

**ESKAY MINING CORP.  
82 RICHMOND STREET EAST  
TORONTO, ONTARIO  
M5C 1P1**

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

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting of Shareholders (the “**Meeting**”) of Eskay Mining Corp. (“**Eskay Mining**” or the “**Corporation**”) will be held at the offices of **Gardiner Roberts LLP, The Islands Boardroom, Suite 3600, 22 Adelaide Street West, Toronto, Ontario M5H 4E3 at the hour of 2:00 o'clock in the afternoon (Toronto time), on Tuesday, the 20<sup>th</sup> day of September, 2022** for the following purposes:

- (1) to elect the directors as nominated by Management;
- (2) to appoint McGovern Hurley LLP as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
- (3) to ratify the Corporation’s 2016 Stock Option Plan; and
- (4) to transact such further and other business as may properly come before the said Meeting or any adjournment of adjournments thereof.

A copy of the Management Information Circular (the “**Circular**”), the audited financial statements of the Corporation for the fiscal years ended February 28, 2022 and February 28, 2021 (the “**Annual Financial Statements**”) and the Corporation’s management’s discussion and analysis for the fiscal years ended February 28, 2022 and February 28, 2021 (the “**Annual MD&A**”) accompany this Notice of Meeting.

**Shareholders entitled to vote who do not expect to be present at the Meeting are urged to date, sign and return the form of Proxy or voting instruction form delivered to them with the Notice-and-Access Notification (defined below).**

**COVID-19 SAFETY PROTOCOLS**

The Corporation will be following stringent safety protocols for the Meeting as a result of the coronavirus pandemic (“**COVID-19**”). Registered shareholders and properly appointed proxy holders who wish to attend the Meeting in person will be required to wear masks and maintain appropriate social distancing at all times. The capacity of the Corporation’s offices is limited and those choosing to attend in person will be accommodated on a “first-come first-served” basis. No one other than registered shareholders and properly appointed proxy holders will be allowed to attend the Meeting in person to ensure adequate space is available for those registered shareholders and properly appointed proxy holders who wish to attend the Meeting. **All shareholders are strongly urged to send in their proxies in advance of the Meeting as set out in the Circular and as set out in the proxy or voting instruction form mailed to registered shareholders and Non-Objecting Beneficial Owners (“NOBO”) to ensure that their votes are counted at the Meeting.** The lockdown resulting from the outbreak of COVID-19 has created unprecedented disruptions in the global economy and required the Corporation to take all necessary precautions to ensure the health and safety of its officers, directors, employees and shareholders. The Corporation needs to continue to take appropriate precautions while proceeding with the Meeting. In order to provide some accommodation to those shareholders unable or unwilling to attend in person, the Corporation has set up a conference call number for shareholders and guests to phone in and listen to the Meeting (the “**Conference Call**”), the particulars of which are set out below. The Scrutineer representing the Corporation’s transfer agent, Computershare Investor Services Inc., will be scrutineering the Meeting remotely and will be attending the Meeting via the Conference Call. Following the completion of the formal part of the Meeting, the President and CEO of the Corporation, Mac Balkam, will make a presentation to the Meeting. Those shareholders and guests participating in the Conference Call will be able to ask questions of Mac Balkam. **Participation in the Conference Call will not constitute attendance at the Meeting and voting will not be permitted by telephone.** The Meeting has not been set up as a “virtual meeting”. The Corporation is providing the Conference Call as a means for those participating in

the Conference Call to ask questions of and receive responses from Mac Balkam relating to the business of the Corporation.

Shareholders and guests may participate in the Conference Call by joining the Meeting from a PC, Mac, iPad, iPhone or Android device by clicking or entering the following URL into your web browser:

<https://us06web.zoom.us/j/86066942047?pwd=VHV6VTNnd1BuaXpEVzhqNGtaNXhsQT09>

Meeting ID: 860 6694 2047

Passcode: 673812

One tap mobile

+17789072071,,86066942047#,,,,\*673812# Canada

+17806660144,,86066942047#,,,,\*673812# Canada

Dial by your location

+1 778 907 2071 Canada

+1 780 666 0144 Canada

+1 204 272 7920 Canada

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

+1 346 248 7799 US (Houston)

+1 386 347 5053 US

+1 564 217 2000 US

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 669 444 9171 US

+1 720 707 2699 US (Denver)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 860 6694 2047

Passcode: 673812

Find your local number: <https://us06web.zoom.us/j/kek2FzRziA>

## NOTICE-AND-ACCESS

Notice is also hereby given that Eskay Mining has decided to use the notice-and-access method of delivery of meeting materials for the 2022 Annual General and Special Meeting of Shareholders. The notice-and-access method of delivery of meeting materials allows the Corporation to deliver the meeting materials over the internet in accordance with the notice-and-access rules adopted by the Ontario Securities Commission under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Under the notice-and-access system, shareholders still receive a proxy or voting instruction form (as applicable) enabling them to vote at the Meeting. However, instead of a paper copy of the Circular, the Annual Financial Statements and Annual MD&A and other meeting materials (collectively the “**Meeting Materials**”), shareholders receive a notification (the “**Notice-and-Access Notification**”) with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing materials to shareholders. **Shareholders are reminded to view the Meeting Materials prior to voting.**

### Websites Where Meeting Materials Are Posted:

Meeting Materials can be viewed online under the Corporation’s profile at [www.sedar.com](http://www.sedar.com) or on the Corporation’s website at <http://eskaymining.com>.

