BENEFITS

There are no pension plan benefits in place for the Named Executive Officers.

#### TERMINATION AND CHANGE OF CONTROL BENEFITS

Compensation plans with Named Executive Officers resulting from the termination of employment of such Named Executive Officer or a change of control of the Corporation are described under "*Executive Compensation – Employment and Consulting Agreements*".

#### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as at the date hereof, information concerning securities authorized for issuance under equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options (\$)	Number of Common Shares remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by securityholders <sup>(1)</sup>	3,020,000	0.47	2,758,850
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	3,020,000		2,758,850

**Note:**

(1) The Stock Option Plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued Common Shares at the time of the stock option grant. As at the date of this Circular, 5,778,850 Common Shares may be reserved for issuance pursuant to the Stock Option Plan.

#### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular, no director or officer of the Corporation, no proposed nominee for election to the board of directors, no person who owns, or controls or directs, directly or indirectly, more than 10% of the Corporation's issued and outstanding shares, and no associate or affiliate of any such person, has had a material interest, direct or indirect, in any material transaction involving the Corporation since the commencement of its most recently completed financial year.

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

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No director or officer of the Corporation or person who acted in such capacity in the last financial year of the Corporation, or any other individual who at any time during the most recently completed financial year of the Corporation was a director of the Corporation or any associate of the Corporation, is indebted to the Corporation, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

## **AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER**

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National Instrument 52-110 ("**NI 52-110**") requires that certain information regarding the Audit Committee of a "**venture issuer**" (as that term is defined in NI 52-110) be included in the management information circular sent to Shareholders in connection with the issuer's annual meeting.

### **AUDIT COMMITTEE CHARTER**

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto Schedule "A" to this Circular.

### **COMPOSITION OF THE AUDIT COMMITTEE**

The members of the Audit Committee are Graham Stewart (Chair), George Fowlie and Robert Ménard and who are all directors of the Corporation. Robert Ménard and Graham Stewart are considered "independent" for 2018 and "financially literate" within the meaning of NI 52-110. For the purposes of NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues.

### **RELEVANT EDUCATION AND EXPERIENCE**

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

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

#### ***George Fowlie, 74, Chairman and Director of Corporate Development***

George Fowlie received his BA from the University of Toronto (1966), an MBA from the University of Western Ontario (1969) and the ICD.D designation from the Institute of Corporate Directors in 2006.

Mr. Fowlie was Chairman of Crown Capital Partners Inc. up to May 2018, a position that he held since the company became public in 2015, and since 2008, he has been the Managing Director at GRF, a private consulting company. He was also the Deputy Chairman & Head-Investment Banking of Westwind Partners, Inc. from 2004 to 2008, and a

partner of EdgeStone Capital Partners, an investment company, from 2000 to 2004. Mr. Fowlie was previously a Managing Director at First Marathon Securities Ltd., an investment dealer, from 1991 to 2000. Mr. Fowlie was also Director of Maudore Minerals Ltd., a mining company, from 2012 to 2016, and Chairman from 2014 to 2016.

Mr. Fowlie acts as director of the following private companies: CardSwap.ca, Inc., an internet company providing a marketplace for gift cards; Melford International Terminal, Inc., a company that is developing a container port in Nova Scotia; and Brunico, Inc., a company acting in the global entertainment industry.

***Robert Ménard, 69, Director***

Robert Ménard holds a degree in Applied Science (Electrical Engineering) from the University of Ottawa and he is a member of the Ordre des ingénieurs du Québec (Québec's Order of Engineers). He began his career as a junior engineer with Iron Ore Company of Canada from 1972 to 1974 and subsequently acted as Vice-President for a large industrial contractor from 1975 to 1993. From 1994 to 2006, he served as Vice-President, Projects and Construction with Cambior Inc. ("Cambior"). In that capacity, he was responsible for all of Cambior's development projects, from engineering studies to site construction, start-up and reclamation. Following the acquisition of Cambior by IAMGOLD Corporation, Mr. Ménard was appointed Vice-President Engineering and Construction of the Nunavik Nickel Project located in the Canadian Arctic, a position he occupied from 2007 to 2008. Mr. Ménard has acted as the co-executive for the engineering and construction of IAMGOLD's Essakane gold project in Burkina Faso. Mr. Ménard was Vice-President Engineering Construction for Andean Resources Limited for its Cerro Negro Project in Argentina in 2011. More recently, Mr. Ménard was Director Engineering and Construction for Newmont Mining Corporation's Surgold Merian Project in Suriname from 2012 to 2016.

***Graham Stewart, 57, Director***

Graham Stewart holds an honours degree in Offshore Engineering from Heriot-Watt University and an MBA from Edinburgh University. He was instrumental in founding Faroe Petroleum in 1998, where he was Chief Executive Officer from December 2002 to April 2019.

Mr. Stewart has over 25 years' experience in oil and gas technical and commercial affairs. From 1997 to 2002, he was Finance and Commercial Director at Dana Petroleum, and from 1991 to 1997, he was the Commercial Director of the Petroleum Science and Technology Institute.

**AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

**RELIANCE ON EXEMPTIONS IN NI 52-110 REGARDING DE MINIMIS NON-AUDIT SERVICES OR ON A REGULATORY ORDER GENERALLY**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. The Corporation is relying upon the exemption in Section 6.1 (Venture Issuers) of NI 52-110, which states that the Corporation, as an "IPO venture issuer", is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

**PRE-APPROVAL POLICIES AND PROCEDURES**

As at the date of this Circular, the Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services.

