

ARCHON MINERALS LIMITED

#950 - 777 Hornby Street
Vancouver, BC V6Z 1S4

**Notice of Meeting
&
Management Information and Proxy Circular**

Annual General Meeting of Shareholders
to be held on Friday, December 17, 2021, 11:00am

Dated as of November 15, 2021

Archon Minerals Limited
#950 - 777 Hornby Street
Vancouver, BC V6Z 1S4

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “Meeting”) of the shareholders of Archon Minerals Limited (the “Company”) will be held via teleconference, dial-in number 778-775-1114 (Vancouver) and 1-866-678-6823 (elsewhere in Canada and USA), passcode 6332388, on **December 17, 2021 at 11:00 am (Vancouver time)** for the following purposes:

1. To receive and consider the financial statements of the Company and the auditor's report thereon for the fiscal year ended May 31, 2021;
2. To fix the number of directors at three (3);
3. To elect the directors to hold office until the next annual meeting of shareholders; and
4. To appoint DeVisser Gray LLP, Chartered Accountants, as independent auditors of the Company for the next fiscal year, and to authorize the Directors to fix their remuneration.

Accompanying this Notice of Meeting are a Management Information and Proxy Circular, Proxy Form and a Financial Statement Request Form.

A shareholder entitled to vote at the Meeting is entitled to appoint a proxyholder to attend and vote in his or her stead. If you are unable to attend the Meeting, or any adjournment thereof, in person, please date, execute, and return the enclosed form of proxy in accordance with the instructions set out in the notes to the proxy and any accompanying information from your intermediary.

DATED at Vancouver, British Columbia, on November 15, 2021

BY ORDER OF THE BOARD OF DIRECTORS

“Stewart Blusson”

Stewart Blusson
Director, President and Chief Executive Officer

MANAGEMENT INFORMATION AND PROXY CIRCULAR

This management information and proxy circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by management of Archon Minerals Limited (the “Company”) for use at the annual general meeting of shareholders (the “Meeting”) of the Company to be held at 11:00am (PST), on Friday, December 17, 2021, and any adjournment thereof, for the purposes set forth in the accompanying notice of meeting (the “Notice”).

The meeting will be conducted via teleconference due to public health and safety concerns arising from the current COVID-19 pandemic. Shareholders wishing to attend the Meeting should call:

- 778-775-1114 (in Vancouver)
- 1-866-678-6823 (elsewhere in Canada or USA)
- enter attendee password 6332388 when prompted

Unless otherwise indicated, the information contained in this Information Circular is given as at November 15, 2021, and all currency figures are in Canadian dollars. The head office of the Company is located at 2801-323 Jervis Street, Vancouver, British Columbia, V6C 3P8 and its telephone number is 604-682-3303.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Election of Directors

The term of office of each present Director expires at the Meeting. Management does not contemplate that any of the nominees will be unable to serve as a Director. Management of the Company proposes to nominate the persons named in the following table for election to the board of Directors (the “Board”) until the next annual shareholder meeting or until their successors are elected or appointed, unless their office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia). Unless otherwise instructed, the enclosed form of proxy will be voted “FOR” the nominees listed below.

Information concerning the nominees, as furnished by them individually, is set forth below.

Name, Province and Country of Residence and Current Position with the Company	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised ⁽²⁾	Principal Occupation for the Past Five Years
Stewart L. Blusson⁽¹⁾ British Columbia, Canada <i>Director, President, CEO, CFO</i>	1993-04-01	33,679,886	self-employed geologist/pro prospector
R. Ross Blusson⁽¹⁾ British Columbia, Canada <i>Director</i>	1993-04-01	964,092	self-employed geologist/pro prospector
Robert Blusson⁽¹⁾ British Columbia, Canada <i>Director</i>	2019-05-09	20,000	senior finance executive with: <ul style="list-style-type: none"> • Sabina Gold and Silver Corp. since Feb. 2018 • Nevsun Resources Ltd. from Nov. 2016 to Apr. 2017 • Capstone Mining Corp. from Dec. 2008 to Oct. 2016

Notes:

- (1) Member of the Audit Committee. Stewart L. Blusson serves as chair of the Audit Committee.
- (2) These figures do not include stock options which are disclosed under “Stock Option Plan”.

