

# **DIXIE GOLD INC.**

**ANNUAL GENERAL MEETING  
OF SHAREHOLDERS**

**NOTICE OF MEETING  
AND MANAGEMENT INFORMATION CIRCULAR**

**TO BE HELD AT:**

**Suite 810 – 789 West Pender Street**

**Vancouver, British Columbia**

**ON JANUARY 13, 2022**

**AT 10:00 A.M. (Pacific Standard Time)**

## DIXIE GOLD INC.

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual general meeting (the “**Meeting**”) of the Shareholders (the “**Shareholders**”) of Dixie Gold Inc. (the “**Corporation**” or “**Dixie**”) will be held at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, on January 13, 2022 at 10:00 a.m. (Pacific Standard Time) for the following purposes:

1. receiving and considering the audited financial statements of the Corporation for the year ended December 31, 2020, and the report of its auditor;
2. fixing the number of directors of the Corporation at three (3);
3. electing directors for the ensuing year;
4. re-appointing an auditor for the ensuing year and authorizing the directors to fix the auditor’s remuneration;
5. approving the Corporation’s Stock Option Plan, as more particularly described in the accompanying Information Circular; and
6. transacting such other business as may properly come before the Meeting or any adjournment thereof.

The accompanying Information Circular contains details of matters to be considered at the Meeting under the section heading “Particulars of Matters to be Acted Upon” and is supplemental to and expressly made a part of this Notice. The Meeting will also consider any permitted amendment to, or variation of, any matter identified in this Notice and transact such other business as may properly come before the Meeting or any adjournment thereof.

The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (the “**Notice-and-Access Provisions**”) for the Meeting. The Notice-and- Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders by allowing the Corporation to post the Information Circular, the Corporation’s 2020 audited financial statements and the related management’s discussion and analysis, and any additional materials (collectively, the “**Meeting Materials**”) online. Shareholders will still receive this Notice of Meeting, a form of proxy and request for financial information form and may choose to receive a paper copy of the Meeting Materials.

The Corporation will not use the procedure known as ‘stratification’ in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Information Circular to some shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Meeting Materials.

PLEASE REVIEW THE INFORMATION CIRCULAR CAREFULLY IN FULL PRIOR TO VOTING IN RELATION TO THE RESOLUTIONS BEING PRESENTED, AS THE INFORMATION CIRCULAR HAS BEEN PREPARED TO HELP YOU MAKE AN INFORMED DECISION ON THE MATTERS. THE INFORMATION CIRCULAR IS AVAILABLE AT [WWW.DIXIEGOLD.CA](http://WWW.DIXIEGOLD.CA) AND UNDER THE CORPORATION'S PROFILE ON SEDAR AT [WWW.SEDAR.COM](http://WWW.SEDAR.COM). ANY SHAREHOLDER WHO WISHES TO RECEIVE A PAPER COPY ON THE MEETING MATERIALS (INCLUDING THE INFORMATION CIRCULAR) SHOULD CONTACT THE CORPORATION AT 789 WEST PENDER STREET, SUITE 810, VANCOUVER, BRITISH COLUMBIA, V6C 1H2, BY FAX AT 1-403-800-3075, BY TELEPHONE TOLL FREE AT 1-877-769-8258 OR BY EMAIL AT [INFO@DIXIEGOLD.CA](mailto:INFO@DIXIEGOLD.CA). SHAREHOLDERS MAY ALSO USE THE TOLL FREE NUMBER NOTED ABOVE TO OBTAIN ADDITIONAL INFORMATION ABOUT THE NOTICE-AND-ACCESS PROVISIONS.

In order to ensure that a paper copy of the Meeting Materials can be delivered to a requesting Shareholder in time for such Shareholder to review the Meeting Materials and return a proxy or voting instruction form prior to the proxy deadline described hereinafter, it is strongly suggested that a Shareholder ensure their request is received no later than January 11, 2022.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is November 29, 2021 (the "**Record Date**"). Only Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting; provided that, to the extent a Shareholder transfers the ownership of any shares of the Corporation after such date and the transferee of those shares of the Corporation establishes that such transferee owns the shares of the Corporation and demands, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those shares of the Corporation at the Meeting. Other than as set out in the preceding sentence, holders of shares of the Corporation who acquire those shares after the Record Date will not be entitled to vote such shares at the Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. If you are unable to attend the Meeting in person, please complete, date and sign the enclosed form of proxy or voting instruction form and return it, in the envelope provided, to: Endeavor Trust Corporation, by mail: Suite 810, 789 West Pender Street, Vancouver, BC V6C 1H2 or by fax at (604) 559-8908 so that it is received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment of the Meeting, failing which such votes may not be counted.

**In view of the current and rapidly evolving COVID-19 outbreak, the Company asks that, in considering whether to attend the Meeting in person, shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>) The Company encourages Shareholders not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. The Company may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak. As always, the Company encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by teleconference. To access the Meeting by teleconference, dial toll free at 1-800-319-7310, Participation Code: 77783, followed by the # key.**

DATED this 29<sup>th</sup> day of November, 2021.

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF DIXIE GOLD INC.**

*"Ryan Kalt"*

\_\_\_\_\_  
Ryan Kalt

Chairman & Chief Executive Officer

**Registered Shareholders unable to attend the Meeting are requested to date, sign and return their form of proxy in the enclosed envelope. If you are a non-registered Shareholder and receive this Notice of Meeting and the voting instruction form or form of proxy through your broker or through another intermediary, please complete and return the voting instruction form or form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares of the Corporation not being eligible to be voted by proxy at the Meeting.**

**DIXIE GOLD INC.**  
**INFORMATION CIRCULAR**  
**FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON JANUARY 13, 2022**

**(all information as at November 29, 2021, unless otherwise stated)**

**GENERAL PROXY INFORMATION**

**Purpose of Solicitation**

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Dixie Gold Inc. (the “**Corporation**” or “**Dixie**”) for use at the annual general meeting of common shareholders (the “**Shareholders**”) of the Corporation, to be held at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2, on January 13, 2022 at 10:00 A.M. (Pacific Standard Time) or at any adjournment for the purposes set out in the accompanying notice of meeting (the “**Meeting**”).