**AUDIT FEES**

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Corporation for professional services rendered to the Corporation for the last two fiscal years.

	Audit Fees <sup>(1)</sup>	Audit-Related Fees (IPO and Short form prospectus) <sup>(2)</sup>	Audit-Related Fees <sup>(3)</sup> (\$)	Tax Fees <sup>(4)</sup>	All Other Fees <sup>(5)</sup>
	(\$)	(\$)		(\$)	(\$)
Year ended December 31, 2018	76,125	65,974	-	4,725	-
Year ended December 31, 2017	-	141,750	25,922	-	-

**Notes:**

- (1) **Audit Fees** - aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings.
- (2) **Audit-Related Fees (IPO and Short form prospectus)** - aggregate fees billed for professional services rendered by the auditor for the review of the Corporation's prospectus in relation to its initial public offering in 2017 and to the short form prospectus in 2018.
- (3) **Audit-Related Fees** - aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.
- (4) **Tax Fees** - aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.
- (5) **All Other Fees** - aggregate fees billed for professional services which included accounting advice and advice related to relocating employees.

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## REPORT ON GOVERNANCE

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The Corporation believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and National Policy 58-201 - *Corporate Governance Guidelines* (the "**Governance Guidelines**") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. The following disclosure is required by the Governance Guidelines and describes the Corporation's approach to governance and outlines the various procedures, policies and practices that the Corporation and the Board have implemented to address the foregoing requirements.

### BOARD OF DIRECTORS

The Board is responsible for the supervision of the Management of the Corporation and must act in the best interests of the Corporation and its shareholders. The Board acts in accordance with the laws of Canada, the articles and by-laws of the Corporation, and the specific terms of reference as laid out for each committee and the Board as a whole. The Board has responsibility for adopting a strategic planning process and reviewing and approving the Corporation's strategic plan developed and proposed by Management and monitoring performance against the plan. The Board is responsible for developing and adopting policies and procedures to identify the principal business risks of the Corporation and ensure that appropriate systems are implemented to manage these risks. The Board is also responsible for developing and adopting policies and procedures to ensure the integrity of the internal controls and management information systems of the Corporation. Matters that require Board approval include, among other things: (i) the approval of the quarterly and annual financial statements and management discussion and analysis; (ii) the issuance of securities; (iii) significant acquisitions; (iv) annual capital and operating plans and budgets; and (v) the compensation of members of the senior management team.

The Board facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Board. The Board shall review its procedures on an ongoing basis to ensure it is functioning independently of Management. As circumstances require, the Board will meet without Management present, and convene meetings, as deemed necessary, of the independent directors, at which meetings, non-independent directors and members of Management will not be in attendance. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest.

The Board is currently comprised of five members. Robert Ménard and Graham Stewart are "independent" in that they are independent in 2018 and free from interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with the best interest of the Corporation, other than interests and relationships arising from shareholdings.

## **DIRECTORSHIPS**

No directors of the Corporation currently hold directorships with other reporting issuers.

## **ORIENTATION AND CONTINUING EDUCATION**

The Corporation provides new directors with details and information about the Corporation upon their joining the Board that includes copies of relevant financial, technical, geological and other information regarding its properties and meetings with Management.

Board members are encouraged to communicate with Management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Corporation's records.

## **ETHICAL BUSINESS CONDUCT**

The Board encourages and promotes an overall culture of ethical business conduct by:

- promoting compliance with applicable laws, rules and regulations;
- providing guidance to directors, officers and other employees to help them recognize and deal with ethical issues;
- promoting a culture of open communication, honesty and accountability; and
- ensuring awareness of disciplinary action for violations of ethical business conduct.

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

## **NOMINATION OF DIRECTORS**

It is the view of the Board that all directors, individually and collectively, should assume responsibility for nominating directors. The Board is responsible for identifying and recommending potential nominees for directorship and senior management.

## **COMPENSATION**

Compensation matters are currently determined by the Board upon recommendation of the Corporate Governance and Compensation Committee. The role of the Corporate Governance and Compensation Committee is to provide oversight and guidance to the Corporation in ensuring that its Management, directors and members serve in the best interest of the Corporation's shareholders and that its actions are conducted in a professional and transparent manner which is in conformity with applicable law. The Corporate Governance and Compensation Committee is responsible for reviewing the compensation plans and severance arrangements for Management, to ensure they are commensurate with comparable companies. This committee ensures that the Corporation has a plan for continuity of its officers and an executive compensation plan that is motivational and competitive. See "*Executive Compensation – Compensation Discussion and Analysis*" for additional information on the Corporate Governance and Compensation Committee.

The members of the Corporate Governance and Compensation Committee are Georgia Quenby (Chair), Graham Stewart and George Fowlie. The Corporate Governance and Compensation Committee members have experience in top leadership roles, strong knowledge of the mining industry and finance, and a mix of experience, as well as tenure as directors of various public companies. Specifically:

***George Fowlie, 74, Chairman and Director of Corporate Development***

George Fowlie received his BA from the University of Toronto (1966), an MBA from the University of Western Ontario (1969) and the ICD.D designation from the Institute of Corporate Directors in 2006.

Mr. Fowlie was Chairman of Crown Capital Partners Inc. up to May 2018, a position that he held since the company became public in 2015, and since 2008, he has been the Managing Director at GRF Capital Advisors, Inc., a private consulting company. He was also the Deputy Chairman & Head-Investment Banking of Westwind Partners, Inc. from 2004 to 2008, and a partner of EdgeStone Capital Partners, an investment company, from 2000 to 2004. Mr. Fowlie was previously a Managing Director at First Marathon Securities Ltd., an investment dealer, from 1991 to 2000. Mr. Fowlie was also Director of Maudore Minerals Ltd., a mining company, from 2012 to 2016, and Chairman from 2014 to 2016.