Cease Trade Orders and Bankruptcies

Except as disclosed below, none of the nominees proposed to be Director is or has been, within the ten years prior to the date hereof, a director or chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to an order that was issued while the proposed director was acting as a director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, “order” means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

No proposed director of the Company is, at the date of this Circular, or has been within ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties and Sanctions

No proposed director of the Company 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Individual Bankruptcies

No proposed director of the Company 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 the proposed director.

2. Appointment of Auditor

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the approval of the appointment of DeVisser Gray LLP, Chartered Accountants, as the auditor of the Company until the close of the next annual meeting of shareholders or until a successor is appointed, and to authorize the Directors to fix the auditor’s remuneration. DeVisser Gray LLP was first appointed as the auditor of the Company on September 26, 2007.

Fees Paid to Auditor

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

	FY2021*	FY2020
Audit fees	\$9000	\$8000
Audit related fees	Nil	Nil
Tax fees	\$2000	\$3000
All other fees	Nil	Nil

*estimated

GENERAL PROXY INFORMATION

Solicitation of Proxies

All costs of solicitation by management will be borne by the Company. In addition to the solicitation of proxies by mail, directors, officers and employees may solicit proxies personally, by telephone or facsimile, but will not receive compensation for so doing.

Appointment of Proxyholder

The individuals named in the accompanying form of proxy (the "Proxy") are directors ("Directors") or officers ("Officers") of the Company and were designated by management of the Company (the "Management Proxyholder"). **A shareholder wishing to appoint some other person who need not be a shareholder to represent the shareholder at the Meeting has the right to do so, by striking out the names of those persons named in the accompanying form of Proxy and inserting such other person's name in the blank space provided in the form of Proxy or by completing another form of Proxy.**

Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Shareholders electing to submit a Proxy may do so by:

- a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare") by fax within North America at 1-866-249-7775, outside North America at 1-416-263-9524, or by mail or hand delivery to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or
- b) using a touch-tone phone to transmit voting choices to a toll-free number. The toll-free number to call is 1-800-732-VOTE (8683) within North America and 1-312-588-4290 outside North America. Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy for the shareholder's account number and the Proxy access number.

A Proxy will not be valid unless the completed, dated and signed form of Proxy is received by Computershare not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof.

Revocation of Proxy

A shareholder who has given a Proxy may revoke it by an instrument in writing:

- a) executed by the shareholder or by the shareholder's attorney authorized in writing or, where the shareholder is a company, by a duly authorized officer or attorney of the company; and
- b) delivered to either:
 - i) Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or
 - ii) the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Only registered shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries (as defined below) to revoke the Proxy on their behalf. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Exercise of Discretion by Proxyholders

Shares represented by properly executed Proxies in favour of persons designated in the enclosed form of Proxy will, where a choice with respect to any matter to be acted upon has been specified in the form of Proxy, be voted in accordance with the specification made. In the absence of any such specification, the Proxy will be voted as recommended by Management. Where directions are given by the shareholder in respect of voting for or against any resolution, the proxyholder will do so in accordance with such direction.

The enclosed form of proxy, when properly signed, confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters which may be properly brought before the Meeting. At the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters, which are not now known to Management, should properly come before the Meeting, then the Management designees intend to vote in accordance with the judgment of Management.