### How to Obtain Paper Copies of the Meeting Materials

Registered holders or non-registered holders may request that paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the Corporation's website.

In order to receive a paper copy of the Meeting Materials, registered holders can call Computershare Investor Services Inc. toll free at 1-866-962-0498 in North America or 514-982-8716 outside of North America on or before the day of the Meeting, or any adjournment thereof, or thereafter contact the Corporation at 416-907-6151 or by email at info@eskaymining.com. Non-registered holders can call Broadridge Investor Communications Solutions, Canada toll free at 1-877-907-7643 on or before the day of the Meeting, or any adjournment thereof, or thereafter contact the Corporation at 416-907-6151 or by email at info@eskaymining.com.

**Requests should be received by 2:00 p.m. (Toronto time) on Thursday, September 8, 2022 in order to receive the Meeting Materials in advance of the Meeting.** If you have questions concerning Notice-and-Access, please call Computershare Investor Services Inc. toll free at 1-866-964-0492.

### **RECORD DATE AND PROXY DELIVERY DATE**

The Board of Directors of the Corporation has, by resolution, fixed the close of business on August 8, 2022 as the Record Date, being the date for determination of the registered holders of Common Shares entitled to receive notice of, and to vote at, the Meeting or any adjournment thereof.

The Board of Directors of the Corporation has, by resolution, fixed the hour of 2:00 p.m. in the afternoon (Toronto time) on Friday, September 16, 2022, being not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the day of the Meeting, or any adjournment thereof, as the time before which the instrument of proxy to be used at the Meeting must be deposited with the Transfer Agent of the Corporation, Computershare Investor Services Inc., 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, provided that a proxy may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time for voting to revoke a proxy previously delivered in accordance with the foregoing.

**Shareholders entitled to vote who do not expect to be present at the Meeting are urged to date, sign and return the form of proxy or voting instruction form delivered to them with the Notice-and-Access Notification.**

**DATED** the 8<sup>th</sup> day of August 2022.

**BY ORDER OF THE  
BOARD OF DIRECTORS**

*"Hugh M. (Mac) Balkam"*  
**HUGH M. (MAC) BALKAM**  
President and CEO

**ESKAY MINING CORP.  
82 RICHMOND STREET EAST  
TORONTO, ONTARIO  
M5C 1P1**

**INFORMATION CIRCULAR  
MANAGEMENT SOLICITATION**

**SOLICITATION OF PROXIES**

This Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management (the “Management”) of Eskay Mining Corp. (the “Corporation”) for use at the Annual General and Special Meeting of Shareholders (the “Meeting”) to be held at the offices of Gardiner Roberts LLP, The Islands Boardroom, Suite 3600, 22 Adelaide Street West, Toronto, Ontario M5H 4E3 at the hour of 2:00 o'clock in the afternoon (Toronto time), on Tuesday, the 20<sup>th</sup> day of September 2022, for the purposes set out in the accompanying Notice of Meeting. The cost of solicitation will be borne by the Corporation.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally by the Directors and/or officers of the Corporation at nominal cost. Arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares (“Common Shares”) held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

**COVID-19 SAFETY PROTOCOLS**

The Corporation will be following stringent safety protocols for the Meeting as a result of the coronavirus pandemic (“COVID-19”). Registered shareholders and properly appointed proxy holders who wish to attend the Meeting in person will be required to wear masks and maintain appropriate social distancing at all times. The capacity of the Corporation’s offices is limited and those choosing to attend in person will be accommodated on a “first-come first-served” basis. No one other than registered shareholders and properly appointed proxy holders will be allowed to attend the Meeting in person to ensure adequate space is available for those registered shareholders and properly appointed proxy holders who wish to attend the Meeting. **All shareholders are strongly urged to send in their proxies in advance of the Meeting as set out in the Circular below and as set out in the proxy or voting instruction form mailed to registered shareholders and Non-Objecting Beneficial Owners (“NOBO”) to ensure that their votes are counted at the Meeting.** The lockdown resulting from the outbreak of COVID-19 has created unprecedented disruptions in the global economy and required the Corporation to take all necessary precautions to ensure the health and safety of its officers, directors, employees and shareholders. The Corporation needs to continue to take appropriate precautions while proceeding with the Meeting. In order to provide some accommodation to those shareholders unable or unwilling to attend in person, the Corporation has set up a conference call number for shareholders and guests to phone in and listen to the Meeting (the “Conference Call”), the particulars of which are set out below. The Scrutineer representing the Corporation’s transfer agent, Computershare Investor Services Inc., will be scrutineering the Meeting remotely and will be attending the Meeting via the Conference Call. Following the completion of the formal part of the Meeting, the President and CEO of the Corporation, Mac Balkam, will make a presentation to the Meeting. Those shareholders and guests participating in the Conference Call will be able to ask questions of Mac Balkam. **Participation in the Conference Call will not constitute attendance at the Meeting and voting will not be permitted by telephone.** The Meeting has not been set up as a “virtual meeting”. The Corporation is providing the Conference Call as a means for those participating in the Conference Call to ask questions of and receive responses from Mac Balkam relating to the business of the Corporation.