The cost of such solicitation will be borne by the Corporation and will be made primarily by mail, subject to the use of the Notice-and-Access Provisions in relation to the delivery of this Information Circular. Directors and officers of the Corporation may without special compensation solicit proxies by telephone, facsimile or in person.

**Appointment and Revocation of Proxies**

**Shareholders have the right to appoint a nominee (who need not be a Shareholder) to represent them at the Meeting other than the persons designated in the enclosed form of proxy, and may do so by inserting the name of the appointed representative in the blank space provided in the form of proxy.**

A form of proxy will not be valid for the Meeting or any adjournment unless it is completed by the Shareholder or by his attorney authorized in writing and must be delivered to: Endeavor Trust Corporation, or at the address of the registered office of the Corporation at Suite 810, 789 West Pender Street, Vancouver, BC V6C 1H2, or by fax at (604) 559-8908, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the meeting or any adjournment of the meeting.

In addition to revocation in any other manner permitted by law, a Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A proxy may be revoked by either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Shareholder or by his authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by depositing the proxy bearing a later date with Endeavor Trust Corporation at any time up to and including the last business day preceding the date of the Meeting or any adjournment at which the proxy is to be used, or by depositing the revocation of proxy with the chairman of such Meeting on the day of the Meeting, or any adjournment of the Meeting.

**Voting of Proxies**

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation and have indicated their willingness to represent as proxy the Shareholder who appoints them. Each Shareholder may instruct his or her proxy how to vote his or her shares by completing the proxy form.

**In the absence of instructions to vote or withhold from voting the common shares of the Corporation (the “Common Shares”) on such matters as the Shareholder may instruct, and in the absence of any direction to vote for or against on such matters as the Shareholder may direct, the management appointees named in the proxy will vote such Common Shares in favour of the matters on which the Shareholder is entitled to vote as specified in the Notice of Meeting, and in favour of all other matters on which the Shareholder is entitled to vote as proposed by management at the Meeting.**

**THE ENCLOSED FORM OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSON INDICATED IN THE PROXY WITH RESPECT TO AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (THE “NOTICE”) AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.**

At the time of printing of the Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice and the Information Circular. If any matters which are not now known to the directors and senior officers of the Corporation should properly come before the Meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best judgment.

**Notice-and-Access**

Notice-and-Access is a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of its securities by posting such materials on a non-SEDAR website (usually the reporting issuer’s website and sometimes the transfer agent’s website) rather than delivering such materials by mail. The notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (the “**Notice-and-Access Provisions**”) can be used to deliver materials for both special and general meetings.

The use of the Notice-and-Access Provisions is intended to reduce paper waste and mailing costs to the issuer. In order for the Corporation to utilize the Notice-and-Access Provisions to deliver proxy-related materials, the Corporation must send a notice to Shareholders indicating that the proxy-related materials for the Meeting have been posted electronically on a website that is not SEDAR and explaining how a Shareholder can access them or obtain a paper copy of those materials. Upon request, beneficial owners are entitled to delivery of a paper copy of the information circular at the reporting issuer’s expense. This Information Circular and other materials related to the Meeting have been posted in full on the Corporation’s Meeting website at [www.dixiegold.ca](http://www.dixiegold.ca) and under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

In order to use the Notice-and-Access Provisions, a reporting issuer must set the record date for the meeting at least 40 days prior to the meeting to ensure there is sufficient time for the materials to be posted on the applicable website and the notice of meeting and form of proxy to be delivered to Shareholders. The requirements for the notice of meeting are that the Corporation shall provide basic information about the Meeting and the matters to be voted on, explain how a Shareholder can obtain a paper copy of this Information Circular, and explain the Notice-and-Access process. The Notice of Meeting, containing this information, has been delivered to Shareholders by the Corporation, along with the applicable voting document (a form of proxy in the case of registered Shareholders or a voting instruction form in the case of non-registered Shareholders).

The Corporation will not rely upon the use of ‘stratification’. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the information circular to some, but not all, of its shareholders, along with the notice of meeting. In relation to the Meeting, all Shareholders will receive the documentation required under the Notice-and-Access Provisions and all documents required to vote at the Meeting. No Shareholder will receive a paper copy of this Information Circular from the Corporation or any intermediary unless such Shareholder specifically requests same.

The Corporation will be delivering proxy-related materials to NOBOs and OBOs indirectly through the use of intermediaries.

Any Shareholder who wishes to receive a paper copy of this Information Circular must contact the Corporation at 789 West Pender Street, Suite 810, Vancouver, British Columbia, V6C 1H2, or by fax at 604-559-8908.

In order to ensure that a paper copy of this Information Circular can be delivered to a requesting Shareholder in time for such Shareholder to review this Information Circular and return a proxy or voting instruction form so that it is received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment of the Meeting, it is strongly suggested that a Shareholder ensure their request is received no later than January 11, 2022. All Shareholders may call toll free at 1-877-769-8258 in order to obtain additional information about the Notice-and-Access Provisions or to obtain a paper copy of this Information Circular, up to and including the date of the Meeting, including any adjournment of the Meeting.

## Advice to Beneficial Shareholders

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

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The majority of the brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”). Broadridge typically uses its own machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to either return the proxy forms to Broadridge or alternatively provide voting instructions by utilizing an Internet or automated telephone system. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that voting instruction form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial 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 (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the voting instruction form provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

All references to shareholders in this Information Circular, the accompanying instrument of proxy and Notice are to shareholders of record unless specifically stated otherwise.

## INTERESTS OF CERTAIN PERSONS AND COMPANIES

### IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest of any director or nominee for director, or senior officer or anyone who held office as such since the beginning of the Corporation’s last financial year, or any associate or affiliate of any of the foregoing, with respect to any matter to be acted on at the Meeting except as set forth in this Information Circular.

## VOTING SECURITIES

Only the Common Shares are entitled to vote at the Meeting. The Corporation has no other classes of voting securities. As of the date of this Information Circular, 25,737,188 Common Shares without nominal or par value are issued and outstanding. Each Common Share entitles the holder to one vote on all matters to come before the Meeting. No group of Shareholders has the right to elect a specified number of directors, nor is there cumulative or similar voting rights attached to the Common Shares of the Corporation.