Non-Registered Holders

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders (“Non-Registered Holders”) because the shares they own are not registered in their names but are instead registered in the name of (a) a brokerage firm, bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) a clearing agency such as CDS & Co. (any of the foregoing, an “Intermediary”). **If you are a Non-Registered Holder, your shares can only be voted by the Intermediary in accordance with instructions received from you.**

In accordance with securities regulatory policy, the Company has distributed copies of the Notice, this Information Circular and the Proxy (collectively, the “Meeting Materials”) to the Intermediaries for distribution to Non-Registered Holders. Each Intermediary has its own form of proxy and mailing procedures. Therefore, **if you receive the Meeting Materials from an Intermediary, you should carefully review the voting instructions provided by your Intermediary to ensure that you direct the voting of your shares in accordance with those instructions.**

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“Broadridge”), who typically sends a voting instruction form (“VIF”) to Non-Registered Shareholders requesting them to provide voting instructions. **Please note a Broadridge VIF cannot be used to vote directly at the Meeting. If you are a Non-Registered Shareholder with a Broadridge VIF, you must follow the procedures set out by Broadridge, well in advance of the Meeting, for voting directly at the Meeting.**

Non-Registered Shareholders who wish to attend the Meeting and indirectly vote as proxyholder for the registered shareholder should contact their Intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Shares as a proxyholder.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company's authorized capital consists of an unlimited number of common shares without par value (the “Shares”). As at November 12, 2021 (the “Record Date”), there were 54,416,758 Shares issued and outstanding. Each share carries the right to one vote.

Any shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified herein, subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the best of the knowledge of the Directors or executive Officers, only the following persons beneficially owns, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares:

Name and Address	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised	Percentage of Issued and Outstanding Shares
Stewart Blusson 2801 – 323 Jervis Street Vancouver, BC V6C 3P8	33,677,986	62.46%

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Oversight and Determination of Compensation

The Board as a whole has the responsibility of determining compensation for directors and senior management. However, to date, no cash compensation has been paid to officers or directors.

Summary Compensation Table

The following table sets forth the particulars of compensation, excluding stock options and other compensation securities, paid to NEOs for the Company's two most recently completed financial years. NEOs are comprised of:

- c) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- d) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- e) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year; and
- f) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

Name and Position	Fiscal year ended May 31,	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
Stewart Blusson	2021	Nil	Nil	Nil	Nil	Nil	Nil
<i>President, CEO, CFO and Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil

Stock Options and Other Compensation Securities

No stock options were granted nor exercised by Directors and NEOs during the most recently completed financial year.

Stock Option Plan

The Company has adopted a 10% “fixed” stock option plan (the “Plan”) in order for the Company to attract and retain experienced and qualified directors, officers and employees. A copy of the Plan can be requested from the Company. The key terms of the Plan are provided below for reference only.

Eligibility. Only Directors, Officers, employees and consultants of the Company (collectively “Eligible Persons”) are eligible to receive options under the Plan.

Number of Shares. In any 12-month period, the number of Shares which may be reserved for issuance under option(s) to:

- a) any one person shall not exceed 5% of the total issued and outstanding shares of the Company (on a non-diluted basis) on the date of grant unless disinterested shareholder approval is obtained;
- b) any one consultant shall not exceed 2% of the total issued and outstanding shares of the Company (on a non-diluted basis) as at the date of grant; and
- c) all persons performing investor relations activities, in aggregate, shall not exceed 2% of the total issued and outstanding shares of the Company (on a non-diluted basis) as at the date of grant of the most recent option to be granted to a person performing investor relations activities.

Term. The maximum term of options granted under the Plan is 10 years.

Vesting. Options granted to those performing investor relations activities shall vest over a minimum of twelve months with no more than a quarter of such options vesting in any three-month period.

Exercise Price. The exercise price of an option under the Plan is to be determined by the Board, provided that such price cannot be less than the Discounted Market Price (as that term is defined under TSX Venture Exchange (“TSXV”) policies) of the Shares at the date of the grant of such option.

