

# **BATHURST METALS CORP.**

ANNUAL GENERAL & SPECIAL MEETING  
TO BE HELD ON THURSDAY,  
JUNE 17, 2021

NOTICE OF ANNUAL MEETING  
AND  
INFORMATION CIRCULAR

MAY 13, 2021

## **NOTICE OF ANNUAL GENERAL & SPECIAL MEETING**

Notice is hereby given that the Annual General & Special Meeting (the "Meeting") of the shareholders of **Bathurst Metals Corp.** (the "Company") will be held on Thursday, June 17, 2021 at the hour of 10:00 a.m. (local time in Vancouver, B.C.). **In light of the ongoing public health concerns related to COVID-19 and in order to comply with the measures imposed by the federal and provincial governments, the meeting will be held without the presence of shareholders.** The Company is offering its shareholders the option to listen and participate (but not vote) at the Meeting in real time by Zoom meeting at the following coordinates:

Join Zoom Meeting

<https://zoom.us/j/99906201155?pwd=OGFRTVB4c3djRWZhzeE0rYlptZm5SZz09>

Dial 1-(778) 907-2071

Meeting ID: 999 0620 1155

Passcode: 718370

While as of the date of this Circular, we had hoped to hold the Meeting in physical face to face format with a Zoom meeting for participation, in light of the recent Order of the Provincial Health Officer titled Gatherings and Events, we are unable to hold an in-person meeting.

**You may not attend the Meeting in person. All shareholders are urged to vote on the matters before the Meeting by proxy which can be submitted electronically, by mail, or by phone as further described herein.**

We are continuously monitoring the current coronavirus (COVID-19) outbreak. We ask that shareholders follow, among other things, the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>) and any applicable additional provincial and local instructions.

We reserve the right to take additional precautionary measures we deem appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release which would be filed on SEDAR. Please monitor the Company's press releases for updated information up until the date of the Meeting. We do not intend to prepare or mail an amended management information circular in the event of changes to the Meeting format.

The Meeting will be held for the following purposes:

1. To receive and consider the audited annual financial statements of the Company for its fiscal year ended September 30, 2020;
2. To set the number of directors at three (3), subject to the Company's Articles of Incorporation, whereby the directors of the Company, between the Meeting and the next annual meeting of shareholders, may appoint additional directors not exceeding one-third (1/3) of the number of directors holding office at the expiration of the Meeting to serve until the next annual meeting;
3. To consider and, if thought appropriate, to pass an ordinary resolution electing three (3) directors of the Company;
4. To appoint Smythe LLP, Chartered Professional Accountants, as the auditor for the Company for the ensuing financial year and to authorize the directors to fix the remuneration to be paid to the auditors;
5. To re-approve by ordinary resolution the Company's rolling 10% Stock Option Plan; and
6. To transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The nature of the business to be transacted as the Meeting is described in further detail in the Information Circular. Only shareholders of record as of the close of business on May 13, 2021 are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat.

To assure your representation at the Meeting as a registered Shareholder (a "**Registered Shareholder**"), please complete, sign, date and return the enclosed proxy, whether or not you plan to personally attend the Meeting. Sending your proxy will not prevent you from voting in person at the Meeting. All proxies completed by Registered Shareholders must be received by the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), not later than **Tuesday, June 15, 2021 at 10:00 a.m. (Vancouver Time)**. A Registered Shareholder must return the completed proxy to Computershare as follows:

- (a) by the **Internet** or **telephone** as described on the enclosed proxy; or
- (b) by **registered mail**, by **hand** or by **courier** to the attention of Computershare Attention: Investor Services Division, 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, BC V6C 3B9

Non-registered Shareholders ("**Non-Registered Shareholders**") whose shares are registered in the name of an intermediary should carefully follow voting instructions provided by the intermediary. A more detailed description on returning proxies by Non-Registered Shareholders can be found beginning on page [2] of the attached Circular.

**If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according to their instructions, sufficiently in advance of the deadline specified by the broker, intermediary or agent, to ensure that they are able to provide voting instructions on your behalf.**

An Information Circular and a form of Proxy accompany this Notice.

DATED at Vancouver, British Columbia, this 13th day of May, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
BATHURST METALS CORP.**

***"Harold Forzley"***  
\_\_\_\_\_  
**Harold Forzley,**  
**President, CEO, Secretary & Director**

## INFORMATION CIRCULAR

### BATHURST METALS CORP.

665 Dougall Road  
Gibson, British Columbia  
Canada V0N 1V8

(all information as at May 13, 2021 unless otherwise noted)

## SOLICITATION OF PROXIES

This information circular (the "Circular") is provided in connection with the solicitation of proxies by the management of BATHURST METALS CORP. (the "**Company**"). The form of proxy which accompanies this Circular (the "**Proxy**") is for use at the Annual General & Special Meeting of the shareholders of the Company to be held on Thursday, June 17, 2021 (the "**Meeting**"), as set out in the accompanying notice of meeting (the "**Notice of Meeting**"). The Company will bear the cost of this solicitation. Advance notice of the Meeting was filed on SEDAR on April 14, 2021.