The directors of the Corporation have fixed November 29, 2021 as the record date for determination of the persons entitled to receive notice of the Meeting. A Shareholder of record as of the record date is entitled to vote his or her Common Shares except to the extent that he or she has transferred the ownership of any of his or her shares after the record date, and the transferee of those shares produces properly endorsed share certificates or otherwise establishes that he or she owns the shares, and demands, not later than 10 days before the Meeting, that his or her name be included in the Shareholder list before the Meeting, in which case the transferee is entitled to vote his or her shares at the Meeting.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Financial Statements

The board of directors of the Corporation has approved all of the information in the audited financial statements of the Corporation for the year ended December 31, 2020 and the report of the auditor thereon (the “**Financial Statements**”), all of which may be reviewed on SEDAR at [www.sedar.com](http://www.sedar.com) or the Corporation’s website at [www.dixiegold.ca](http://www.dixiegold.ca). The Financial Statements will be presented to the Shareholders at the Meeting.

### Fix the Number of Directors

Management of the Corporation proposes at the Meeting to set the number of directors of the Corporation at three (3) and to nominate persons to fill such positions.

### Election of Directors

Action is to be taken at the Meeting with respect to the election of three (3) directors to serve until the next annual general meeting of the Corporation or until their respective successors have been elected or appointed. The persons named in the accompanying proxy intend to vote for the election, as directors, the three (3) nominees listed below. **In absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote IN FAVOUR of the election of Mr. Kalt, Mr. Hearst, and Mr. Hodgson as directors of the Corporation.** In the event any nominee named below should be unable to serve, the persons named in the proxy will vote for a substitute nominee or nominees in accordance with their best judgment. All nominees named below have consented to serve as directors if elected.

The following table indicates the names of the three (3) nominees for directors, the date each such person first became a director of the Corporation (if applicable), the principal occupation of each such person and the number of Common Shares of the Corporation beneficially owned or controlled or directed (directly or indirectly) by each such person as of the date hereof. The information contained in this table as to the number of shares of the Corporation beneficially owned or controlled or directed, directly or indirectly, is based upon information furnished to the Corporation by the respective nominees. The board of directors is required to appoint an Audit Committee and will appoint an Operations Committee and Corporate Governance and Compensation Committee, the proposed members of which are indicated in the table.

Name, Municipality of Residence and Date First Became a Director	Principal Occupation during past five years	Common Shares beneficially owned or controlled
<b>Ryan Kalt</b> <sup>(1)(2)(3)</sup> Calgary, Alberta April 4, 2012	Mr. Kalt has over 20 years of senior company management experience, including extensive financial statement proficiency. He holds Bachelor of Commerce (Hons.), a Bachelor of Laws (LL.B.), a Master of Laws (LL.M.) and a Master of Business Administration (M.B.A.). Mr. Kalt is the Chairman of Kalt Industries Ltd., a diversified investment company based in Calgary, Alberta. Among listed-issuers, he serves as a director and executive officer at Red Lake Gold Inc. (CSE:RGLD) and 79 Resources Ltd. (CSE:SNR), and as a board member at Alma Gold Inc. (CSE:ALMA). Mr. Kalt has additionally served as a director and/or officer for a significant number of both publicly-traded and private corporations	5,122,875
<b>Brian Hearst</b> <sup>(1)(2)(3)</sup> Calgary, Alberta February 17, 2015	Mr. Hearst is a Chartered Accountant (CA) and consultant to resource companies. He also serves as a director of Alma Gold Inc. (CSE:ALMA) and Red Lake Gold Inc. (CSE:RGLD).	Nil
<b>Eugene Hodgson</b> <sup>(1)(2)(3)</sup> Vancouver, British Columbia October 1, 2019	Mr. Hodgson is an accomplished senior executive with over 30 years of public and private sector experience. He also serves as a director of a number of publicly-listed companies, including Alma Gold Inc. (CSE:ALMA) and Red Lake Gold Inc. (CSE:RGLD)	Nil

- (1) Member of the Audit Committee
- (2) Member of the Operations Committee.
- (3) Member of the Corporate Governance and Compensation Committee.

Except as disclosed below, to the knowledge of the Corporation, no proposed director of the Corporation (a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or 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 (an “**Order**”) that was issued while the proposed director was acting in the capacity as 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, (b) is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any 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 proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (c) has, within the 10 years before the date hereof, 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 nominee.

A cease trade order was issued against MENA Hydrocarbons Inc. (“**Mena**”) (TSXV:MNH) in May 2016 for failure to file its audited financial statements and MD&A for the year ended December 31, 2015, while Mr. Brian Hearst was a director and CFO of Mena. The cease trade order is still in effect until Mena’s annual and interim filings are brought up to date.

A cease trade order was issued against Stealth Ventures Inc. (“formerly Stealth Ventures Ltd.”) (“**Stealth**”) (TSXV:SLV) in May 2015 for failure to file its audited financial statements and MD&A for the year ended December 31, 2014, while Mr. Brian Hearst was the CFO of Stealth. The cease trade order is still in effect until Stealth’s annual and interim filings are brought up to date.

## Appointment of Auditor

The Shareholders of the Corporation will be asked to vote, by ordinary resolution, for the appointment of A. Chan and Company LLP Chartered Professional Accountant as auditor of the Corporation pursuant to the following resolutions:

**IT IS RESOLVED** that:

1. A Chan and Company LLP, Chartered Professional Accountant be and is hereby appointed as the auditor of the Corporation to hold office until the close of the next annual general meeting of the Shareholders or until the firm of A Chan and Company LLP, Chartered Professional Accountant is removed from office or resigns as provided by law or by the Corporation's articles, and to authorize the directors to fix the remuneration of A Chan and Company LLP, Chartered Professional Accountant as auditor; and
2. Any officer or director of the Corporation is authorized and directed to do all things and execute all instruments and documents necessary or desirable to carry out the foregoing.

The board of directors recommends that Shareholders vote IN FAVOUR of the above resolution at the Meeting. **In absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote IN FAVOUR of the re-appointment of A Chan and Company LLP, Chartered Professional Accountant as auditor of the Corporation** until the end of the next annual general meeting of the Shareholders and the authorization of the directors to fix their remuneration, unless a Shareholder has specified in the proxy that his or her shares are to be withheld from voting in respect thereof. A Chan and Company LLP, Chartered Professional Accountant has been the auditor of the Corporation since August 27, 2021.