Mr. Fowlie acts as director of the following private companies: CardSwap.ca, Inc., an internet company providing a marketplace for gift cards; Melford International Terminal, Inc., a company that is developing a container port in Nova Scotia; and Brunico, Inc., a company acting in the global entertainment industry.

***Georgia Quenby, 48, Director***

Georgia Quenby is an experienced commercial lawyer, qualified in both the UK and New York. She has worked extensively on cross-border transactions (financings and M&A) in many industries including oil and gas, the defence sector and mining. She graduated from Trinity College Oxford in 1992 and is regulated by the Institute of Chartered Accountants of England and Wales as a non-appointment taking Insolvency Practitioner. Ms. Quenby is a recipient of the FT Non-Executive Director Diploma and a member of the advisory council of the Centre for Commercial Law Studies.

***Graham Stewart, 57, Director***

Graham Stewart holds an honours degree in Offshore Engineering from Heriot-Watt University and an MBA from Edinburgh University. He was instrumental in founding Faroe Petroleum in 1998, where he was Chief Executive Officer from December 2002 to April 2019.

Mr. Stewart has over 25 years' experience in oil and gas technical and commercial affairs. From 1997 to 2002, he was Finance and Commercial Director at Dana Petroleum, and from 1991 to 1997, he was the Commercial Director of the Petroleum Science and Technology Institute.

**OTHER BOARD COMMITTEES**

In addition to the Audit Committee and Corporate Governance and Compensation Committee, there is a Safety Committee.

The role of the Safety Committee is to provide oversight and guidance to the Corporation in achieving best practices in safety, security and compliance oversight as regards its operations.

**ASSESSMENTS**

The Board and each individual director are regularly assessed regarding its or his or her effectiveness and contribution. The assessment considers and takes into account:

- in the case of the Board, its mandate and charter; and
- in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to possess.

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## OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

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The Management knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. However, if other matters which are not known to the Management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

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## ADDITIONAL INFORMATION

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Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Securityholders may contact the Corporation in order to request copies of the Corporation's consolidated financial statements at the offices of the Corporation at Suite 905, 123 Front Street West, Toronto, Ontario, M5J 2M2. Financial information about the Corporation may be found in the Corporation's consolidated financial statements and Management's Discussion and Analysis for its most recently completed financial year.

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## GENERAL

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The contents and the sending of the Notice of Meeting and this Circular to each Shareholder entitled thereto, each director of the Corporation, the auditor of the Corporation and, where required, all applicable securities regulatory authorities have been approved by the Board.

DATED at Toronto, Ontario, May 6, 2019.

(signed) "*George Fowlie*"

George Fowlie  
Chairman of the Board and Director of Corporate Development

## SCHEDULE "A"

### AUDIT COMMITTEE CHARTER

#### 1.0 Purpose

The Corporation's Board has established the Audit Committee, whose membership, authority and responsibilities shall be as set out in this Audit Committee Charter. The Audit Committee will provide independent review and oversight of the Corporation's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Corporation's external auditors. The Audit Committee will also assist the Board in fulfilling its responsibilities in reviewing the Corporation's process for monitoring compliance with laws and regulations and its own code of conduct. In performing its duties, the Audit Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. If asked to do so by the Board, the Audit Committee will also review the Corporation's financial strategies, its financing plans and its use of the equity and debt markets.

To perform his or her role effectively, each Audit Committee member will obtain an understanding of the responsibilities of Audit Committee membership as well as the Corporation's business, operations and risks.

#### 2.0 Organization

The Audit Committee shall consist of at least three members at all times, each of whom must be a member of the Board and must be independent as defined by promulgated best practices by applicable law and applicable stock exchange listing rules (the "**Listing Rules**"), unless the Board determines that such independence is not required or not feasible.

The members of the Audit Committee shall satisfy the laws governing the Corporation and the financial literacy, expertise and experience requirements under applicable securities law, stock exchange requests and any other regulatory requirements applicable to the Audit Committee of the Corporation. In particular, all members of the Audit Committee shall have a practical knowledge of finance and accounting and be able to read and understand fundamental financial statements from the time of their respective appointments to the Audit Committee. In addition, members may be required to participate in continuing education if required by applicable law or the Listing Rules.

Any member of the Audit Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Audit Committee as soon as such member ceases to be a Director.

The Audit Committee may form and delegate authority to subcommittees when appropriate.

#### 3.0 Meetings

The Audit Committee shall meet as frequently as required, but at least quarterly. The Board shall appoint a Chair of the Audit Committee, who shall prepare and/or approve an agenda in advance of each meeting and shall preside over meetings of the Audit Committee. In the absence of the Chair, the Audit Committee shall select a chairperson for that meeting. A majority of the members of the Audit Committee shall constitute a quorum and the act of a majority of the members present at a meeting where a quorum is present shall be the act of the Audit Committee. The Audit Committee may also act by unanimous written consent of its members. The minutes of the Audit Committee will be in writing and duly entered into the books of the Corporation.

The Audit Committee shall, through its Chair, report regularly to the Board following the meetings of the Audit Committee, addressing such matters as the quality of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance and independence of the outside auditors, the performance of any internal audit function and other matters related to the Audit Committee's functions and responsibilities.