### Solicitation of Proxies

The solicitation will be primarily by mail but may also be made by telephone or other means of communication by the directors, officers, employees or agents of the Company at nominal cost. All costs of solicitation will be paid by the Company. The Company will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**").

### Appointment and Revocation of Proxies

#### **General**

Shareholders may be "Registered Shareholders" or "Non-Registered Shareholders". If common shares of the Company ("**Common Shares**") are registered in the Shareholder's name, the Shareholder is a "**Registered Shareholder**". If Common Shares are registered in the name of an intermediary and not registered in the Shareholder's name, they are said to be owned by a "**Non-Registered Shareholder**". An intermediary is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates. The instructions provided below set forth the different procedures for voting Common Shares at the Meeting to be followed by Registered Shareholders and Non-Registered Shareholders.

The persons named in the enclosed instrument appointing proxy are officers and directors of the Company. **Each Shareholder has the right to appoint a person or company (who need not be a Shareholder) to attend and act for him at the Meeting other than the persons designated in the enclosed form of proxy.** Shareholders who have given a proxy also have the right to revoke it insofar as it has not been exercised. The right to appoint an alternate proxy holder and the right to revoke a proxy may be exercised by following the procedures set out below under "*Registered Shareholders*" or "*Non-Registered Shareholders*", as applicable.

If any Shareholder receives more than one (1) proxy or voting instruction form, it is because that Shareholder's shares are registered in more than one form. In such cases Shareholders should sign and submit all proxies or voting instruction forms received by them in accordance with the instructions provided.

### ***Registered Shareholders***

Registered Shareholders may vote by Proxy. **Shareholders are not able to attend the Meeting in person.** Registered 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 mail or by hand to Attention: Investor Services Division, 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, BC V6C 3B9;

(b) using a touch-tone phone to transmit voting choices to the following toll-free number 1-866-732-8683. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the holder's account number and the Proxy control number; or

(c) using the Internet through the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the Proxy control number;

in all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the meeting or the adjournment thereof at which the proxy is to be used.

To exercise the right to revoke a proxy, in addition to any other manner permitted by law, a Shareholder who has given a proxy may revoke it by instrument in writing, executed by the Shareholder or his attorney authorized in writing, or if the Shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited: (i) with the Company at 665 Dougall Road, Gibson, BC V0N 1V8, Attention: Harold Forzley, at any time up to and including the last business day preceding the Meeting at which the proxy is to be used, or at any adjournment thereof, or (ii) with the Chairman of the Meeting on the date of the Meeting, or at any adjournment thereof, and upon either of such deposits the proxy is revoked.

### ***Non-Registered Shareholders***

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as "**NOBOs**". Non-Registered Shareholders who have objected to their intermediary disclosing the ownership information about themselves to the Company are referred to as "**OBOs**".

In accordance with the requirements of NI 54-101, the Company is sending the Notice of Meeting, this Circular and either the voting instruction form ("**VIF**") or the form of proxy, as applicable, (collectively, the "**Meeting Materials**") directly to the NOBOs and, indirectly, through intermediaries to the OBOs. The Company will also pay the fees and costs of intermediaries for their services in delivering Meeting Materials to OBOs in accordance with NI 54-101.

#### *Meeting Materials Received by OBOs from Intermediaries*

The Company has distributed copies of the Meeting Materials to intermediaries for distribution to OBOs. Intermediaries are required to deliver these materials to all OBOs of the Company who have not waived their rights to receive these materials, and to seek instructions as to how to vote the Common Shares. Often, intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to OBOs.

OBOs who receive Meeting Materials will typically be given the ability to provide voting instructions in one of two ways:

- (a) Usually, an OBO will be given a VIF which must be completed and signed by the OBO in accordance with the instructions provided by the intermediary. In this case, the mechanisms described above for Registered Shareholders cannot be used and the instructions provided by the intermediary must be followed;
- (b) Occasionally, however, an OBO may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Common Shares owned by the OBO but is otherwise not completed. This form of proxy does not need to be signed by the OBO but must be completed by the OBO and returned to Computershare in the manner described above for Registered Shareholders.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the Common Shares that they own but that are not registered in their name. If an OBO who receives either a form of proxy or a VIF wishes to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the OBO should strike out the persons named in the form of proxy as the proxy holder and insert the OBO's (or such other person's) name in the blank space provided or, in the case of a VIF, follow the corresponding instructions provided by the intermediary. **In either case, OBOs who receive Meeting Materials from their intermediary should carefully follow the instructions provided by the intermediary.**

To exercise the right to revoke a proxy, an OBO who has completed a proxy (or a VIF, as applicable) should carefully follow the instructions provided by the intermediary.