On August 27, 2021, at the request of the board of directors of the Company, Crowe MacKay LLP, Chartered Professional Accountants, resigned as auditor of the Corporation as of that date, and on that date the board of directors of the Corporation appointed A Chan & Company LLP, Chartered Professional Accountants, as auditor of the Corporation. In accordance with applicable securities laws, the Company filed a notice of change of auditor, as well as letters from each of Crowe MacKay LLP and A Chan & Company LLP on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the notice and letters are attached to this Information Circular as Schedule "A". There were no "reservations" in the auditor's reports on the Corporation's financial statements or "reportable events", as defined in section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

## Approval of Stock Option Plan

Under the policies of the TSX Venture Exchange, the Corporation's stock option plan (the "**Stock Option Plan**" or the "**Plan**") must be approved by the Shareholders at each annual general meeting of the Corporation. The Plan is summarized below, and a full copy of the Plan is available under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Options granted pursuant to the Plan will not exceed a term of 10 years and are granted at an option price and on other terms which the directors determine is necessary to achieve the goal of the Plan and in accordance with regulatory policies. The option price may be at a discount to market price, which discount will not, in any event, exceed that permitted by any stock exchange on which the Corporation's shares are listed for trading.

The number of Common Shares allocated to the Plan will be determined by the board of directors from time to time. The aggregate number of shares reserved for issuance under the Plan may not exceed 10 percent of the issued and outstanding shares. In addition, the aggregate number of shares so reserved for issuance in any 12 month period to any one person shall not exceed 5 percent unless the Corporation has received disinterested shareholder approval, or to all persons conducting investor relations activities shall not exceed 2 percent, of the issued and outstanding shares.

Common Shares, when fully paid for by a participant and issued upon exercise of options, are not included in the calculation of Common Shares allocated to or within the Plan. Should a participant cease to be eligible due to the loss of corporate office (being that of an officer or director) or employment, the option shall cease for varying reasonable periods as determined by management at the time of grant. Loss of eligibility for consultants is regulated by specific rules imposed by the directors when the option is granted to the appropriate consultant. The Plan also

provides that estates of deceased participants can exercise their options for a period not exceeding one year following death.

The board of directors may from time to time make rules, regulations and amendments to the Plan. Should any rule, regulation or amendment materially differ from the provisions set out in this Information Circular, the Corporation shall obtain the necessary regulatory or shareholder approvals.

The Shareholders will be asked to consider and approve the following ordinary resolution approving the Stock Option Plan:

**IT IS RESOLVED THAT:**

1. subject to any necessary regulatory approval, the Stock Option Plan, as described in the Information Circular of the Corporation for its annual general meeting, be ratified and approved; and
2. Any officer or director of the Corporation is authorized and directed to do all things and execute all instruments and documents necessary or desirable to carry out the foregoing.

**In absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote IN FAVOUR of the ordinary resolution ratifying and approving the Stock Option Plan.**

**Other Business**

The management of the Corporation is not aware of any matters to come before the Meeting other than those set out in the Notice of Meeting. However, if other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment in such matters.

**INFORMATION CONCERNING THE CORPORATION**

**Principal Shareholders**

To the knowledge of management of the Corporation, and as of the date of this Information Circular, there is one Shareholder who beneficially owned or exercised control or direction over, directly or indirectly, voting shares of the Corporation carrying more than ten percent (10%) of the voting rights attached to all outstanding shares of the Corporation (a “Principal Shareholder”).

**The known Principal Shareholder is Ryan Kalt, the Chairman and Chief Executive Officer of the Corporation, who beneficially owns or exercises control or direction over 5,122,875 common shares, representing 19.90% of the issued and outstanding common shares of the Corporation.**

**Statement of Executive Compensation**

For the purposes of this section, “Named Executive Officers” means the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) of the Corporation and each of the Corporation’s three most highly compensated executive officers, other than the CEO and CFO, who served as executive officers during the most recently completed financial year ended December 31, 2020 and whose compensation, in the aggregate, exceeded \$150,000.

For the financial year ended December 31, 2020, the Corporation had two Named Executive Officers: Ryan Kalt (CEO) and Ryan Cheung (CFO).

*Compensation Discussion and Analysis*

The Corporation’s approach to executive compensation is to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Corporation attempts to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Corporation. The Corporation’s compensation arrangements for the Named Executive Officers may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grant of stock options.

## *Compensation Committee*

The board of directors of the Corporation has established a Corporate Governance and Compensation Committee (the “CGCC”) comprised of directors, which establishes and reviews the Corporation’s overall compensation philosophy and its general compensation policies with respect to executive officers, including the corporate goals and objectives and the annual performance objectives relevant to such officers. The CGCC evaluates each officer’s performance in light these goals and objectives and, based on its evaluation, determines and approves the salary, bonus, options and other benefits for such officers. In determining compensation matters, the CGCC and the board of directors may consider a number of factors, including the Corporation’s performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and other factors it considers relevant. The current overall objective of the Corporation’s compensation strategy is to reward management for their efforts, while seeking to conserve cash given current market conditions. With respect to any bonuses or incentive plan grants which may be awarded to executive officers in the future, the Corporation has not currently set any objective criteria and will instead rely upon any recommendations and discussion at the CGCC level with respect to the above-noted considerations and any other matters which the CGCC and board may consider relevant on a going-forward basis, including the cash position of the Corporation.

The CGCC is comprised of Eugene Hodgson, Brian Hearst and Ryan Kalt. See “Particulars of Matters to be Acted Upon - Election of Directors”.

## *Components of Executive Compensation*

The components of the executive compensation program are described in the table below:

<b>Compensation element</b>	<b>How it is paid</b>	<b>What it is designed to reward</b>
Base salary	Cash	Rewards skills, capabilities, knowledge and experience, reflecting the level of responsibility, as well as the contribution expected from each executive.
Short-term Incentive	Cash	Rewards contribution to both department’s performance and the Corporation’s overall performance. Rewards for results within the current fiscal year.
Long-term Incentive	Stock Options	Provides alignment between the interests of executives and Shareholders. Rewards contribution to the long-term performance of the Corporation and demonstrated potential for future contribution. Aligns with long-term corporate performance and provides added incentive for executives to enhance Shareholder value.