The Audit Committee shall at least annually meet separately with each of the Corporation's senior executive group, including the Corporation's chief financial officer, and the Corporation's outside auditors in separate

executive sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately.

#### **4.1 Responsibilities**

The Audit Committee's principal responsibility is one of oversight. The Corporation's management is responsible for preparing the Corporation's financial statements, and the Corporation's outside auditors are responsible for auditing and/or reviewing those financial statements. In carrying out these oversight responsibilities, the Audit Committee is not providing any expert or special assurance as to the Corporation's financial statements or any professional certification as to the outside auditors' work.

The Audit Committee's specific responsibilities and powers are as set forth below:

##### **General Duties and Responsibilities**

- Periodically review with management and the outside auditors the applicable law and the Listing Rules relating to the qualifications, activities, responsibilities and duties of audit committees and compliance therewith, and also take, or recommend that the Board take, appropriate action to comply with such law and rules.
- Review and evaluate, at least annually, the adequacy of this charter and make recommendations to the Board for changes to it.
- Establish procedures for: (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- Retain, at the Corporation's expense, independent counsel, accountants or others for such purposes as the Audit Committee, in its sole discretion, determines to be appropriate to carry out its responsibilities.
- Prepare annual reports of the Audit Committee for inclusion in the proxy statements for the Corporation's annual meetings, to the extent required.
- Investigate any matter brought to its attention related to financial, accounting and audit matters and have full access to all books, records, facilities and personnel of the Corporation.
- Undertake such additional responsibilities as from time to time may be delegated to it by the Board, required by the Corporation's articles or bylaws or required by law or Listing Rules.

##### **Auditor Independence**

- Be directly responsible for the appointment, compensation, retention, termination, and oversight, subject to the requirements of Canadian law, of the work of any outside auditor engaged by the Corporation for the purpose of preparing or issuing an audit report or performing other audit, review or attest services. The outside auditors shall report directly to the Audit Committee.
- Receive from the outside auditors, review and discuss, a formal written statement delineating all relationships between the outside auditors and the Corporation regarding relationships and services, which may affect the objectivity and independence of the outside auditors, and other applicable standards. The statement shall include a description of all services provided by the outside auditors and the related fees. The Audit Committee shall actively discuss any disclosed relationships or services that may affect the objectivity and independence of the outside auditors.
- Pre-approve all engagement letters and fees for all auditing services (including providing comfort letters in connection with securities underwritings) and non-audit services performed by the outside auditors. Pre-approval authority may be delegated to an Audit Committee member or a subcommittee, and any

such member or subcommittee shall report any decisions to the full Audit Committee at its next scheduled meeting. The Audit Committee shall not approve an engagement of outside auditors to render non-audit services that are prohibited by law or the Listing Rules.

- Review with the outside auditors, at least annually, the auditors' internal quality control procedures and any material issues raised by the most recent internal quality peer review of the outside auditors.
- Review and approve hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

#### **Internal Control**

- Review annually the adequacy and quality of the Corporation's financial and accounting staffing, the need for and scope of internal audit reviews, and the plan, budget and the designations of responsibilities for any internal audit.
- Review the performance and material findings of internal audit reviews, if any.
- Review annually with the outside auditors any significant matters regarding the Corporation's internal controls and procedures over financial reporting ("internal controls") that have come to their attention during the conduct of their annual audit, and review whether internal controls recommendations made by the auditors have been implemented by management.
- Review major risk exposures (whether financial, operating or otherwise) and the guidelines and policies that management has put in place to govern the process of monitoring, mitigating and reporting such exposures.
- Review and evaluate at least annually the Corporation's policies and procedures for maintaining and investing cash funds and for hedging (foreign currency, etc.).
- Evaluate whether management is setting the appropriate tone at the top by communicating the importance of internal controls and ensuring that all supervisory and accounting employees understand their roles and responsibilities with respect to internal controls.

#### **Annual and Interim Financial Statements**

- Review, evaluate and discuss with the outside auditors and management the Corporation's audited annual financial statements and other information that is to be filed with Canadian Securities regulatory authorities and to be included in the Corporation's Proxy Solicitation and Information Circular, as applicable, including the disclosures under "Management's Discussion and Analysis", and the results of the outside auditors' audit of the Corporation's annual financial statements, including the accompanying footnotes and the outside auditors' opinion, and determine whether to recommend to the Board that the financial statements be included in the Corporation's Proxy Solicitation and Information Circular, if appropriate.
- Review, evaluate and discuss the nature and extent of any significant changes in Canadian accounting principles, or the application of accounting principles.
- Ensure that the Corporation's accounting policies are appropriate and that financial results are fairly presented.
- Discuss with management the Corporation's interim financial statements and other information to be included in the Corporation's quarterly reports, including the disclosures under "Management's Discussion and Analysis", prior to filing such reports on SEDAR.
- Review and discuss with the Corporation's management significant accounting and reporting principles, practices and procedures applied in preparing the financial statements and any major changes to the

Corporation's accounting or reporting principles, practices or procedures, including those required or proposed by professional or regulatory pronouncements and actions, as brought to its attention by management and/or the outside auditors.

- Review and discuss all critical accounting policies identified by management and/or the outside auditors.
- Review significant accounting and reporting issues, including recent regulatory announcements and rule changes and Canadian GAAP matters and understand their effect on the financial statements.
- Discuss alternative treatments of financial information under generally accepted accounting principles, the ramifications of each treatment and the method preferred by the Corporation's outside auditors.
- Review the results of any material difficulties, differences or disputes with management encountered by the outside auditors during the course of the audit and be responsible for overseeing the resolution of such difficulties, differences and disputes.
- Review the scope, plan and procedures to be used on the annual audit and receive confirmation from the outside auditors that no limitations have been placed on the scope or nature of their audit scope, plan or procedures.