Proxies returned by intermediaries as "non-votes" either because the intermediary has not received instructions from the OBO with respect to the voting of certain shares or because, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Common Shares represented by such "non-votes" will, however, be counted in determining whether there is a quorum.

#### *Meeting Materials Received by NOBOs from the Company*

As permitted under NI 54-101, the Company has used a NOBO list to send the Meeting Materials directly to the NOBOs whose names appear on that list. If you are a NOBO and the Company's transfer agent, Computershare, has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained from the intermediary holding such shares on your behalf in accordance with applicable securities regulatory requirements.

As a result, any NOBO of the Company can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided. Computershare will tabulate the results of the VIFs received from the Company's NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs received by Computershare.

By choosing to send these materials to you directly, the Company (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for: (i) delivering these materials to you, and (ii) executing your proper voting instructions. The intermediary holding Common Shares on your behalf has appointed you as the proxy holder of such shares, and therefore you can provide your voting instructions by completing the proxy included with this Circular in the same way as a Registered Shareholder. Please refer to the information under the heading "*Registered Shareholders*" for a description of the procedure to return a proxy, your right to appoint another person or company to attend the meeting, and your right to revoke the proxy.

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Non-Registered Shareholder may attend the Meeting as proxy holder for the Registered Shareholder and vote the Common Shares in that capacity. A Non-Registered Shareholder who wishes to attend the Meeting and indirectly vote his or her Common Shares as proxy holder for the Registered Shareholder should enter his or her own name in the blank space on the form of proxy provided to him or her and return the same to his or her broker (or the broker's agent) in accordance with the instructions provided by such broker.

### **Notice-and-Access**

The Company is not sending the Meeting Materials to Registered Shareholders or Non-Registered Shareholders using notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102, *Continuous Disclosure Obligations*.

### **Exercise of Proxies**

Where a choice is specified, the Common Shares represented by proxy will be voted for, withheld from voting or voted against, as directed, on any poll or ballot that may be called. **Where no choice is specified, the proxy will confer discretionary authority and will be voted in favour of all matters referred to on the form of proxy. The proxy also confers discretionary authority to vote for, withhold from voting, or vote against amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting.**

Management has no present knowledge of any amendments or variations to matters identified in the Notice of Meeting or any business that will be presented at the Meeting other than that referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, it is the intention of the person named in the enclosed instrument appointing proxy to vote in accordance with the recommendations of the management of the Company.

### **Your Voting Instructions**

If you do not specify how you want to vote, the appointed proxyholders will vote FOR each item of business. If you appointed someone else to attend the Meeting and vote on your behalf, he or she can vote as they see fit.

If you submit your voting instructions and later wish to change them, you may re-submit your instructions prior to the cut-off time noted above. The latest instructions will be recognized as the only valid ones.

### **Provisions Relating to Voting of Proxies**

The shares represented by proxy in the enclosed form will be voted by the designated holder in accordance with the direction of the shareholder appointing him. If there is no direction by the shareholder, those shares will be voted for all proposals set out in the Proxy as set out in this Circular. The Proxy gives the person named in it the discretion to vote as they see fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

## APPROVAL OF MATTERS

Unless otherwise noted, approval of matters to be placed before the Meeting is by an “ordinary resolution” which is a resolution passed by a simple majority (50%+1) of the votes cast by shareholders of the Company present and entitled to vote in person or by proxy.

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

Except as disclosed in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the Company’s last financial year, no proposed nominee of the Company for election as a director of the Company, and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, during the fiscal year commencing October 1, 2019, no informed person of the Company, proposed nominee for director or any associate or affiliate of an informed person or proposed nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

An “informed person” means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or corporation that is itself an informed person or subsidiary of the Company; (c) any person or corporation who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or corporation as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

## FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended September 30, 2020, together with the Auditor’s Report on those statements (the “Financial Statements”), will be presented to the shareholders at the Meeting. The Financial Statements, the Auditor’s Report thereon together with Management Discussion and Analysis for the financial year ended September 30, 2020 are available on SEDAR at [www.sedar.com](http://www.sedar.com). The Notice of Annual General & Special Meeting of Shareholders, Information Circular and form of Proxy will be available from the Company’s Registrar and Transfer Agent, Computershare Trust Company of Canada, Attention: Proxy Department, 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, BC, V6C 3B9, or from the Company’s head office located at 665 Dougall Road, Gibsons, BC V0N 1V8.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, the Company has issued and outstanding 45,769,650 fully paid and non-assessable Common shares without par value, each share carrying the right to one vote. **The Company has no other outstanding voting securities other than 45,769,650 Common shares.**

Any shareholder of record at the close of business on May 13, 2021 who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or to have such shareholder’s shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, as at the date of this Circular, the following persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding shares of each class of the Company:

Member	Number of Common Shares	Percentage of Issued Common Share Capital
CDS & CO. <sup>(1)</sup>	41,497,955	90.67%

(1) The beneficial owners of common shares held by depositories are not known to the directors or executive officers of the Company.