Termination of Options. No option may be exercisable if the optionee ceases to be an Eligible Person, except:

- a) if the Company terminates the optionee’s employment, engagement or directorship for cause, any outstanding option (whether exercisable or not at that time) shall be immediately forfeited and cancelled;
- b) if the Company terminates the optionee’s employment, engagement or directorship for any reason other than for cause, any outstanding option(s) previously granted to such optionee must expire on the earlier of 30 days after the termination date and the original expiry date of such option(s).
- c) if the optionee dies or ceases to be an Eligible Person due to a disability, any outstanding option(s) previously granted to such optionee must expire on the earlier of 12 months after the termination date and the original expiry date of such option(s).

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at the end of the Company’s most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plan approved by securityholders	300,000	\$0.70	5,091,676 ⁽¹⁾
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	300,000	N/A	5,091,676

Note:

(1) The maximum number of options available for grant under the Plan is 5,391,676.

The Plan is the Company's only equity compensation plan. For material features of the Plan, please see "Stock Option Plan" above.

CORPORATE GOVERNANCE

Board of Directors

The Board will consist of three Directors, two of whom are independent. Except for Stewart L. Blusson, who is the Company's President, CEO and CFO, none of the other Directors is: (i) an Officer or employee of the Company; (ii) a party to a material contract with the Company or has a material interest in a transaction involving the Company; or (iii) the recipient of remuneration from the Company other than incentive stock options disclosed herein.

Directorships

As at the date hereof, none of the Directors are directors of other reporting issuers.

Orientation and Continuing Education

The Board provides ad hoc orientation for new Directors. All Directors receive a Director's manual containing a record of historical public information about the Company, copies of the Company's charters and other relevant information. The Board also arranges meetings with management to provide a review of the nature and operations of the Company.

The Board provides continuing education for directors on an ad hoc basis in respect of issues that are necessary for them to understand to meet their obligations as directors. All of the Directors are actively involved in their respective areas of expertise, and they are encouraged to keep themselves current with industry trends and changes in legislation by liaising with management and the Company's counsel, attending industry-related events and other educational seminars. The cost of continuing education activities will be borne by the Company.

Ethical Business Conduct

The Board has adopted and maintains a code of ethics which is applicable to the Company's Directors, Officers and employees. The purpose of the code is to provide guidance and to prohibit unethical behavior with respect to issues such as conflicts of interest, confidentiality, whistleblowing, protection of corporate assets and opportunities, and compliance with laws and regulations. Furthermore, Directors are frequently reminded to consider whether they are in a conflict of interest by virtue of serving as directors or officers in other companies or holding an interest in a transaction or agreement. A Director in such circumstances

is advised to disclose his or her interest in a transaction or agreement, and if the Board considers the interest to be material, such Director must abstain from discussing and voting on the matter.

Nomination of Directors

Given the small size of the Company and its early stage of development, the Board has not appointed a nomination committee or put in place formal procedure for the identification of potential Board candidates. Since the size of the Board is limited, the functions of such a committee can be served by the Board as a whole.

Compensation

The Board as a whole determines the compensation of the Directors and NEOs. Currently, it is the Board's policy to compensate its Directors and NEOs with equity options in order to align the interest of Directors with those of the Company's shareholders.

Other Board Committees

The Company has no committee other than its audit committee at this point.

Assessments

Members of the Board are expected to continually evaluate the effectiveness of the Board, its committees and fellow Directors by considering the accomplishment, or lack thereof, of the Company's goals. Furthermore, the Board is of the view that the Company's shareholders are the most important assessors of Board performance and that they provide the most effective, objective assessment of the Board's performance.

AUDIT COMMITTEE

The Audit Committee's Charter

The Charter of the Audit Committee is attached as Schedule "A" to this Information Circular.

Composition of the Audit Committee

All three members of the Audit Committee — Stewart Blusson, Ross Blusson and Robert Blusson— are financially literate, and except for Stewart Blusson who is the Company's President, CEO and CFO, are independent members of the committee.