#### **Related Party Transactions**

- Review any transaction involving the Corporation and a related party (as such may be described from time to time by applicable legislation) at least once a year or upon any significant change in the transaction or relationship.

#### **Earnings Press Releases**

- Review and discuss with management and, if appropriate, the outside auditors, prior to release, all earnings press releases of the Corporation, as well as financial information and earnings guidance, if any, provided by the Corporation to analysts and rating agencies.

#### **Compliance with Law and Regulations**

- Ensure that management has the proper systems and review processes in place so that the Corporation's financial statements, financial reports and other financial information satisfy all legal, regulatory and professional standards requirements.
- Review with the Corporation's counsel, management and the independent auditors any legal or regulatory matter, including reports or correspondence, which could have a material impact on the Corporation's financial statements or compliance policies.
- Report regularly to the Board with respect to any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the performance and independence of the Corporation's independent auditors and internal audit function issues.

#### **Administering Whistleblower Policy**

- Review at least annually the Corporation's Whistleblower Policy.
- Deal with complaints made by employees and others in accordance with the Whistleblower Policy.

### **5.0 AUTHORITY**

The Board authorizes the Audit Committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to communicate directly with the external auditors, to

retain outside legal or professional counsel and other experts and to request the attendance of the Corporation's officers at meetings as appropriate. The Corporation shall provide for appropriate funding, as determined by the Audit Committee in its sole discretion, for payment of (i) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; (ii) compensation to independent counsel and other advisers, as the Audit Committee determines is necessary to carry out its duties; and (iii) ordinary administrative expenses of the Audit Committee that the Audit Committee determines are necessary or appropriate in carrying out its duties.

**SCHEDULE "B"**  
**STOCK OPTION PLAN**

See attached.

**AEX GOLD INC.**  
**STOCK OPTION PLAN**  
**May 1, 2017**  
**Amended June 11, 2018**

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**ARTICLE 1**  
**DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) "**Associate**" has the meaning ascribed thereto in the Securities Act.
- (b) "**Award Date**" means the date on which the Board awards a particular Option or such other effective award date determined by the Board.
- (c) "**Board**" means the board of directors of the Corporation, or any committee of the board of directors to which the duties of the board of directors hereunder are delegated.
- (d) "**Cause**" means:
  - (i) "cause" as such term is defined in the written employment agreement between the Corporation and the Optionee; or
  - (ii) in the event there is no written employment agreement between the Corporation and the Optionee or "cause" is not defined therein, the usual meaning of just cause, or any similar legal principle, under the common law or the laws of the jurisdiction in which the Optionee is employed.
- (e) "**Change of Control**" means:
  - (i) the acceptance of an offer by a sufficient number of holders of voting securities in the capital of the Corporation so that the offeror, together with persons acting jointly or in concert with the offeror, becomes entitled, directly or indirectly, to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Corporation (provided that prior to the offer, the offeror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Corporation);
  - (ii) the completion of a plan of arrangement, consolidation, reorganization, merger or amalgamation of the Corporation with or into any other entity, or otherwise resulting in the exchange of the outstanding securities of the Corporation for securities or other consideration issued or caused to be issued by the acquiring entity or its subsidiaries; or
  - (iii) the completion of a sale, lease, transfer or other disposition, in a single transaction or series of related transactions, whereby all or substantially all of the undertakings and assets of the Corporation and its Subsidiaries, on a consolidated basis, become the property of any entity which is not a Subsidiary of the Corporation,and explicitly excludes any initial public offering of the Shares.
- (f) "**Corporation**" means AEX Gold Inc., a company duly incorporated under the laws of Canada.
- (g) "**Consultant**" means an individual or Consultant Company, other than an Employee, Officer or Director of the Corporation or a Subsidiary, that:
  - (i) is engaged on an ongoing basis to provide ongoing *bona fide* consulting, technical, management or other services (other than services provided in relation to a distribution of securities) to the Corporation or a Subsidiary under a written contract between the Corporation or a Subsidiary and the individual or Consultant Corporation;

- (ii) spends or shall spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary; and
  - (iii) has a relationship with the Corporation or a Subsidiary that enables the individual to be knowledgeable about the business or affairs of the Corporation.
- (h) "**Consultant Company**" means a Consultant that is a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
  - (i) "**Director**" means a director of the Corporation or any of its Subsidiaries.
  - (j) "**Eligible Person**" means an Employee, Consultant, Director or Officer and, except in relation to a Consultant Company, includes a company that is wholly-owned by such persons.
  - (k) "**Employee**" means any individual regularly employed on a full or part-time basis by the Corporation or any of its Subsidiaries as may, from time to time, be permitted or not precluded by the rules and policies of the applicable Regulatory Authorities to be granted Options.
  - (l) "**Event**" has the meaning ascribed thereto in Section 3.6.
  - (m) "**Exchange**" means the TSX Venture Exchange.
  - (n) "**Exercise Notice**" means the notice respecting the exercise of an Option, in the form set out in Schedule A hereto, duly executed by the Optionee.
  - (o) "**Exercise Price**" means the amount payable per Share on the exercise of an Option, as determined in accordance with the terms hereof.
  - (p) "**Expiry Date**" means the date determined in accordance with Section 3.4 and after which a particular Option cannot be exercised.
  - (q) "**Insider**" means an Optionee who is an "insider" of the Corporation as defined in the Securities Act.
  - (r) "**Investor Relation Activities**" means any activities, by or on behalf of the Corporation or any shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities in the capital of the Corporation, but does not include:
    - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation to promote the sale of products or services of the Corporation, or to raise public awareness of the Corporation, and that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
    - (ii) activities or communications necessary to comply with the requirements of applicable securities laws, the Exchange requirements or the by-laws, rules or other regulatory instruments of any other Regulatory Authority;
    - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if the communication is only through the newspaper, magazine or publication and the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
    - (iv) activities or communications that may be otherwise specified by the Exchange.
  - (s) "**Officer**" means a senior officer of the Corporation or any of its Subsidiaries.
  - (t) "**Option**" means an option to purchase Shares granted under the terms of the Plan.