As at May 13, 2021, the total number of common shares owned or controlled by management and the directors of the Company and their associates or affiliates was 7,938,584 common shares, representing 17.35 % of the total issued and outstanding common shares.

### **ELECTION OF DIRECTORS**

Management of the Company is seeking shareholder approval of an ordinary resolution to set the number of directors of the Company at three (3) for the ensuing year. The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or with the provisions of the *Business Corporations Act* (British Columbia) ("Corporations Act").

The following table sets out the names of the nominees for election as directors, the country in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name , Present Position(s) with the Company <sup>(1)</sup> and Place of Residence <sup>(3)</sup>	Principal Occupation or Employment During the Past Five Years <sup>(2)</sup> <sup>(3)</sup>	Date(s) Served as a Director or Officer	Ownership or Control Over Voting Shares Held <sup>(3)</sup>
<p>Harold Forzley <i>Director</i> British Columbia Canada</p> <p><i>President, CEO &amp; Secretary</i></p>	<p>President of the Company since January 2006; Chartered Accountant from December 17, 1980 to date; Corporate Consultant from August 1986 to date, Director of EYEFI Group Technologies Inc. from May 4, 2020 to present.</p>	<p>January 24, 2006 to present</p> <p>President &amp; CEO: January 24, 2006 to Present Secretary: October 7, 2015 to present</p>	<p>4,269,294</p>
<p>Stephen Millen <i>Director</i> Vancouver, BC Canada</p>	<p>Managing Director of Worthington Partners, Corporate Communications Consulting 2006 to present; Classic Car Specialist, Autoform Performance Inc., 2014 to 2017.</p>	<p>April 21, 2011 to September 10, 2013 and August 1, 2019 to present</p>	<p>615,624</p>
<p>Gregory R. Bronson <i>Director</i> North Vancouver, BC Canada</p>	<p>Professional geologist, Manager of Rae-co Consulting Ltd. 1991 to present; Director and President of Benjamin Hill Mining Corp. from July 2020 to present</p>	<p>February 4, 2021 to present</p>	<p>95,666</p>

- (1) For the purposes of disclosing positions held in the Company, "Company" includes the Company and any parent or subsidiary thereof.
- (2) Unless otherwise stated above, any nominees named above have held the principal occupation or employment indicated for at least five years.
- (3) The information as to country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

### *Cease Trade Orders or Bankruptcies*

Other than as a director of the Company, no director, officer or promotor of the Company, and no securityholder expected to hold a sufficient number of securities of the Company to affect materially the control of the Company, has, within the last ten years prior to the date hereof, (i) been a director, officer or promotor of any company that, while such person was acting in that capacity was the subject of a cease trade or similar order or an order that denied it access to any statutory exemption for a period of more than 30 consecutive days, (ii) been a director, officer or promotor of any company that, while such person was acting in that capacity within one year of acting 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 (iii) 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.

The Company was subject to a cease trade order (“CTO”) issued by the British Columbia Securities Commission (“BCSC”) on February 5, 2016 for failure to file audited annual financial statements and Management’s Discussion and Analysis for the year ended September 30, 2015. The CTO was revoked by Revocation Order of the BCSC dated April 27, 2020.

#### *Penalties and Sanctions*

No director, officer or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian 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.

#### *Personal Bankruptcies*

In the 10 years prior to the date hereof, none of the proposed directors, Officers or promoters of the Company or any security holder anticipated to hold a sufficient number of securities of the Company to affect materially the control of the Company, has become 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.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **NAMED EXECUTIVE OFFICERS**

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officer"):

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

During the financial year ended September 30, 2020, the Company had three Named Executive Officers, being Harold Forzley, President, CEO and Secretary, Sean Orr, former CFO and Chris MacPherson, CFO.

## **Compensation Discussion and Analysis**

The Company's executive compensation program is comprised of base salary, annual cash bonuses, indirect compensation (benefits) and long-term incentives in the form of stock options. The Company's executive compensation practices are designed to attract and retain talented personnel capable of achieving the Company's objectives. The Company also utilizes compensation programs to motivate and reward the Company's executives for the ultimate achievement of the Company's goals. The Company makes use of complementary short-term and long-term incentive programs intended to provide fair, competitive and motivational rewards in the short-term while ensuring that executive's long-term objectives remain aligned with those of the shareholders. The base salaries for all executives are paid within salary ranges established for each position based on scope and level of responsibility. Individual salaries within the range are determined by that executive's competence, skill level, and experience and market influences. Annual cash bonuses may be given based on subjective criteria, including the Company's ability to pay such bonuses, individual performance, the executive's contributions to achieving the Company's objectives and other competitive considerations.