Shareholders and guests may participate in the Conference Call by joining the Meeting from a PC, Mac, iPad, iPhone or Android device by clicking or entering the following URL into your web browser:

<https://us06web.zoom.us/j/86066942047?pwd=VHV6VTNnd1BuaXpEVzhqNGtaNXhsQT09>

Meeting ID: 860 6694 2047

Passcode: 673812

One tap mobile

+17789072071,,86066942047#,,,,\*673812# Canada

+17806660144,,86066942047#,,,,\*673812# Canada

Dial by your location

+1 778 907 2071 Canada

+1 780 666 0144 Canada

+1 204 272 7920 Canada

+1 438 809 7799 Canada

+1 587 328 1099 Canada

+1 647 374 4685 Canada

+1 647 558 0588 Canada

+1 346 248 7799 US (Houston)

+1 386 347 5053 US

+1 564 217 2000 US

+1 646 558 8656 US (New York)

+1 646 931 3860 US

+1 669 444 9171 US

+1 720 707 2699 US (Denver)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 860 6694 2047

Passcode: 673812

Find your local number: <https://us06web.zoom.us/j/kek2FzRziA>

## NOTICE-AND-ACCESS

The Corporation has elected to use the “notice-and-access” process under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 *Continuous Disclosure Obligations*, for distribution of this Circular and other meeting materials to registered Shareholders of the Corporation and non-registered Shareholders of the Corporation as set out in the “Advice to Non-Registered Shareholders” section below.

Notice-and-access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR and one other website, rather than mailing paper copies of such meeting materials to Shareholders. Notice-and-access may be used by issuers in respect of meetings that occur on or after March 1, 2013. The Corporation anticipates that utilizing the notice-and-access process will substantially reduce both postage and printing costs.

The Corporation has posted the Circular, the Corporation’s audited financial statements for the years ended February 28, 2022 and February 28, 2021 (the “**Annual Financial Statements**”) and the Corporation’s management discussion and analysis for the years ended February 28, 2022 and February 28, 2021 (the “**Annual MD&A**”) on the website, <http://eskaymining.com>.

Although the Circular, Annual Financial Statements and Annual MD&A (collectively, the “**Meeting Materials**”) will be posted electronically online, as noted above, the registered and non-registered Shareholders (subject to the provisions set out below under the heading “Advice to Non-Registered Shareholders”) (collectively the “**Notice-and-Access Shareholders**”) will receive a “notice package” (the “**Notice-and-Access Notification**”), by prepaid mail, which includes the information prescribed by NI 54-101, and a proxy form or voting instruction form from their respective intermediaries. Notice-and-Access Shareholders should follow the instructions for completion and delivery contained in the proxy or voting instruction form. Notice-and-Access Shareholders are reminded to review the Circular before voting.

Notice-and-Access Shareholders who are registered shareholders will not receive a paper copy of the Meeting Materials unless they contact Computershare Investor Services Inc. in which case Computershare Investor Services Inc. will mail the requested materials within three business days of any request provided the request is made prior to the Meeting. Notice-and-Access Shareholders who are registered shareholders can request a copy of the Meeting Materials **without charge** by contacting Computershare Investor Services Inc. at 1-866-962-0498 within North America or at 514-982-8716 outside of North America up to the date of the Meeting, or any adjournment thereof, or thereafter by contacting the Corporation at 416-907-6151 or by email at [info@eskaymining.com](mailto:info@eskaymining.com). Requests for paper copies of the Meeting Materials must be received at least six (6) business days in advance of the proxy deposit date and time set out below, being 2:00 p.m. on, Thursday, September 8, 2022, in order to receive the Meeting Materials in advance of the proxy deposit date and Meeting. Notice-and-Access Shareholders with questions about notice-and-access may contact Computershare Investor Services Inc. at 1-866-964-0492 up to the date of the Meeting, or any adjournment thereof, and thereafter may contact the Corporation at 416-907-6151 or by email at [info@eskaymining.com](mailto:info@eskaymining.com). Notice-and-Access Shareholders who are non-registered shareholders should refer to the heading “Advice to Non-Registered Shareholders” below.

#### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the form of proxy or voting instruction form are officers or Directors of the Corporation (the “**Management Designees**”). **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** by inserting such other person’s name in the blank space provided in the form of proxy and depositing the completed proxy with the Transfer Agent of the Corporation, **Computershare Investor Services Inc., 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1**. A proxy can be executed by the Shareholder or his attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, the proxy may be revoked before it is exercised by instrument in writing executed and delivered in the same manner as the proxy at any time up to and including the second last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting and upon either such occurrence, the proxy is revoked.

Please note that Shareholders who receive their Notice-and-Access Notification from Broadridge Investor Communication Solutions, Canada (“**Broadridge**”) or an Intermediary (as defined in the “Advice to Non-Registered Shareholders” section below) must return the proxy forms, once voted, to Broadridge or their Intermediary, as applicable, for the proxy to be dealt with.

## DEPOSIT OF PROXY

By resolution of the Directors duly passed, **ALL PROXIES TO BE USED AT THE MEETING MUST BE DEPOSITED BY 2:00 P.M. (TORONTO TIME) ON FRIDAY, SEPTEMBER 16, 2022, BEING NOT LESS THAN 48 HOURS EXCLUDING SATURDAYS, SUNDAYS AND STATUTORY HOLIDAYS PRECEDING THE DATE OF THE MEETING, OR ANY ADJOURNMENT THEREOF, WITH THE CORPORATION'S AGENT, COMPUTERSHARE INVESTOR SERVICES INC.**, provided that a proxy may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time for voting to revoke a proxy previously delivered in accordance with the foregoing.