- (u) "**Option Commitment**" means the notice of grant of an Option delivered by the Corporation hereunder to an Optionee substantially in the form of Schedule A hereto.
- (v) "**Optionee**" means a Person to whom an Option has been granted under the terms of the Plan.
- (w) "**Person**" means any individual, partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, trust, trustee, executor, administrator, or other legal personal representatives, regulatory body or agency, government or governmental agency, authority or entity howsoever designated or constituted.
- (x) "**Plan**" means this stock option plan.
- (y) "**Regulatory Authority**" means the Exchange and all securities commissions or similar securities regulatory authorities having jurisdiction over the Corporation.
- (z) "**Securities Act**" means the *Securities Act* (Ontario), R.S.O., 1990 c. S.5, as amended from time to time.
- (aa) "**Share Compensation Arrangement**" means any Option under this Plan, but also includes any other stock option, stock option plan, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Shares to an Eligible Person.
- (bb) "**Shares**" means the common shares in the capital of the Corporation.
- (cc) "**Subsidiary**" means a subsidiary of the Corporation, as such term is defined in the Securities Act.
- (dd) "**Tax Act**" means the *Income Tax Act* (Canada).
- (ee) "**Transfer**" means any transfer, sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of a security interest or other arrangement by which possession, legal title or beneficial ownership passes from one Person to another, or to the same Person in a different capacity, whether or not voluntarily and whether or not for value, and any agreement to effect any of the foregoing, including any sale or exchange pursuant to a plan of arrangement, merger, consolidation, acquisition or similar transaction; and the words "**Transferred**", "**Transferring**" and similar words have corresponding meanings.

## ARTICLE 2 PURPOSE AND PARTICIPATION

### 2.1 Purpose

The purpose of the Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Officers, Employees and Consultants, to reward such of those Eligible Persons from time to time for their contributions toward the long-term goals of the Corporation and to enable and encourage such Eligible Persons to acquire Shares as long-term investments.

It is the intention of the Corporation that the Plan shall at all times be in compliance with the Exchange policies and any inconsistencies between the Plan and the Exchange policies, whether due to inadvertence or changes in Exchange policies, shall be resolved in favour of the latter.

### 2.2 Participation

The Board shall, from time to time and in its sole discretion, determine those Eligible Persons, if any, to whom Options are to be awarded.

### **2.3 Option Commitment**

Each Option granted to an Optionee shall be evidenced by an Option Commitment detailing the terms of the Option. Upon delivery of the Option Commitment to the Optionee by the Board, the Optionee shall have the right to purchase the Shares underlying the Option at the Exercise Price set out therein, subject to any provisions as to the vesting of the Option.

Subject to specific variations approved by the Board, all terms and conditions set out herein shall be deemed to be incorporated into and form part of an Option Commitment made hereunder.

### **2.4 Copy of Plan**

Each Optionee shall be provided with a copy of the Plan concurrently with the Optionee Commitment. A copy of any amendment to the Plan shall be promptly provided by the Board to each Optionee.

### **2.5 Limitation**

The Plan does not give any Optionee that is a Director the right to serve or continue to serve as a Director of the Corporation nor does it give any Optionee that is an Officer or Employee the right to be or to continue to be employed with the Corporation, nor does it give any Optionee that is a Consultant the right to have a consulting relationship with the Corporation or provide services to the Corporation.

## **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

### **3.1 Determination of Option Recipients**

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and, in doing so, may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Corporation and any other factors which it may deem proper and relevant. All Eligible Persons shall be bona fide Eligible Persons.

### **3.2 Limitations of Grants of Options**

- (a) The aggregate number of Shares issuable pursuant to Options granted pursuant to this Plan shall not in the aggregate exceed 10% of the number of issued and outstanding Shares at the time of each grant of Options.
- (b) The aggregate number of Shares reserved for issuance pursuant to Options granted under this Plan or pursuant to any other Share Compensation Arrangement to any one Optionee within a one-year period shall not exceed 5% of the number of Shares outstanding at the time of the grant, unless the Corporation obtains the requisite disinterested shareholder approval pursuant to the Exchange policies.
- (c) The aggregate number of Shares reserved for issuance pursuant to Options granted under this Plan or pursuant to any other Share Compensation Arrangement to any one Consultant within a one-year period shall not exceed 2% of the number of Shares outstanding at the time of the grant.
- (d) The aggregate number of Shares reserved for issuance pursuant to Options granted under this Plan or pursuant to any other Share Compensation Arrangement to an Employee retained to provide Investor Relations Activities within a one-year period shall not exceed 2% of the number of Shares outstanding at the time of the grant.
- (e) The aggregate number of Shares reserved for issuance pursuant to Options granted under this Plan or pursuant to any other Share Compensation Arrangement to Insiders, as a group, shall not exceed 10% of the number of Shares outstanding from time to time.
- (f) The aggregate number of Shares reserved for issuance pursuant to Options granted under this Plan or pursuant to any other Share Compensation Arrangement to Insiders, as a group, within a one-year period shall not exceed 10% of the number of Shares outstanding at the time of the relevant grant.