### **Option-Based Awards**

Stock options are granted pursuant to the Plan to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the longer-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation of a new incentive stock option plan and amendments to the existing stock option plan are the responsibility of the Company's Board of Directors. In determining the number of options to award to employees, the Board takes into consideration options previously awarded to each employee or consultant and other factors that would affect internal equity. During fiscal year ended September 30, 2020, the Company did not grant any new stock options.

Currently the Company has granted an aggregate of 2,300,000 incentive stock options to its officers and directors.

### **Share-Based and Non-Equity Incentive Plan Compensation**

The Company has not at any time granted any share-based awards nor has it provided any awards pursuant to a non-equity incentive plan.

### **Benefit, Contribution, Pension, Retirement, Deferred Compensation and Actuarial Plans**

The Company currently has no defined benefit, defined contribution, pension, retirement, deferred compensation or actuarial plans for its Named Executive Officers.

### **Summary of Compensation Table**

The following table sets forth details of all compensation paid to the Named Executive Officers during the Company's financial year ended September 30, 2020:

					Non-equity incentive plan compensation (\$)				
Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Annual incentive plans	Long-term incentive plans	Pension Value (\$)	All other compensation (\$)	Total Compensation (\$)
Harold Forzley President, CEO, Secretary & Director	2020	\$41,000	N/A	Nil	N/A	N/A	N/A	Nil	\$41,000
	2019	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2018	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
Sean Orr <sup>(1)</sup> Former CFO Director	2020	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2019	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2018	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
Chris <sup>(2)</sup> MacPherson CFO	2020	\$5,000	N/A	Nil	N/A	N/A	N/A	Nil	\$5,000
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Sean Orr resigned as CFO on July 23, 2020 and as a Director on February 4, 2021.

(2) Chris MacPherson was appointed CFO on July 23, 2020.

## Incentive Plan Awards

### Outstanding option-based awards and share-based awards

The following table sets out the outstanding option-based awards and share-based awards held by the Named Executive Officers as at September 30, 2020:

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
Harold Forzley President, CEO, Secretary & Director	700,000 <sup>(2)</sup>	\$0.10	March 2, 2021	\$42,000	N/A	N/A	N/A
	300,000 <sup>(2)</sup>	\$0.10	September 30, 2021	\$18,000	N/A	N/A	N/A
Sean Orr <sup>(3)</sup> Former CFO & Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Chris MacPherson <sup>(4)</sup> CFO	Nil	N/A	N/A	N/A	N/A	N/A	N/A

(1) This value was determined by calculating the difference between the market price of the underlying common shares on September 30, 2020 and the exercise price of the options. The closing market price of the Company's common shares on September 30, 2020 was \$0.16.

(2) These options were surrendered for cancellation on October 29, 2020.

(3) Sean Orr resigned as CFO on July 23, 2020 and as a Director on February 4, 2021.

(4) Chris MacPherson was appointed CFO on July 23, 2020.

Value vested or earned during the year

The following table sets out the value vested or earned in incentive plan awards held by the Named Executive Officers during the financial year ended September 30, 2020:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
<b>Harold Forzley</b> President, CEO, Secretary & Director	Nil	N/A	N/A
<b>Sean Orr</b> <sup>(1)</sup> Former CFO & Director	Nil	N/A	N/A
<b>Chris MacPherson</b> <sup>(2)</sup> CFO	Nil	N/A	N/A

<sup>(1)</sup> Sean Orr resigned as CFO on July 23, 2020 and as a Director on February 4, 2021.

<sup>(2)</sup> Chris MacPherson was appointed CFO on July 23, 2020.

**Pension Plan Benefits**

The Company has no pension plans that provide for payments or benefits at, following, or in connection with the retirement of the Named Executive Officers.

**Termination of Employment, Change in Responsibilities and Employment Contracts**

The Company has no plans or arrangements in respect of remuneration received or that may be received by the Named Executive Officers in the Company's most recently completed financial year or current financial year in respect of compensating such officer in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control.

**COMPENSATION OF DIRECTORS**

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the financial year ended September 30, 2020 or subsequently, up to and including the date of this Information Circular.

**Director compensation table**

The following table sets out the compensation provided to all directors of the Company, who are not Named Executive Officers, for the Company's financial year ended September 30, 2020:

					Non-equity incentive plan compensation (\$)				
Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Annual incentive plans	Long-term incentive plans	Pension Value (\$)	All other compensation (\$)	Total Compensation (\$)
Stephen Millen	2020	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gregory R. Bronson <sup>(1)</sup>	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

<sup>(1)</sup> Gregory R. Bronson was appointed a Director of the Company on February 4, 2021.