## ADVICE TO NON-REGISTERED SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares owned by a person are registered either (a) in the name of an intermediary (an **"Intermediary"**) that the non-registered holder (a **"Non-Registered Holder"**) deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (**"CDS"**)) of which the Intermediary is a participant.

The Corporation has decided to use Notice-and-Access in accordance with the requirement of NI 54-101 to deliver the Meeting Materials to Shareholders by posting the Meeting Materials on its website <http://eskaymining.com>. The Meeting Materials will be available on the Corporation's website on or before **August 18, 2022**, and will remain on the website for a full year thereafter. The Meeting Materials will also be available on the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Corporation will only be mailing the Notice-and-Access Notification to Non-Registered Holders as set out below.

Non-Registered Holders fall into two categories – those who object to their identity being made known to the issuers of securities which they own (**"Objecting Beneficial Owners"** or **"OBOs"**) and those who do not object to their identity being made known to the issuers of the securities they own (**"Non-Objecting Beneficial Owners"** or **"NOBOs"**). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries via their transfer agent. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly to such NOBOs.

If you are a Non-Objecting Beneficial Owner and the Corporation or its agent has sent the Notice-and-Access Notification directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you, and (ii) executing your proper voting instructions as specified in the request for voting instructions.

The Corporation's decision to deliver proxy-related materials directly to its NOBOs will result in all NOBOs receiving a Voting Instruction Form (**"VIF"**) from Broadridge. Please complete and return the VIF to Broadridge in the envelope provided or by facsimile. In addition, instructions in respect of the procedure for internet voting can be found in the VIF. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs received by Broadridge. For purposes of the Meeting, NOBOs who deliver VIFs in accordance with the instructions on the VIF will be otherwise treated the same as registered Shareholders.

*Non-Registered Shareholders who are NOBOs may make their request for paper copies of the Meeting Materials without charge by calling Broadridge Investor Communication Solutions, Canada's toll free number at 1-877-907-7643 on or before the day of the Meeting, or any adjournment thereof, or thereafter contact the Corporation at 416-907-6151 or by email at [info@eskaymining.com](mailto:info@eskaymining.com).*

**Requests for paper copies of the Meeting Materials must be received at least six (6) business days in advance of the proxy deposit date and time set out above, being 2:00 p.m. on Thursday, September 8, 2022, in order to receive the Meeting Materials in advance of the proxy deposit date and Meeting.**

OBOs may expect to receive their materials related to the Meeting from Broadridge or other Intermediaries. If a reporting issuer does not intend to pay for an Intermediary to deliver materials to OBOs, OBOs will not receive the materials unless their Intermediary assumes the cost of delivery. The Corporation does not intend to pay for Intermediaries to deliver the proxy-related materials to OBOs.

Intermediaries are required to forward the Notice-and-Access Notification to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies such as Broadridge to forward the Notice-and-Access Notification to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Notice-and-Access Notification will either:

- a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the Non-Registered Holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or
- b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**Voting Instruction Form**”) which the Intermediary must follow. Typically the Non-Registered Holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the Non-Registered Holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In any case, the purpose of this procedure is to permit Non-Registered Holders including NOBOs to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives a form of proxy, VIF or Voting Instruction Form wish to vote at the Meeting in person, the Non-Registered Holder should strike out the persons named in such form of proxy and insert the Non-Registered Holder’s name in the blank space provided. Non-Registered Holders should carefully follow the instructions on the VIF or the instructions received from their Intermediary including those regarding when and where the form of proxy, VIF or Voting Instruction Form is to be delivered.

All references to Shareholders in this Circular, the accompanying Notice of Meeting and any proxy or voting instruction form sent to Shareholders with the Notice-and-Access Notification are to Shareholders of record unless specifically stated otherwise.

#### **EXERCISE OF DISCRETION BY PROXIES**

The persons named in the form of proxy or voting instruction form for use at the Meeting will vote the Common Shares in respect of which they are appointed in accordance with the directions of the shareholders appointing them.

**IN THE ABSENCE OF SUCH DIRECTIONS, SUCH SHARES SHALL BE VOTED "FOR":**

- (a) election of the Board of Directors as nominated by Management;
- (b) appointment of McGovern Hurley LLP as auditors of the Corporation for the ensuing year and authorizing the directors to fix their remuneration;
- (c) ratification of the 2016 Stock Option Plan; and
- (d) to transact such further and other business as may properly come before the said Meeting or any adjournment or adjournments thereof.

**ALL AS MORE PARTICULARLY DESCRIBED IN THIS CIRCULAR.**

The form of proxy or voting instruction form confers discretionary authority upon the persons named therein with respect to any amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. **HOWEVER, IF ANY SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS WHICH ARE NOT NOW KNOWN TO THE MANAGEMENT DESIGNEES SHOULD PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXIES HEREBY SOLICITED WILL BE VOTED THEREON IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING SUCH PROXIES.**

**EFFECTIVE DATE**

The effective date of this Circular is August 8, 2022.

**VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital of the Corporation presently consists of an unlimited number of Common Shares of which 176,502,723 Common Shares are currently outstanding as fully paid and non-assessable Common Shares.

Each shareholder of record will be entitled to one (1) vote for each Common Share held at the Meeting.

Holders of record of the Common Shares of the Corporation on August 8, 2022 (the "**Record Date**") will be entitled either to attend and vote at the Meeting in person shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation as described herein, to attend and vote thereat by proxy the shares held by them. However, if a holder of Common Shares of the Corporation has transferred any shares after the Record Date and the transferee of such shares establishes ownership thereof and makes a written demand, not later than 10 days before the Meeting, to be included in the list of shareholders entitle to vote at the Meeting, the transferee will be entitled to vote such shares.

To the knowledge of the directors and executive officers of the Corporation, there are no parties who beneficially own, directly or indirectly, or exercise control or direction over 10% or more of any class of outstanding voting securities of the Corporation.

**INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

None of the directors or executive officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors and the appointment of officers except as disclosed herein.

## REQUIRED ANNUAL DISCLOSURE CONCERNING THE CORPORATION

### EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6 for Venture Issuers (the “**Form**”), as such term is defined in National Instrument 51-102.

#### Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information about the Corporation’s executive compensation objectives and processes and discusses compensation decisions relating to its named executive officers (“**Named Executive Officers**”) listed in the Summary Compensation Table that follows. During its fiscal years ended February 28, 2022 and February 28, 2021, the following individuals were Named Executive Officers (as determined by applicable securities legislation) of the Corporation:

- Hugh M. (Mac) Balkam, President and Chief Executive Officer;
- Carmelo Marrelli, Chief Financial Officer;
- John DeDecker, Vice-President Exploration (from March 1, 2021).

The Corporation does not employ or retain any other individuals who would qualify as a “Named Executive Officer” because no executive officer or employee of the Corporation received total compensation (including without limitation salary and bonus) in excess of \$150,000.

#### Compensation Objectives and Principles

The Corporation is a mineral exploration company with property interests located in British Columbia. The Corporation has no revenues from operations and often operates with limited financial resources. As a result, to ensure that funds are available to complete scheduled programs, the Compensation Committee has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial condition of the Corporation in the future.

Since the preservation of cash is an important goal of the Corporation, an important element of the compensation awarded to the Named Executive Officers is the granting of stock options, which do not require cash disbursement by the Corporation. The granting of stock options also helps to align the interests of the Named Executive Officers with the interests of the Corporation. The other two elements of the compensation the Corporation awards to its Named Executive Officers are: (i) base cash consulting fees; and (ii) in applicable circumstances, cash bonus payments for achievement of stated milestones or benchmarks. The Corporation does not provide its Named Executive Officers with perquisites or personal benefits that are not otherwise available to all of our employees.

#### Compensation Processes and Goals

The deliberations of the Compensation Committee are conducted in a special session from which management is absent. These deliberations are intended to advance the key objectives of the compensation program for the Corporation’s Named Executive Officers. At the request of the Compensation Committee, the Named Executive Officers may, from time to time, provide advice to the Compensation Committee with respect to the compensation program for the Corporation’s Named Executive Officers. The Committee makes recommendations regarding the compensation to be awarded to the Named Executive Officers to the full Board of Directors (either on its own volition or based upon the advice it receives from the Named Executive Officers).

The Corporation relies on its Compensation Committee and its Board of Directors, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its Named Executive Officers. The Board of Directors is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the Named Executive Officers of the Corporation, and to others, including, without limitation, to the Corporation’s directors, and for reviewing the Compensation Committee’s

recommendations regarding the compensation to be awarded to any other officers of the Corporation from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each such officer's position. The Board of Directors incorporates the following goals when it makes its compensation decisions with respect to the Corporation's Named Executive Officers: (i) the recruiting and retaining of executives who are critical both to the success of the Corporation and to the enhancement of shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of management with the interests of the Corporation's Shareholders; (iv) the rewarding of performance, both on an individual basis and with respect to the operations of the Corporation as a whole; and (v) the preservation of available financial resources.

### **The Implementation of the Corporation's Compensation Policies**

During the years ended February 28, 2022 and February 28, 2021, the Corporation was contractually obligated to pay the Chief Executive Officer a salary of \$36,000 per annum directly with a further consulting fee of \$108,000 per annum payable to a company controlled by the Chief Executive Officer which compensation was increased to \$184,000 per annum effective July 1, 2021. These amounts were agreed upon between the Chief Executive Officer and the Corporation taking into account the following consideration:

#### *Salary and Consulting Fees*

- the Chief Executive Officer's familiarity with and involvement in the resource sector.

The payment of salary and consulting fees was not dependent on the Chief Executive Officer's fulfillment of any specific performance goals or similar criteria.

During the years ended February 28, 2022 and February 28, 2021, the Corporation paid a company controlled by Carmelo Marrelli, Chief Financial Officer, a consulting fee of \$52,529 and \$58,735 respectively pursuant to a consulting agreement with that company to pay \$3,750 per month for the services of Mr. Marrelli. These amounts were agreed upon between Mr. Marrelli and the Corporation taking into account the following consideration:

- the Chief Financial Officer's experience as a Certified Public Accountant during which time he supervised finance, accounting and operations departments.