### 3.3 Term of Option

The periods within which Options may be exercised and the number of Shares in respect of which Options may be exercised in any such period shall be determined by the Board at the time of granting the Options, provided, however, that:

- (a) all Options must be exercisable during a period not extending beyond 10 years from the Award Date; and
- (b) if at any time the expiry of the term of an Option should be determined to occur either during a period in which the trading of Shares by the Optionee is restricted under the insider trading policy or any other policy of the Corporation or within 10 business days following such a period, the expiry of the term of such Option shall be deemed to occur on the date that is the 10<sup>th</sup> business day following the date of expiry of such restriction.

### 3.4 Termination

The Expiry Date of an Option shall be the earlier of the date that is the 10<sup>th</sup> anniversary of the Award Date of such Option, or such other date so fixed by the Board at the time the particular Option is awarded, or the date established, if applicable, in subsections (a) to (e) below:

- (a) Death

In the event that the Optionee should die while he or she is a Director, Officer, Employee or Consultant (other than a Consultant Corporation), as applicable, the Expiry Date for any vested portion or portions of the Option shall be the date that is 12 months after the date of the Optionee's death. The Expiry Date for any unvested portion of the Option shall be the date of the Optionee's death.

- (b) Permanent Disability

In the event that the Optionee should cease to be a Director, Officer, Employee or Consultant (other than a Consultant Corporation) as a result of a permanent disability, the Expiry Date for any vested portion or portions of the Option shall be the date that is 3 months after the date that the Optionee ceases to be a Director, Officer, Employee or Consultant, as the case may be. The Expiry Date for any unvested portion of the Option shall be the date that the Optionee ceases to be a Director, Officer, Employee or Consultant, as the case may be.

- (c) Ceasing to Hold Office as a Director

In the event that the Optionee holds his or her Option as a Director and such Optionee ceases to be a Director other than by reason of death or permanent disability, the Expiry Date for any vested portion or portions of the Option shall be the date that is 3 months after the date that the Optionee ceases to be a Director, unless the Optionee ceases to be a Director as a result of:

- (i) ceasing to meet the qualifications required under applicable laws;
- (ii) being removed from office in accordance with applicable laws; or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date that the Optionee ceases to be a Director. The Expiry Date for any unvested portion of the Option shall be the date that the Optionee ceases to be a Director.

- (d) Ceasing to be an Officer, Employee or Consultant

In the event that the Optionee holds his or her Option as an Employee, Officer or Consultant and such Optionee ceases to be an Employee, Officer or Consultant other than by reason of death or permanent

disability, the Expiry Date for any vested portion or portions of the Option shall be the date that is 3 months after the termination date unless the Optionee ceases to be an Employee, Officer or Consultant as a result of:

- (i) termination of employment for Cause (if he or she holds his or her Option as an Employee or Officer);
- (ii) termination for failure to fulfil services pursuant to a consulting or services agreement (if he or she holds his or her Option as a Consultant); or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the termination date. The Expiry Date for any unvested portion of the Option shall be the termination date.

(e) Change of Control

Subject to any required regulatory approvals, the Board may, in its sole and absolute discretion and without the consent of any Optionee, determine that, upon the occurrence of a Change of Control, each or any Option or portion thereof outstanding immediately prior to the Change of Control and not previously exercised or settled may be accelerated and be conditionally exercisable, conditional upon the Optionee tendering the Shares issuable upon such exercise, if applicable, and the completion of the Change of Control, immediately prior to the effective time of the Change of Control and each Optionee shall be permitted, within a specified period of time prior to the consummation of the Change of Control as determined by the Board, to exercise all such Options which are then exercisable or will become exercisable immediately prior to the effective time of the Change of Control; provided however, that Options that are: (i) exercisable and vested Options and not exercised prior to the consummation of the Change of Control; or (ii) the subject of accelerated vesting in accordance with this Section 3.4(e) and not exercised prior to the consummation of the Change of Control, shall terminate upon consummation of the Change of Control.

If the Change of Control is not completed (within the time specified therein, if applicable), then any conditional exercise of Options in accordance with this Section 3.4(e) shall be void *ab initio* and of no effect with respect to such Options and the Shares issued upon such exercise and any payment and other instruments shall be returned to the Optionee or the Corporation (without interest or deduction) as necessary and the terms of the Option as originally set forth in this Plan and the Option Commitment shall again apply to the Option.

If the Board elects to provide for the accelerated vesting set out in this Section 3.4(e), the Corporation shall use commercially reasonable efforts to give each Optionee written notice of any proposed Change of Control at least 10 days prior to the effective date of any such Change of Control.

Notwithstanding anything else contained in the Plan and subject to any necessary approval from the Corporation's shareholders and the Regulatory Authorities, the Board may in its discretion (a) extend the Expiry Date of any Option, provided that in no case will an Option be exercisable later than the 10<sup>th</sup> anniversary of the Award Date of the Option; or (b) accelerate the expiry or vesting terms applicable to an Option.

### 3.5 Exercise Price

The price at which an Optionee may purchase a Share upon the exercise of an Option shall be as fixed by the Board within the parameters set by the policies of the Exchange and as set forth in the Option Commitment issued in respect of such Option, but in any event shall not be less than the closing trading price of the Shares on the last trading day immediately preceding the Award Date.