## Incentive Plan Awards

### Outstanding share-based awards and option-based awards

The following table sets out the outstanding share-based awards and option-based awards held by the directors of the Company, who are not Named Executive Officers, as at September 30, 2020:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of share that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Stephen Millen	700,000 <sup>(1)</sup>	0.10	March 3, 2021	N/A	N/A	N/A
	300,000 <sup>(1)</sup>	0.10	September 30, 2021	N/A	N/A	N/A
Gregory R. Bronson	N/A	N/A	N/A	N/A	N/A	N/A

<sup>(1)</sup> These options were surrendered for cancellation on October 29, 2020.

<sup>(2)</sup> Gregory R. Bronson was appointed a Director of the Company on February 4, 2021.

### Value vested or earned during the year

The following table sets out the value vested or earned in incentive plan awards by the directors of the Company, who are not Named Executive Officers, during the financial year ended September 30, 2020:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Stephen Millen	N/A	N/A	N/A
Gregory R. Bronson <sup>(1)</sup>	N/A	N/A	N/A

<sup>(1)</sup> Gregory R. Bronson was appointed a Director of the Company on February 4, 2021.

## Equity Compensation Plans

The following table provides information regarding the Company's equity compensation plans which were in effect as at the fiscal year end September 30, 2020:

Plan Category	# of common shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under Equity Compensation Plans <sup>(1)</sup>
Equity Compensation Plans approved by security holders	2,800,000	\$0.30	777,076
Equity Compensation Plans not approved by security holders	N/A	N/A	N/A
Total	2,800,000	\$0.30	777,076

<sup>(1)</sup> Based on the total number of shares authorized for issuance under the Company's Incentive Stock Option Plan, less the number of stock options outstanding as at September 30, 2020.

## MANAGEMENT CONTRACTS

There are no management functions of the Company which are to any substantial degree performed by a person other than the directors or executive officers of the Company.

In addition, NI 58-101 prescribes certain disclosure by the Company of its corporate governance practices.

The following report by the Board of Directors describes the analysis and disclosure of corporate governance practices of the Company.

## CORPORATE GOVERNANCE DISCLOSURE

### General

The Board views effective corporate governance as an essential element for the effective and efficient operation of the Company. The Company believes that effective corporate governance improves corporate performance and benefits all of its shareholders. The following statement of corporate governance practices sets out the Board's review of the Company's governance practices relative to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines*.

### Board of Directors

An "independent director" generally is one who has no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board, which is responsible for supervising the management of the business and affairs of the Company, is currently comprised of three directors of which two are independent as such term is defined in NI 52-110. The independent directors are Stephen Millen and Gregory R. Bronson. Harold Forzley is not independent as he serves as President, CEO and Secretary of the Company.

## Other Board Positions

The following table sets out the directors, officers and promoter(s) of the Company that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name of Director, Officer or Promoter	Name of Reporting Company	Name of Exchange or Market	Position	Period
Harold Forzley	EYEFI Group Technologies Inc.	N/A	Director	May 4, 2020 to present
Stephen Millen	N/A			
Gregory R. Bronson	Benjamin Hill Mining Corp. Sentinel Resource Corp. Avanti Energy Inc.	CSE CSE TSXV	President, Director Director Director	July 2020 to present January 2020 to present November 2020 to present

The independent directors do not at this time hold separate meetings at which management is not in attendance. The Board facilitates open and candid discussion among its independent directors by encouraging such members to have discussions with the Board members who are not independent directors.

### *Mandates*

The Board of Directors is responsible for supervising management in carrying on the business and affairs of the Company. Directors are required to act and exercise their powers with reasonable prudence in the best interests of the Company. In discharging its mandate, the Board is responsible for the oversight and review of the development of, among other things, the following matters:

- the strategic planning process of the Company;
- identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
- planning for succession of management;
- the Company's policies regarding communications with its shareholders and others; and
- the integrity of the internal controls and management information systems of the Company.

In carrying out its mandate, the Board relies primarily on management to provide it with regular detailed reports on the operations of the Company and its financial position. The Board reviews and assesses these reports and other information provided to it at meetings of the full Board and of its Committees. The President and the Chief Executive Officer is a member of the Board, giving the Board direct access to information on his area of responsibility. Other management personnel regularly attend Board meetings to provide information and answer questions. Directors also consult from time to time with management. At least annually, the Board reviews management's report on its business and strategic plan and any changes with respect to risk management and succession planning.

The Board discharges specific responsibilities directly through its Committees, currently consisting of the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee. The Board of Directors of the Company has adopted a written mandate for the Audit

Committee. The text of the Audit Committee's written mandate is attached to this Information Circular as Schedule "A".

#### *Position Descriptions*

The Board has not adopted a written position description for the President and Chief Executive Officer, Mr. Harold Forzley, or the Company's CFO, Mr. Chris MacPherson, on the basis that their roles and responsibilities are well understood by them and by the other director.