The payment of these consulting fees was not dependent on the Chief Financial Officer's fulfillment of any specific performance goals or similar criteria.

#### *Stock Options*

The granting of options to the Named Executive Officers under the Corporation's Stock Option Plan provides an appropriate long-term incentive to management to create shareholder value. The number of options the Corporation grants to each Named Executive Officer reasonably reflects the Named Executive Officer's specific contribution to the Corporation in the execution of such person's responsibilities. However, the number of options granted does not depend upon nor does it reflect the fulfillment of any specific performance goals or similar conditions. Previous grants of options to Named Executive Officers are taken into consideration by the Compensation Committee in developing its recommendations with respect to the granting of new options. The Named Executive Officers were not granted options during the year ended February 28, 2022. The Named Executive Officers were granted 1,050,000 options during the year ended February 28, 2021.

The granting of options to the other directors of the Corporation under the Corporation's Stock Option Plan provides an appropriate long-term incentive to these directors to provide proper independent oversight to the Corporation with a view to maximizing shareholder value. The number of options the Corporation grants to each of these directors reasonably reflects each director's contributions to the Corporation in his capacity as a director and as a member of one or more committees of the Board (if applicable), including without limitation the Compensation Committee and the Audit Committee. Previous grants of options awarded to the independent directors of the Corporation are taken into consideration when the Corporation considers the granting of new options to the independent directors. The

Corporation's independent directors were not granted options during the year ended February 28, 2022. The Corporation's independent directors were granted 3,150,000 options during the year ended February 28, 2021.

The compensation of independent directors and the granting of options under the Corporation's Stock Option Plan, is determined by the full Board.

### Summary Compensation Table

The following table contains information about the compensation paid to, earned by and payable to, the Corporation's Chief Executive Officer, Hugh M. (Mac) Balkam, and the Chief Financial Officer, Carmelo Marrelli, for the years ending February 28, 2022, February 28, 2021 and February 29, 2020 and John DeDecker, Vice-President Exploration, for the year ended February 28, 2022. In accordance with the Form, the Corporation does not have any other "Named Executive Officers" given that no executive officer receives total salary and bonus in excess of \$150,000. Specific aspects of compensation payable to the Named Executive Officers of the Corporation are dealt with in further detail in subsequent tables.

Summary Compensation Table									
Name and Principal Position	Year	Salary (\$)	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			
Hugh M. (Mac) Balkam, President and C.E.O.	2022	212,667	Nil	Nil	Nil	Nil	Nil	Nil	212,667
	2021	144,000	Nil	1,911,095 <sup>(1)</sup>	Nil	Nil	Nil	Nil	2,055,095
	2020	144,000	Nil	211,350 <sup>(2)</sup>	Nil	Nil	Nil	Nil	355,350
Carmelo Marrelli, C.F.O.	2022	52,529	Nil	Nil	Nil	Nil	Nil	Nil	52,529
	2021	58,735	Nil	265,660 <sup>(1)</sup>	Nil	Nil	Nil	Nil	324,395
	2020	51,512	Nil	Nil	Nil	Nil	Nil	Nil	51,512
John DeDecker <sup>(3)</sup> VP Exploration	2022	199,614	Nil	Nil	Nil	Nil	Nil	Nil	199,614

Notes:

- (1) The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of Nil%; risk free interest rate of 0.38% - 0.48%; estimated life of 5 years and expected volatility of 140% to 146%.
- (2) The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of Nil%; risk free interest rate of 1.15% - 1.61%; estimated life of 5 years and expected volatility of 138% - 139%.
- (3) John DeDecker was appointed Vice-President Exploration effective January 6, 2021.

### Outstanding Share-Based and Option-Based Awards Granted to Named Executive Officers as of February 28, 2022

The following table summarizes all share-based and option-based awards granted by the Corporation to its Named Executive Officers which are outstanding as of February 28, 2022.

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 (\$)
Hugh M. (Mac) Balkam	700,000	3.00	February 5, 2026	Nil	Nil	Nil
	250,000	0.24	June 24, 2025	670,000	Nil	Nil
	700,000	0.135	December 9, 2024	1,949,500	Nil	Nil
	600,000	0.095	September 4, 2024	1,695,000	Nil	Nil
	1,000,000	0.08	March 6, 2024	2,840,000	Nil	Nil
	500,000	0.235	January 30, 2023	1,342,500	Nil	Nil
Carmelo Marrelli	100,000	3.00	February 5, 2026	Nil	Nil	Nil
	200,000	0.22	May 9, 2022	540,000	Nil	Nil
John DeDecker	250,000	3.00	February 5, 2026	Nil	Nil	Nil
	350,000	0.46	July 21, 2025	861,000	Nil	Nil
	150,000	0.135	December 9, 2024	417,750	Nil	Nil

Note:

<sup>(1)</sup> The value of the unexercised in-the-money options was calculated based on the difference between the closing price of the Common Shares underlying the options as at February 28, 2022, which was \$2.92, and the exercise price of the option.