### *Base Salary*

The base salary provides an executive with basic compensation and reflects individual responsibility, knowledge and experience, market competitiveness and the contribution expected from each individual. At its discretion, the CGCC may compare each executive officer’s salary with the base salaries for similar positions in the comparator group, and recommends appropriate adjustments, as needed.

### *Short-term Incentive*

Short-term incentive compensation is based on annual results. The short-term incentive ensures that a significant portion of an executive’s compensation varies with actual results in a given year, while providing financial incentives to executives to achieve short-term financial and strategic objectives. It communicates to executives the key accomplishments the CGCC wishes to reward and ensures that overall executive compensation correlates with corporate objectives. The short-term incentive component is structured to reward not only increased value for Shareholders but also performance with respect to key operational factors and non-financial goals important to long-term success.

### Long-term Incentive

The long-term incentive component of executive compensation is designed to ensure commonality of interests between management and Shareholders. This is accomplished by connecting Shareholder return and long-term compensation, motivating executives to achieve long-range objectives that directly benefit Shareholders.

Stock options reward executives for growth in the value of the Corporation's stock over the long term. This is the high risk, high-return component of the executive total compensation program because stock options deliver value to an executive only if the share price is above the grant price. This long-term equity incentive includes both a corporate and personal component.

### Summary Compensation Table

The following table sets forth information concerning the total compensation paid by the Corporation to its Named Executive Officers for the Corporation for the three most recent financial years ended December 31, 2020, 2019 and 2018.

Name and principal position	Year	Salary, consulting fee or retainer (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Ryan Kalt, Chairman and CEO	2020	120,000 <sup>(3)</sup>	Nil	Nil	Nil	Nil	n/a	5,000 <sup>(3)</sup>	125,000
	2019	120,000 <sup>(3)</sup>	Nil	31,200 <sup>(2)</sup>	Nil	Nil	n/a	5,000 <sup>(3)</sup>	156,200
	2018	120,000 <sup>(3)</sup>	Nil	Nil	Nil	Nil	n/a	5,000 <sup>(3)</sup>	125,000
Ryan Cheung, CFO <sup>(1)</sup>	2020	30,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	n/a	Nil	30,000
	2019	30,000 <sup>(4)</sup>	Nil	13,867 <sup>(2)</sup>	Nil	Nil	n/a	Nil	43,867
	2018	30,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	n/a	Nil	30,000

(1) Ryan Cheung ceased to be the CFO of the Corporation as at April 1, 2021.

(2) The fair value of options to purchase Common Shares is calculated at the date of the grant using the Black-Scholes option-pricing model.

(3) In 2018, 2019, and 2020, Mr. Kalt received an annual retainer fee of \$5,000 as compensation for services rendered as a director of the Corporation.

(4) Compensation consists of consulting fees paid to private companies owned or controlled by these individuals for services rendered.

### Incentive Plan Awards

The purpose of the Stock Option Plan is to provide an incentive for directors, officers, key employees and consultants of the Corporation to directly participate in the Corporation's growth and development by providing them with the opportunity through options to purchase common shares to acquire an increased financial interest in the Corporation.

The CGCC believes that granting of options is an effective way to support the achievement of the Corporation's long-term performance objectives, ensure executive and employee commitment to the longer term interests of the Corporation and its Shareholders, and provide compensation opportunities to attract, retain and motivate employees critical to the success of the Corporation. At its discretion, the CGCC grants options to individuals taking into account, among other factors, the Corporation's long-range objectives, individual contribution, comparing option grants and holdings for similar positions in the comparison group, and previous grants to such individuals.

*Outstanding Share-based Awards and Option-Based awards*

The following table sets out all the share-based awards and option-based awards outstanding with Named Executive Officers as at December 31, 2020.

Name	Number of securities underlying unexercised options (#)	Option-based Award		Value of unexercised in-the-money options (\$) as at December 31, 2020	Share-based Awards	
		Option exercise price (\$)	Option expiration date		Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (#)
Ryan Kalt Chairman & CEO	750,000	0.05	Mar. 21, 2021	Nil	Nil	Nil
	750,000	0.12	Jun. 28, 2021	Nil		
	600,000	0.065	Oct. 14, 2021	Nil		
	600,000	0.14	Dec. 5, 2022	Nil		
	225,000	0.20	Jul. 22, 2024	Nil		
Ryan Cheung CFO <sup>(1)</sup>	200,000	0.05	Mar. 21, 2021	Nil	Nil	Nil
	150,000	0.12	Jun. 28, 2021	Nil		
	200,000	0.065	Oct. 14, 2021	Nil		
	300,000	0.14	Dec. 5, 2022	Nil		
	100,000	0.20	Jul. 22, 2024	Nil		

(1) Ryan Cheung ceased to be the CFO of the Corporation as at April 1, 2021.

*Incentive Plan Awards-Value Vested or Earned During the Year*

The following table sets out the value vested or earned during the fiscal year ended December 31, 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 (\$)
Ryan Kalt Chairman & CEO	Nil	n/a	n/a
Ryan Cheung CFO	Nil	n/a	n/a

*Pension Plan Benefits*

The Corporation does not have a defined benefit, defined contribution or deferred compensation plan.

*Termination and Change of Control Benefits*

Other than as set out below, the Corporation does not have any compensatory plan or arrangement in respect of compensation received or that may be received by the Named Executive Officers in the Corporation's most recently completed or current financial year to compensate such executive officer in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, where in respect of the Named Executive Officer the value of such compensation exceeds \$50,000.

Pursuant to a management services contract, in the event of a "Change of Control" of the Corporation, a company controlled by Mr. Kalt which provides management consulting services to the Corporation shall receive a lump sum payment equal to the management fee for a one year period then in place, such sum currently standing at \$120,000.

## Director Compensation

Directors are compensated for their services as directors through an annual calendar year-end retainer fee of \$5,000. This fee structure was implemented on December 22, 2011; however, the fee was not paid to any director in 2016. All directors are also eligible to participate in the Corporation's Stock Option Plan.