#### *Orientation and Continuing Education*

The Board does not have a formal orientation and education program for new directors. The Board encourages directors to participate in continuing education opportunities in order to ensure that the directors may maintain or enhance their skills and abilities as directors, and maintain a current and thorough understanding of the Company's business.

#### *Ethical Business Conduct*

The Board has not adopted a written code of business conduct and ethics.

The Company regards maintaining a culture of ethical business conduct and social responsibility as critically important. Management consistently strives to instill the Company's principles into the practices and actions of the Company's management and staff. All known or suspected breaches of ethical business conduct are required to be reported to the Chairman of the Board, or to the President and Chief Financial Officer. All known or suspected instances of fraud are required to be reported to the Audit Committee, who reports all complaints and allegations to the Board of Directors for investigation.

The Company requires all of its directors, officers and employees to strive to avoid situations that create, have the potential to create, or create the appearance of, a conflict of interest. A director or officer who has a material interest in any transaction or agreement that comes before the Board for decision is required to disclose his or her interest to the Board members and to abstain from any vote taken on the matter.

#### *Nomination of Directors*

The Nominating and Corporate Governance Committee is composed of three Board members: Harold Forzley, who is not independent as he serves as President, CEO and Secretary, Stephen Millen and Gregory R. Bronson, who are independent for the purposes of NI 52-101.

The committee considers the size of the Board each year when it considers the number of directors to recommend to shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience. In that regard, the committee considers what competencies and skills the directors as a group should possess and assessing the competencies and skills of the existing and any proposed directors, and considering the appropriate size of the Board.

#### *Compensation*

The Compensation Committee is composed of three Board members: Harold Forzley, who is not independent as he serves as President, CEO and Secretary, Stephen Millen and Gregory R. Bronson, who are independent for the purposes of NI 52-101.

The Compensation Committee is responsible for reviewing and approving corporate goals and objectives relevant to the compensation of senior management of the Company, evaluating performance in light of those goals and making recommendations to the Board with respect to executive compensation levels based on that evaluation, reviewing and making recommendations to the Board with respect to the adequacy and form of the compensation of the directors, and reviewing executive compensation disclosure before it is publicly issued.

### *Audit Committee*

The Audit Committee is composed of three Board members: Harold Forzley, who is not independent as he serves as President, CEO and Secretary, Stephen Millen and Gregory R. Bronson, who are independent for the purposes of NI 52-101.

### *Other Board Committees*

The Board has no standing committees other than the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

### *Assessments*

The mandate of the Chairman, in consultation with the other independent directors, includes overseeing the effective functioning of the Board, which includes a periodic review of the effectiveness of the Board as a whole and of the composition of the Board. To date, given the small size of the Board and the frequency with which its meetings are held, the Board has not found it necessary to institute any formal process in order to satisfy itself that the Board, its committees and its individual directors are performing effectively.

## **AUDIT COMMITTEE**

### **Audit Committee Charter**

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

### **Composition of Audit Committee**

Pursuant to Multilateral Instrument 52-110 ("MI 52-110"), *Audit Committees*, the Company is required as a venture issuer to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below. The Company is relying on the exemption provided by section 6.1 of MI 52-110 by virtue of the fact that it is a venture issuer. Section 6.1 exempts the Company from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of MI 52-110.

As at the date hereof, the Audit Committee is composed of Harold Forzley, Stephen Millen and Gregory R. Bronson. All of the members of the Audit Committee are "financially literate" and Stephen Millen and Gregory R. Bronson are "independent" within the meaning of section 1.4 of MI 52-110.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year, has a recommendation of the audit committee to nominate or compensate an external auditor not been 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 MI 52-110 (*De Minimis Non-audit Services*) or an exemption from MI 52-110, in whole or in part, granted under Part 8, (*Exemptions*) of MI 52-110.

## **Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "*Article 2 – Pre-Approval of Non-Audit Services*" of the Audit Committee Charter as set out in Schedule "A" to this Information Circular.

### **Audit Fees**

The aggregate fees unbilled/billed by Smythe LLP, Chartered Professional Accountants, for fiscal year 2020 for audit services were approximately \$12,500 (2019 – \$20,000).

### **Audit-Related Fees**

The aggregate fees billed by Smythe LLP, Chartered Professional Accountants, for fiscal year 2020 for audit and assurance and related services were approximately \$12,500 (2019 – \$20,000).

### **Tax Fees and All Other Fees**

The aggregate fees billed for tax compliance, tax advice and tax planning services by Smythe LLP, Chartered Professional Accountants, for fiscal year 2020 were approximately \$Nil (2019 – \$5,000).