### Outstanding Share-Based and Option-Based Awards Granted to Named Executive Officers as of February 28, 2021

The following table summarizes all share-based and option-based awards granted by the Corporation to its Named Executive Officers which are outstanding as of February 28, 2021

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 (\$)
Hugh M. (Mac) Balkam	700,000	3.00	February 5, 2026	Nil	Nil	Nil
	250,000	0.24	June 24, 2025	540,000	Nil	Nil
	700,000	0.135	December 9, 2024	1,585,500	Nil	Nil
	600,000	0.095	September 4, 2024	1,383,000	Nil	Nil
	1,000,000	0.08	March 6, 2024	2,320,000	Nil	Nil
	500,000	0.235	January 30, 2023	1,082,500	Nil	Nil
Carmelo Marrelli	100,000	3.00	February 5, 2026	Nil	Nil	Nil
	200,000	0.22	November 16, 2021	436,000	Nil	Nil

Note:

<sup>(1)</sup> The value of the unexercised in-the-money options was calculated based on the difference between the closing price of the Common Shares underlying the options as at February 26, 2021, which was \$2.40, and the exercise price of the option.

**Value Vested or Earned by Named Executive Officers During the Year Ended February 28, 2022 Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation**

The following table summarizes the value vested or earned during the year by Named Executive Officers in respect of option-based awards, share-based awards and non-equity incentive plan compensation during the year ended February 28, 2022.

Name	Option-Based Awards- Value Vested During the Year (\$) <sup>(1)</sup>	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)
Hugh M. (Mac) Balkam	Nil	Nil	Nil
Carmelo Marrelli	Nil	Nil	Nil

Note:

<sup>(1)</sup> Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

**Value Vested or Earned by Named Executive Officers During the Year Ended February 28, 2021 Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation**

The following table summarizes the value vested or earned during the year by Named Executive Officers in respect of option-based awards, share-based awards and non-equity incentive plan compensation during the year ended February 28, 2021.

Name	Option-Based Awards- Value Vested During the Year (\$) <sup>(1)</sup>	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)
Hugh M. (Mac) Balkam	Nil	Nil	Nil
Carmelo Marrelli	Nil	Nil	Nil

Note:

<sup>(1)</sup> Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

**Employment/Consulting Contracts**

On July 27, 2017, the Corporation entered into an employment contract with the Chief Executive Officer commencing March 1, 2017 pursuant to which the Chief Executive Officer continues to receive the sum of \$3,000 per month and the employment contract can be terminated on the payment of one year's annual compensation. However, the term of the severance payment in the event of a Change of Control, as defined below, was increased to four years' annual compensation from three years. Also effective July 27, 2017, the Corporation entered into a consulting agreement with a corporation controlled by the Chief Executive Officer, effective as of March 1, 2017, under which the sum of \$9,000 a month was payable. Pursuant to an agreement dated July 8, 2021, the consulting agreement was amended to increase monthly compensation to \$15,333 commencing July 1, 2021. The term of the consulting agreement was extended to February 28, 2023. The consulting agreement can be terminated on the payment of one year's annual compensation. The Chief Executive Officer is entitled to a payment of four years' annual compensation under the consulting agreement in the event of a Change of Control as defined below.

The Corporation has also entered into a consulting agreement with a corporation controlled by the Chief Financial Officer under which the sum of \$3,750 a month is paid. The contract can be terminated by the Corporation at any time on 30 days' notice.

**Termination and Change of Control Benefits**

In the event of a termination of the Chief Executive Officer within 12 months following a Change of Control, as defined below, Mr. Balkam is entitled to a payment equal to four years' annual compensation under his employment



**Compensation of Directors for the year ended February 28, 2021**

The following table contains information about the compensation awarded to, earned by, paid to or payable to, the Corporation's directors, other than its Named Executive Officers, the compensation of whom is detailed above under "Summary Compensation Table", for the fiscal year ended February 28, 2021.

<b>Director Compensation Table</b>								
<b>Name</b>	<b>Fees Earned (\$)</b>	<b>Share-Based Awards (\$)</b>	<b>Option-Based Awards (\$)</b>	<b>Non-Equity Incentive Plan Compensation (\$)</b>		<b>Pension Value (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
				<b>Annual Incentive Plans</b>	<b>Long-Term Incentive Plans</b>			
Robert Myhill	37,500	Nil	1,512,605 <sup>(1)</sup>	Nil	Nil	Nil	Nil	1,550,105
J. Gordon McMehen	15,000	Nil	664,150 <sup>(1)</sup>	Nil	Nil	Nil	Nil	679,150
Quinton Hennigh	12,740	Nil	2,759,550 <sup>(1)</sup>	Nil	Nil	Nil	Nil	2,759,550
Thomas Weis	23,600	Nil	368,610 <sup>(1)</sup>	Nil	Nil	Nil	Nil	392,210

Note:

- (1) The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of Nil%; risk free interest rate of 0.38% - 0.48%; estimated life of 5 years and expected volatility of 140% - 146%

Effective July 27, 2017, the Corporation entered into a directors change of control agreement with each of J. Gordon McMehen and Robert Myhill (the "**2 Independent Directors**"). In consideration for the eight years during which the directors have served in that capacity without compensation, in the event of a Change of Control, as defined below, or for the twelve months following a Change of Control, each of the 2 Independent Directors is entitled to a payment of \$120,000. Effective July 27, 2017, each of the 2 Independent Directors will be paid compensation in their capacity as directors of \$15,000 per year commencing August 1, 2017.