If the Shares have not traded during the 10 trading day period immediately preceding the Award Date, then the Board must wait until the Shares have been traded for at least 10 days (which need not be consecutive days) before granting the Option and setting the Exercise Price of such Option. Disinterested shareholder approval must be obtained for any reduction in the Exercise Price of any Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment to the Exercise Price.

### **3.6 Adjustments**

If, prior to the complete exercise of an Option, the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted (collectively, the "**Event**"), such Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of an Option and accordingly, if as a result of the Event, an Optionee would become entitled to a fractional Share, such Optionee shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment shall be made with respect to the fractional interest so disregarded.

### **3.7 Vesting**

Options granted pursuant to the Plan shall vest and become exercisable by an Optionee at such time or times as may be determined by the Board at the date of the Option grant and as indicated in the Option Commitment related thereto.

Notwithstanding the foregoing, Options granted to Consultants providing Investor Relations Activities shall vest in stages over a 12 month period with a maximum of one-quarter of the Options vesting in any three-month period.

## **ARTICLE 4 ADMINISTRATION OF THE PLAN**

### **4.1 Powers of the Board**

The Board shall be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising under the Plan. Without limiting the generality of the foregoing, the Board has the power to:

- (a) grant Options hereunder;
- (b) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do; and
- (c) in its sole discretion amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Eligible Persons (before a particular Option is granted) subject to the other terms hereof.

### **4.2 Amendments to the Plan**

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the Exchange or any other Regulatory Authority having authority over the Corporation or the Plan or, if required by the policies of the Exchange, the shareholders of the Corporation, 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 Commitment 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.

## **ARTICLE 5 EXERCISE OF OPTION**

### **5.1 Exercise of Option**

Subject to the provisions of the Plan, an Option may be exercised by the Optionee from time to time by delivery to the Corporation of an Exercise Notice, the applicable Option Commitment and a certified cheque or a bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

## **5.2 Issuance of Shares**

As soon as practicable following the receipt of the Exercise Notice, the Board shall cause the Shares purchased by the Optionee to be delivered to the Optionee, in either certificated or non-certificated form, as appropriate. If the number of Shares in respect of which the Option was exercised is less than the number of Shares subject to the Option Commitment surrendered, the Board shall forward a new Option Commitment to the Optionee concurrently with delivery of the Shares purchased by the Optionee for the balance of the Shares available under the Option.

## **5.3 Condition of Issue**

The Options and the issue of Shares by the Corporation pursuant to the exercise of Options are subject to the terms and conditions of the Plan and compliance with the rules and policies of all applicable Regulatory Authorities with respect to the granting of such Options and the issuance and distribution of such Shares, and to all applicable securities laws and regulations. The Optionee agrees to comply with all such laws, regulations, rules and policies and agrees to furnish to the Corporation any information, reports or undertakings required by, and to fully cooperate with, the Corporation in complying with such laws, regulations, rules and policies.

# **ARTICLE 6 MISCELLANEOUS**

## **6.1 Transferability**

Subject to Section 3.4(a), all Options are exercisable only by the Optionee to whom they are granted and are not assignable or transferable.

## **6.2 No Shareholder Rights**

An Optionee shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by an Option until the Optionee exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Corporation.

## **6.3 Record Keeping**

The Corporation shall maintain a register in which shall be recorded the name and address of each Optionee, the number of Options granted to an Optionee, the details thereof and the number of Options outstanding.

## **6.4 No Representation or Warranty**

The Corporation makes no representation or warranty as to the future market value of the Shares issued in accordance with the provisions of the Plan or the effect of the Tax Act or any other taxing statute governing the Options or the Shares issuable thereunder or the tax consequences to an Eligible Person. Compliance with applicable securities laws as to the disclosure and resale obligations of each Optionee is the responsibility of such Optionee and not the Corporation.

## **6.5 Necessary Approvals**

The Plan shall be effective only upon the approval of the Board by ordinary resolution. The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the approval of any Regulatory Authority which may be required in connection with the authorization, issuance or sale of such Shares by the Corporation. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Exercise Price paid by an Optionee to the Corporation shall be returned to the Optionee.

## **6.6 Tax Withholding**

If the Corporation determines pursuant to the requirements of the Tax Act or any other applicable tax law that it is obliged to withhold for remittance to a taxing authority any amount upon exercise of an Option, the Optionee shall, prior to and as a condition of issuing the Shares or at any other later date specified in the following sentence:

- (a) pay to the Corporation, in addition to and in the same manner as the Exercise Price; or
- (b) subject to compliance with applicable law and any applicable order, policy, by-law or regulation of Regulatory Authority, transfer to the Corporation Shares issuable upon exercise of the Options having a fair market value equal to,

any amount that the Corporation is obliged to remit to that taxing authority in respect of the exercise of the Options. Any additional payment will be due no later than three business days prior to the statutory remittance deadline applicable to the exercise of such Options by the Optionee. Notwithstanding anything herein to the contrary, the Corporation shall have no obligation to accept a transfer of Shares in the event the Corporation does not have cash available to satisfy any such withholding obligation or is restricted by any contract, indenture or other agreement with respect to indebtedness from making any such payments.

#### **6.7 Interpretation**

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

#### **6.8 Compliance with Applicable Law**

If any provision of the Plan or any agreement entered into pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any Regulatory Authority then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

Approved by the Board on May 1, 2017 and amended June 11, 2018.