The CGCC reviews director compensation every year and recommends updates to the board for approval when considered appropriate or necessary to recognize the workload, time commitment and responsibility of board and committee members and to remain competitive with director compensation trends of the Corporation's peer group. To do so, the CGCC uses industry comparative data and may, from time to time, retain independent external consultants to assist in reviewing director compensation. The following table shows the compensation paid to the Corporation's directors, excluding the Corporation's Chief Executive Officer, whose compensation is set forth above under "Summary Compensation Table", for the year ended December 31, 2020.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Eugene Hodgson <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	5,000 <sup>(3)</sup>	5,000
Brian Hearst <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	5,000 <sup>(3)</sup>	5,000

(1) Eugene Hodgson was appointed as a Director of the Corporation on October 1, 2019.

(2) Brian Hearst was appointed as a Director of the Company on February 17, 2015.

(3) The Corporation paid to all non-executive directors an annual retainer fee in 2020 as compensation for services rendered as directors.

The Corporation has a formalized stock option plan for the granting of incentive stock options to the directors, officers, key employees and consultants. The purpose of granting options pursuant to the stock option plan is to assist the Corporation in compensating, attracting, retaining and motivating the directors, officers, key employees and consultants of the Corporation and to closely align the personal interests of such persons to that of the Shareholders.

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

The following table sets out all the share-based awards and option-based awards outstanding with the directors, except for the Chief Executive Officer, whose compensation is set forth above, as at December 31, 2020.

Name	Number of securities underlying unexercised options (#)	Option-based Awards		Value of unexercised in-the-money options (\$)	Share-based Awards	
		Option exercise price (\$)	Option expiration date		Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Eugene Hodgson <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Brian Hearst <sup>(2)</sup>	250,000	0.05	Mar. 21, 2021	Nil	Nil	Nil
	125,000	0.12	Jun. 28, 2021	Nil		
	200,000	0.065	Oct. 14, 2021	Nil		
	300,000	0.14	Dec. 5, 2022	Nil		
	100,000	0.20	Jul. 22, 2024	Nil		

(1) Eugene Hodgson was appointed as a Director of the Corporation on October 1, 2019.

(2) Brian Hearst was appointed as a Director of the Corporation on February 17, 2015.

The following table shows share-based awards, option-based awards and non-equity incentive plan compensation for the directors, except the Chief Executive Officer, whose compensation is set forth above, for the year ended December 31, 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 (\$)
Eugene Hodgson <sup>(1)</sup>	Nil	Nil	Nil
Ryan Kalt <sup>(2)</sup>	Nil	Nil	Nil
Brian Hearst <sup>(3)</sup>	Nil	Nil	Nil

(1) Eugene Hodgson was appointed as a Director of the Corporation on October 1, 2019.

(2) Ryan Kalt was appointed as a Director of the Corporation on April 4, 2012.

(3) Brian Hearst was appointed as a Director of the Corporation on February 17, 2015.

### SECURITIES AUTHORIZED UNDER EQUITY COMPENSATION PLANS

The following table sets forth details with respect to compensation plans under which equity securities of the Corporation are authorized for issuance as of the year ended December 31, 2020.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weight-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders <sup>(1)</sup>	1,581,250	\$0.32	992,468
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total:	1,581,250	\$0.32	992,468

(1) These amounts relate to options granted and common shares available for issuance under the Corporation's Stock Option Plan as of December 31, 2020.

### INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

There is no indebtedness, neither now nor at any time since the beginning of the most recently completed financial year of the Corporation, of any director, executive officer, senior officer, proposed nominee for election as a director or associate of any of them to or guaranteed or supported by the Corporation or its subsidiaries, if any, either pursuant to an employee stock purchase program of the Corporation or otherwise.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Information Circular, in filings by the Corporation on SEDAR or below, no informed person of the Corporation or any associate or affiliate of the foregoing had any material interest, direct or indirect, in any transaction or proposed transaction since the beginning of the last completed financial year end of the Corporation which has materially affected or would materially affect the Corporation or its subsidiaries, if any.

### MANAGEMENT CONTRACTS

As at December 31, 2020, the management functions of the Corporation were substantially performed by senior officers of the Corporation, and not, to any substantial degree, by any other person with whom the Corporation has contracted.

## AUDIT COMMITTEE

### The Audit Committee Charter

The following is the Corporation's "Audit Committee Charter" (the "**Charter**"):

#### *Purpose*

The primary function of the audit committee of the Corporation (the "**Committee**") is to assist the board of directors (the "**Board**") of the Corporation in fulfilling its responsibilities by reviewing the financial reports and other financial information provided by the Corporation to any regulatory body or the public, the Corporation's systems of internal controls regarding preparation of those financial statements and related disclosures that management and the Board have established and the Corporation's auditing, accounting and financial reporting processes generally. Consistent with this function, the Committee encourages continuous improvement of, and fosters adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary objectives are to:

1. assist directors in meeting their responsibilities in respect of the preparation and disclosure of the financial statements of the Corporation and related matters;
2. provide for open communication between directors and external auditors;
3. enhance the external auditor's independence;
4. increase the credibility and objectivity of financial reports; and
5. strengthen the role of the outside or "independent" directors by facilitating in depth discussions between directors on the Audit Committee, management and external auditors.

#### *Composition*

The Committee is comprised of three or more directors as determined by the Board, if at all possible with the majority of whom shall be "independent" (as such term is used in National Instrument 52-110 - Audit Committees ("**NI 52-110**") unless the Board shall have determined that the exemption contained in section 3.6 of NI 52-110 would be applicable and is to be adopted by the Corporation.

All of the members of the committee shall be "financially literate" (as defined in NI 52-110) unless the Board shall determine that an exemption under NI 52-110 from such requirement in respect of any particular member would be applicable and is to be adopted by the Corporation in accordance with the provisions of NI 52-110.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board and remain as members of the Committee until their successors shall be duly elected and qualified.

Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

#### *Meetings*

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its mandate to foster open communication, the Committee should meet at least annually with management and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. The Chief Financial Officer (if appointed) is required to be present at the meetings of the Committee and may be excused from all or part of any such meetings by the independent sitting members.

Minutes of all meetings of the Committee shall be taken and the Committee shall report the results of its meetings and reviews undertaken and any associated recommendations or resolutions to the Board. A written resolution

signed by all Committee members entitled to vote on that resolution at a meeting of the Committee shall be valid resolution of the Committee.