Relevant Education and Experience

Stewart L. Blusson completed an undergraduate degree at the University of British Columbia (1960) and a doctorate in geology at the University of California, Berkeley (1964). As one of Canada's most successful exploration geologists, Dr. Blusson has many years of experience in managing public companies as an executive officer and director, and has during that time worked extensively with accountants and auditors in the preparation and analysis of financial statements.

Ross Blusson is a self-employed geologist and prospector. He has served as director of many public companies, including New Nadina Explorations Limited, Nanika Resources Inc. (formerly, New Cantech Ventures Inc.) and Cougar Minerals Corp. Ross has served as the Company's CFO since 2005.

Robert Blusson is a Chartered Professional Accountant with extensive experience in the mining sector. He is currently Director of Finance with Sabina Gold and Silver Corp. Previously, he spent eight years with Capstone Mining Corp. where he was most recently Vice President of Finance. Robert has also worked

with other mining producers with global operations, including Nevsun Resources Ltd. and Lundin Mining Corporation.

Audit Committee Oversight

At no time since the commencement of the Company'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 of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of National Instrument 52-110 (the "Instrument"), or an exemption from the Instrument, in whole or in part, granted under Part 8 thereof.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services. Generally, management is responsible for ensuring that any required non-audit services are performed in a timely manner, subject to review by the Board or the Audit Committee.

Exemption

The Company is relying on the exemption provided by Section 6.1 of the Instrument.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Directors, executive Officers or proposed nominees for election as Directors, executive Officers or their respective associates or affiliates, or other management of the Company is or has been indebted to the Company as at the date hereof.

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

Except as disclosed herein, no person: (a) who has been a Director or executive Officer at any time since the commencement of the Company's last financial year; (b) who is a proposed nominee for election as a Director; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of Directors and the appointment of auditors and as set out herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person (a Director, Officer or holder of 10% or more of the Shares) or nominee for election as a Director or any associate or affiliate of any informed person or proposed Director has had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the most recently completed financial year, or has any interest in any material transaction in the current year, other than as set out herein.

MANAGEMENT CONTRACTS

Management functions of the Company are not to any substantial degree performed by a person or company other than the Directors or executive Officers.

OTHER BUSINESS

As of the date of this Information Circular, management is not aware of any other matters to come before the Meeting. The securities represented by the Proxy will be voted as directed by the holder, but if such direction is not made in respect of any matter, the Proxy will be voted as recommended by Management.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information relating to the Company is provided in the Company's comparative financial statements and management's discussion and analysis ("MD&A") for its most recently completed financial year ended May 31, 2021. Shareholders may contact the Company to request copies of the financial statements and the MD&A.

DATED at Vancouver, British Columbia, this November 15, 2021

BY ORDER OF THE BOARD OF DIRECTORS

"Stewart Blusson"

Stewart Blusson
Director, President, CEO and CFO

Schedule "A"

Archon Minerals Limited
AUDIT COMMITTEE CHARTER

1. MANDATE

The primary mandate of the audit committee (the "Committee") of the board of directors (the "Board") of the Company is to assist the Board in overseeing the Company's financial reporting and disclosure. This oversight includes:

- a) reviewing the financial statements and financial disclosure that is provided to shareholders and disseminated to the public;
- b) reviewing the systems of internal controls to ensure integrity in the financial reporting of the Company; and
- c) monitoring the independence and performance of the Company's external auditors and reporting directly to the Board on the work of the external auditors.

2. COMPOSITION AND ORGANIZATION OF THE COMMITTEE

- a) The Committee shall be comprised of at least three directors.
- b) The majority of the Committee members must be independent. A member of the Committee is independent if the member has no direct or indirect material relationship with an issuer. A material relationship means a relationship, which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of a member's independent judgment.
- c) Every Committee member must be financially literate. Financial literacy is 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 issuer's financial statements.
- d) The members of the Committee shall be appointed for one-year terms by the Board at its first meeting following the annual shareholders' meeting. Members may serve for any number of consecutive terms.
- e) Unless the Board shall have appointed a chair of the Committee (the "Chair"), the members of the Committee shall elect a Chair, who may serve as such for any number of consecutive terms.
- f) The Board may at any time remove or replace any member of the Committee and may fill any vacancy of the Committee.