## **APPOINTMENT AND REMUNERATION OF AUDITORS**

Shareholders will be asked to approve the appointment of Smythe LLP, Chartered Professional Accountants, of Suite 1700-475 Howe Street, Vancouver, British Columbia, V6C 2B3 as the auditor of the Company to hold office until the next annual general meeting of the shareholders at remuneration to be fixed by the directors. The auditor was first appointed on April 11, 2006.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **A. Re-Approval of Stock Option Plan**

Shareholders are asked to re-approve a rolling stock option plan providing for the reservation of a maximum of ten percent (10%) of the issued and outstanding shares of the Company. The maximum allowable stock options will therefore increase as the issued share capital increases. The stock options will not be subject to a vesting period. The Plan is subject to the policies of the TSX Venture Exchange (the "Exchange"). The Plan is available for review during normal business hours at the Company's office. Some of the terms are:

1. The term of any stock option will not exceed ten years.
2. If the Optionee ceases to be an Officer, Director, Employee, Consultant or Service Provider for any reason other than such Optionee's death or disability, all Stock Options held by the Optionee shall be exercisable, to the extent that such Stock Options were exercisable on the date the Optionee ceased to fall under one of the foregoing categories (the "Termination Date") for a period of 30 days following the Termination Date.
3. If the Optionee ceases to be an Officer, Director, Employee, Consultant or Service Provider because of Optionee's death or disability all Stock Options held by the Optionee shall become immediately exercisable and shall be exercisable by the Optionee, the personal representative of the Optionee's estate, or the person(s) to whom the Stock Options are transferred pursuant to the Optionee's will in accordance with the laws of descent and distribution, as applicable, for a period of 12 months following the Termination Date.

4. An individual can receive Awards to purchase no more than 5% of the outstanding shares of Common Stock listed on the TSX Venture Exchange on a yearly basis.
5. An Award to an Employee conducting Investor Relations Activities or to a Consultant is restricted to an aggregate of 2% of the Company's issued shares.
6. For any Stock Options granted to Employees, Consultants or Management Company Employees, the Company represents that the Optionee is a bona fide Employee, Consultant or Management Company Employee as the case may be.
7. The Optionee must be a director, senior officer, employee, consultant or management company employee of the Company or a subsidiary of the Company at the time of grant.
8. All options are non-assignable and non-transferable.
9. An option may only be exercised while the optionee is a director, senior officer, employee, consultant or management company employee or within a period of 30 days thereafter.
10. Disinterested shareholder approval must be obtained for any reduction in the exercise price of an option if the optionee is an insider of the Company at the time of the proposed reduction.

#### **OTHER BUSINESS**

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Inquiries, including requests for copies of the Company's financial statements and management's discussion and analysis, may be directed to Harold Forzley at the Company's head office. Additional financial information is provided in the Company's comparative financial statements and management discussion and analysis for the financial year ended September 30, 2020, which is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

DATED at Vancouver, British Columbia, this 13th day of May, 2021.

#### **ON BEHALF OF THE BOARD**

***"Harold Forzley"***

**Harold Forzley**

President, CEO, Secretary & Director

## SCHEDULE "A"

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### Charter of the Audit Committee of the Board of Directors of Bathurst Metals Corp. (the "Company")

#### Article 1 – Mandate and Responsibilities

The Audit Committee is appointed by the board of directors of the Company (the "Board") to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company. The Audit Committee's primary duties and responsibilities are to:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) recommend to the Board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;
- (e) review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company's financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

#### Article 2 – Pre-Approval of Non-Audit Services

The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor. The pre-approval of non-audit services must be presented to the Audit Committee at its first scheduled meeting following such pre-approval.

The Audit Committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the

Audit Committee is informed of each non-audit service and the procedures do not include delegation of the Audit Committee's responsibilities to management.

#### Article 3 – External Advisors

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

#### Article 4 – External Auditors

The external auditors are ultimately accountable to the Audit Committee and the Board, as representatives of the shareholders. The external auditors will report directly to the Audit Committee. The Audit Committee will:

- (a) review the independence and performance of the external auditors and annually recommend to the Board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- (b) approve the fees and other significant compensation to be paid to the external auditors;
- (c) on an annual basis, review and discuss with the external auditors all significant relationships they have with the Company that could impair the external auditors' independence;
- (d) review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the Audit Committee may have;
- (e) before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants;
- (f) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting;
- (g) resolve any disagreements between management and the external auditors regarding financial reporting;
- (h) approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Company; and
- (i) receive from the external auditors timely reports of:
  - (i) all critical accounting policies and practises to be used;
  - (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and
  - (iii) other material written communications between the external auditors and management.

#### Article 5 – Legal Compliance

On at least an annual basis, the Audit Committee will review with the Company's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

## Article 6 - Complaints

Individuals are strongly encouraged to approach a member of the Audit Committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The Audit Committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the Audit Committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the Board appropriate corrective action.

To the extent practicable, all complaints will be kept confidential. The Company will not condone any retaliation for a complaint made in good faith.