A quorum for meetings of the Committee shall be majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the committee shall be the same as those governing the Board.

Members of the Committee may participate in a meeting of the Committee by means of telephone or other communication device or facilities that permit all persons participating in any such meeting to hear one another.

### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review
  - a. Review and update this Charter, as conditions dictate.
  - b. Review the financial statements, prospectuses, MD&A, annual information forms and all public disclosures containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval where required.
  - c. Review the reports to management prepared by the external auditors and management responses.
  - d. Established procedures for:
    - i. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
    - ii. the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
  - e. Review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the issuer.
  - f. Review of significant auditor findings during the year, including the status of previous audit recommendations.
  - g. Be satisfied with and periodically assess the adequacy of procedures for the review of corporate disclosure that is derived or extracted from the financial statements.
2. External Auditors
  - a. Be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
  - b. Recommend to the Board the external auditors to be nominated for appointment by the Shareholders.
  - c. Recommend to the Board the terms of engagement of the external auditor, including their compensation and a confirmation that the external auditors shall report directly to the Committee.
  - d. On an annual basis, review and discuss with the auditors all significant relationships the auditors have with the Corporation to determine the auditors' independence.
  - e. Review the performance of the external auditors and approve any proposed discharge of the external auditors when circumstances warrant.
  - f. When there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.
  - g. Periodically consult with the external auditors, without the presence of management, about internal controls and the fullness and accuracy of the organization's financial statements.
  - h. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.
  - i. Pre-approved the completion of any non-audit services by the external auditors and determined which non-audit services the external auditor is prohibited from providing and the Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services, provided that such member(s) reports to the Committee at the next scheduled meeting such pre-approval and the members(s) complies with such other procedures as may be established by the Committee from time to time.

3. Financial Reporting Processes
  - a. In consultation with the external auditors and management, review the integrity of the organization's financial reporting processes both internal and external. Consider judgments concerning the appropriateness of the Corporation's accounting policies.
  - b. Consider and approve, if appropriate, major changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors or management.
  - c. Review risk management policies and procedures of the Corporation (i.e., hedging, litigation and insurance).
4. Process Improvement
  - a. Review with external auditors their assessment of internal controls, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review annually with the external auditors their plan for their audit, and upon completion of the audit, their reports upon the financial statements.
5. Ethical and Legal Compliance
  - a. Ensure that management has the proper review system in place to ensure that the Corporation's financial statements, reports and other financial information disseminated to regulatory organizations and the public satisfy legal requirements.
  - b. Conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain, and to set and pay compensation for any independent counsel and other professionals to assist in the conduct of any investigation, subject to the Board approving any expenditure in excess of \$10,000 in this regard.
  - c. Perform any other activities consistent with this Charter, the Corporation's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

### **Composition of the Audit Committee**

The Audit Committee consists of three members, Eugene Hodgson, Brian Hearst and Ryan Kalt.

Eugene Hodgson and Brian Hearst are considered to be independent directors.

All members are considered to be financially literate.

### **Relevant Education and Experience**

Ryan Kalt has over 20 years of senior company management experience, including extensive financial statement proficiency. He holds a Bachelor of Commerce (Hons.), a Bachelor of Laws (LL.B.), a Master of Laws (LL.M.) and a Master of Business Administration (M.B.A.) and has served as a director and audit committee member of numerous publicly-traded companies.

Brian Hearst is a Chartered Accountant (CA) with over 30 years of experience in the oil and gas industry, including 15 years as Chief Financial Officer of junior public companies, with both international and domestic operations.

Eugene Hodgson has over 30 years of public and private sector experience.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has it relied on any exemption under Part 8 of National Instrument 52-110.

## Pre-Approval Policies and Procedure

The Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

## External Auditor Service Fees

In the following table, “audit fees” are fees billed by Dixie’s external auditor for services provided in auditing Dixie’s annual financial statements for the subject year. “Audit-Related Fees” are fees not included in audit fees that are billed by the Auditor for assurance and related services that are reasonably related to the performance of the audit review of Dixie’s financial statements. “Tax Fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All Other Fees” are fees billed by the Auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Auditor in the last two fiscal years, by category, are as set out in the table below.

<b>Financial Year Ended December 31</b>	<b>Audit Fees (\$)<sup>(1)</sup></b>	<b>Audit-Related Fees (\$)<sup>(2)</sup></b>	<b>Tax Fees (\$)<sup>(3)</sup></b>	<b>All Other Fees (\$)<sup>(4)</sup></b>
2020	15,000	Nil	Nil	Nil
2019	17,000	Nil	Nil	Nil

Notes:

- (1) “Audit fees” include aggregate fees billed by the Corporation’s external auditor in each of the last two fiscal years for audit fees.
- (2) “Audited related fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Corporation’s external auditor that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not reported under “Audit fees” above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax fees” include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Corporation’s external auditor for tax compliance, tax advice and tax planning.
- (4) “All other fees” include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Corporation’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

## Venture Issuer Exemption

The Corporation, as a “venture issuer”, is relying upon section 6.1 of National Instrument 52-110 exempting it from certain requirements relating to the composition of the audit committee requirements and reporting obligations.

## CORPORATE GOVERNANCE

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

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices (“**NI 58-101**”) which came into effect for financial years ending on or after June 30, 2005, the Corporation is required to disclose its corporate governance practices in compliance with NI 58-101, as summarized below.

## Board of Directors

The Board facilitates its exercising of independent supervision over management through meetings of the Board and both directly and indirectly through its committees.

Eugene Hodgson and Brian Hearst are “independent” directors in that they are independent and free from any interest, and any business or other relationship which could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Corporation, other than interests and relationships arising from shareholdings.

Ryan Kalt also serves as management and is therefore not considered to be “independent” within the prescribed definition.

## Nomination of Directors

The Board determines new nominees to the Board, although no formal process has been adopted.