3. MEETINGS

- a) The Audit Committee will meet at least twice per year.
- b) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to communicate with each other.

- c) The Audit Committee Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to Audit Committee members for members to have a reasonable time to review the materials prior to the meeting.

4. RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

The Audit Committee will perform the following duties:

External Auditor

- a) Select, evaluate and recommend to the Board, for shareholder approval, the external auditor to examine the Company's accounts, controls and financial statements, and verify the independence of such auditors;
- b) Evaluate, prior to the annual audit by external auditors, the scope and general extent of their review, including their engagement letter, and the compensation to be paid to the external auditors and recommend such payment to the Board;
- c) Obtain written confirmation from the external auditor that it is objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs;
- d) Review annually the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- e) Recommend to the Board, if necessary, the replacement of the external auditor;
- f) Meet at least annually with the external auditors, independent of management, and report to the Board on such meetings;
- g) Pre-approve all audit and audit-related services and any non-audit services to be provided to the Company by the external auditor and the fees related thereto;

Financial Statements and Financial Information

- a) Review and discuss with management and the external auditor the annual audited financial statements of the Company and recommend their approval by the Board;
- b) Review and discuss with management, the quarterly financial statements and recommend their approval by the Board;
- c) Review and recommend to the Board for approval the financial content of the annual report;
- d) Review the process for the certification of financial statements by the Chief Executive Officer and Chief Financial Officer;
- e) Review the Company's management discussion and analysis, annual and interim earnings or financial disclosure press releases, and audit committee reports before the Company publicly discloses this information;
- f) Review annually with external auditors, the Company's accounting principles and the reasonableness of managements judgments and estimates as applied in its financial reporting;

- g) Review and consider any significant reports and recommendations issued by the external auditor, together with management's response, and the extent to which recommendations made by the external auditors have been implemented;

Risk Management, Internal Controls and Information Systems

- a) Review with the external auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls;
- b) Review adequacy of security of information, information systems and recovery plans;
- c) Review management plans regarding any changes in accounting practices or policies and the financial impact thereof;
- d) Review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements;
- e) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- f) Discuss with management and the external auditor correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure;
- g) Assisting management to identify the Company's principal business risks;
- h) Review the Company's insurance, including directors' and officers' coverage, and provide recommendations to the Board;

Other

- a) Review and update this Charter annually;
- b) Review Company loans to employees/consultants;
- c) Review any related party transactions; and
- d) Conduct special reviews and/or other assignments from time to time as requested by the Board.

5. PROCESS FOR HANDLING COMPLAINTS REGARDING FINANCIAL MATTERS

- a) The Audit Committee shall establish a procedure for the receipt, retention and follow-up of complaints received by the Company regarding accounting, internal controls, financial reporting, or auditing matters.
- b) The Audit Committee shall ensure that any procedure for receiving complaints regarding accounting, internal controls, financial reporting, or auditing matters will allow the confidential and anonymous submission of concerns by employees.

6. REPORTING

The Audit Committee will report to the Board on:

- a) The external auditor's independence;
- b) The performance of the external auditor and the Audit Committee's recommendations;
- c) Regarding the reappointment or termination of the external auditor;
- d) The adequacy of the Company's internal controls and disclosure controls;
- e) The Audit Committee's review of the annual and interim financial statements;
- f) The Audit Committee's review of the annual and interim management discussion and analysis;
- g) The Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- h) All other material matters dealt with by the Audit Committee.

7. AUTHORITY OF THE COMMITTEE

- a) The Audit Committee will have the resources and authority appropriate to discharge its duties and responsibilities. The Audit Committee may at any time retain outside financial, legal or other advisors at the expense of the Company without approval of management.
- b) The external auditor will report directly to the Audit Committee.