The Corporation’s Articles include a provision requiring advance notice of the nomination of persons to act as directors of the Corporation. Under this provision, subject only to the *Business Corporations Act* (British Columbia), nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act* (British Columbia) or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act* (British Columbia) or (c) by any person (a “**Nominating Shareholder**”) (i) who, at the close of business on the date of the giving of the notice of nomination and on the record date for notice of such meeting, is entered in the central securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set out in the advance notice provision, including without limitation that such notice must be provided to the Corporation (A) in the case of an annual meeting of shareholders, not more than 65 days and not less than 30 days prior to the date of the annual meeting of shareholders (provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made (the “**Notice Date**”), notice by the Nominating Shareholder may be made not later than the close of business on the 10th business day following the Notice Date); and (B) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th business day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

## Directorships

Certain of the directors are presently directors in one or more other reporting issuers, as follows:

Directors	Other Issuer(s)
Ryan Kalt	Red Lake Gold Inc. Alma Gold Inc. 79 Resources Ltd.
Brian Hearst	Red Lake Gold Inc. Jade Capital Corp. Alma Gold Inc. MENA Hydrocarbons Inc.
Eugene Hodgson	Efficacious Elk Capital Corp.

	<p>St. Anthony Gold Corp.</p> <p>Fabled Copper Corp.</p> <p>Red Lake Gold Inc.</p> <p>Alma Gold Inc.</p> <p>Genesis Acquisition Corp.</p> <p>Spartan Acquisition Corp.</p> <p>Rover Metals Corp.</p> <p>ESC Global Impact Capital Inc.</p>
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### **Compensation**

The Corporation has a Corporate Governance and Compensation Committee (the “CGCC”) with a mandate including determination of (i) remuneration to directors and officers, (ii) allocation of incentive stock options, and (iii) monitor over-all Board activities to ensure compliance with NI 58-101. The CGCC members are Eugene Hodgson, Brian Hearst and Ryan Kalt. See “Particulars of Matters to be Acted Upon - Election of Directors”.

### **Orientation and Continuing Education**

Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Corporation’s business will be necessary and relevant to each new director. The Corporation provides continuing education to its directors as such need arises and encourages open discussion at all meetings which format encourages learning by the directors.

### **Ethical Business Conduct**

The Corporation endeavours to select only people of the highest personal moral stature and expects them to follow a high ethical standard when exercising their authority or discretion in all of the Corporation’s business dealings.

### **Other Board Committees**

To help facilitate the daily management of the Corporation, the Corporation also has an Operations Committee (the “OC”) consisting of Brian Hearst and Ryan Kalt. The OC is responsible for approving and authorizing mineral property interest acquisitions exceeding \$500,000 in payment obligations and dispositions of non-material assets.

### **Assessments**

The Corporation has contemplated a plan for the annual review of the performance of every director and officer, however to date no formal plan or procedure has been adopted.

## **APPROVAL AND CERTIFICATION**

The contents and the sending of the Notice of Meeting and this Information Circular have been approved by the Board of Directors of the Corporation.

**DATED** this 29<sup>th</sup> day of November, 2021.

**ON BEHALF OF THE BOARD OF DIRECTORS  
OF DIXIE GOLD INC.**

*“Ryan Kalt”*

\_\_\_\_\_  
**Ryan Kalt**  
Chairman & Chief Executive Officer

**SCHEDULE A**

**REPORTING PACKAGE**

**August 27, 2021 CHANGE OF AUDITOR**

**DIXIE GOLD INC.  
NOTICE OF CHANGE OF AUDITOR**

**TO:** Crowe MacKay LLP, Chartered Professional Accountants

**AND TO:** A Chan & Company LLP, Chartered Professional Accountants

**TAKE NOTICE THAT:**

- (a) Crowe MacKay LLP, Chartered Professional Accountants the former auditors (the "Former Auditors") of Dixie Gold Inc. (the "Corporation") have been requested to tender their resignation as the auditors of the Corporation effective August 20, 2021 and the directors of the Corporation on August 20, 2021 appointed A Chan & Company LLP, Chartered Professional Accountants (the "Successor"), as the Corporation's successor auditors;
- (b) the Former Auditors were requested to resign by the Corporation;
- (c) the resignation of the Former Auditors and the appointment of the Successor has been approved by the audit committee and confirmed by the board of directors of the Corporation;
- (d) there have been no reservations contained in the Former Auditor's reports on any of the previous financial statements of the Corporation; and
- (e) there are no reportable events (as defined in National Instrument 51-102).

**DATED** at Vancouver, British Columbia, Canada this 20<sup>th</sup> day of August, 2021.

**BY ORDER OF THE BOARD**

*/s/ Ryan Kalt*

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Ryan Kalt  
Chief Executive Officer



**Crowe MacKay LLP**

1100 - 1177 West Hastings St.  
Vancouver, BC V6E 4T5

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August 27, 2021

British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Securities Commission

Dear Sirs:

**Re: Dixie Gold Inc. - Notice of Change of Auditor**

As required by National Instrument 51-102, we confirm that we have reviewed the information contained in the Notice of Change of Auditor ("the Notice") issued on August 20, 2021 by Dixie Gold Inc. ("the Corporation") and, based on our knowledge of such information at this time, we agree with the information contained in the Notice.

We understand that a copy of the Notice and this letter will be provided to the shareholders of the Corporation.

Yours very truly,

"Crowe MacKay LLP"

Crowe MacKay LLP  
Chartered Professional Accountants

UNIT 114B – 8988 FRASERTON COURT  
BURNABY, BC V5J 5H8

T: 604.239.0868  
F: 604.239.0866



A CHAN AND COMPANY LLP  
CHARTERED PROFESSIONAL ACCOUNTANT

August 25, 2021

British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Securities Commission

Dear Sirs/Mesdames:

**RE: Dixie Gold Inc. (the “Company”)  
Change of Auditors**

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As required by Section 4.11 of National Instrument 51-102, we have reviewed the information contained in the Notice of Change of Auditor dated August 20, 2021 (the “**Notice**”) for the above company and have the following comments:

With exception to the paragraph (a) of the Notice, with which we agree, we have no basis on which to agree or disagree with the statements made in paragraphs (b), (c), (d) and (e) of the Notice.

We understand that the Notice of Change of Auditor, together with this letter and a similar letter from Crowe MacKay LLP, Chartered Professional Accountants, the resigning auditors, will be provided to the Company’s registered shareholders with the meeting materials relating to the Company’s next annual general meeting of shareholders.

Yours truly,

**A CHAN & COMPANY LLP, CHARTERED PROFESIONAL ACCOUNTANT**

Per:

/s/ “Anthony Chan”,