A Change of Control is defined as: (i) a change of more than half of the directors of the Corporation unless approved by a majority of the Board; (ii) the sale or disposition of all or substantially all of the Corporation's assets (or any transaction having similar effect) is consummated; (iii) any "person" (as such term is defined in Section 1 of the *Business Corporations Act* (Ontario) ("**OBCA**")) acquires the "beneficial ownership" (as defined in Section 1 of the OBCA), directly or indirectly, of the securities of the Corporation representing more than thirty percent (30%) of (a) the outstanding voting securities of the Corporation; or (b) the combined voting power of the Corporation's then-outstanding securities; or (iv) the Corporation is party to a merger or consolidation that results in the holders of voting securities of the Corporation outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than thirty percent (30%) of the combined voting power of the voting securities of the Corporation or such surviving entity outstanding immediately after such merger or consolidation; or (v) the dissolution or liquidation of the Corporation.

**Outstanding Share-Based and Option-Based Awards Granted to Directors (Other Than Directors Who are Named Executive Officers) as of February 28, 2022.**

The following table summarizes all share-based and option-based awards granted by the Corporation to its directors (other than directors who are Named Executive Officers whose share-based and option-based awards outstanding as of February 28, 2022 are detailed above) which are outstanding as of February 28, 2022.

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 (\$)
Robert Myhill	550,000	3.00	February 5, 2026	Nil	Nil	Nil
	250,000	0.24	June 24, 2025	670,000	Nil	Nil
	500,000	0.08	March 6, 2024	1,420,000	Nil	Nil
	500,000	0.235	January 30, 2023	1,342,500	Nil	Nil
J. Gordon McMehen	250,000	3.00	February 5, 2026	Nil	Nil	Nil
	500,000	0.095	September 4, 2024	1,412,500	Nil	Nil
	500,000	0.235	January 30, 2023	1,342,500	Nil	Nil
	1,400,000	0.22	May 9, 2022	3,780,000	Nil	Nil
Quinton Hennigh	1,000,000	3.00	February 5, 2026	Nil	Nil	Nil
	500,000	0.24	June 24, 2025	1,340,000	Nil	Nil
Thomas Weis	100,000	3.00	February 5, 2026	Nil	Nil	Nil
	500,000	0.24	June 24, 2025	1,340,000	Nil	Nil
	200,000	0.095	September 4, 2024	565,000	Nil	Nil

Note:

<sup>(1)</sup> The value of the unexercised in-the-money options was calculated based on the difference between the closing price of the Common Shares underlying the options as at February 28, 2022, which was \$2.92, and the exercise price of the option.

**Outstanding Share-Based and Option-Based Awards Granted to Directors (Other Than Directors Who are Named Executive Officers) as of February 28, 2021.**

The following table summarizes all share-based and option-based awards granted by the Corporation to its directors (other than directors who are Named Executive Officers whose share-based and option-based awards outstanding as of February 28, 2021 are detailed above) which are outstanding as of February 28, 2021.

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 (\$)
Robert Myhill	550,000	3.00	February 5, 2026	Nil	Nil	Nil
	250,000	0.24	June 24, 2025	540,000	Nil	Nil
	500,000	0.08	March 6, 2024	1,160,000	Nil	Nil
	500,000	0.235	January 30, 2023	1,082,500	Nil	Nil
J. Gordon McMehen	250,000	3.00	February 5, 2026	Nil	Nil	Nil
	500,000	0.095	September 4, 2024	1,152,500	Nil	Nil
	500,000	0.235	January 30, 2023	1,082,500	Nil	Nil
	1,400,000	0.22	November 16, 2021	3,052,000	Nil	Nil
Quinton Hennigh	600,000	3.00	February 5, 2026	Nil	Nil	Nil
	500,000	0.24	June 24, 2025	1,080,000	Nil	Nil
Thomas Weis	100,000	3.00	February 5, 2021	Nil	Nil	Nil
	500,000	0.24	June 24, 2025	1,080,000	Nil	Nil
	200,000	0.095	September 4, 2024	461,000	Nil	Nil

Note:

<sup>(1)</sup> The value of the unexercised in-the-money options was calculated based on the difference between the closing price of the Common Shares underlying the options as at February 26, 2021, which was \$2.40, and the exercise price of the option.

**Value Vested or Earned During the Year Ended February 28, 2022 by Directors (Other Than Directors Who are Named Executive Officers) Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation**

The following table summarizes the value vested or earned during the year ended February 28, 2022 by directors of the Corporation (other than directors who are Named Executed Officers whose value vested or earned during the year ended February 28, 2022 under option-based awards, share-based awards and non-equity incentive plan compensation is detailed above) in respect of option-based awards, share-based awards and non-equity incentive plan compensation.

Name	Option-Based Awards- Value Vested During the Year (\$) <sup>(1)</sup>	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)
Robert Myhill	Nil	Nil	Nil
J. Gordon McMehen	Nil	Nil	Nil
Quinton Hennigh	Nil	Nil	Nil
Thomas Weis	Nil	Nil	Nil

Note:

<sup>(1)</sup> Determined based on the difference between the market price of the underlying Common Shares on the vesting dated and the exercise price of the options.

**Value Vested or Earned During the Year Ended February 28, 2021 by Directors (Other Than Directors Who are Named Executive Officers) Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation**

The following table summarizes the value vested or earned during the year ended February 28, 2021 by directors of the Corporation (other than directors who are Named Executed Officers whose value vested or earned during the year ended February 28, 2021 under option-based awards, share-based awards and non-equity incentive plan compensation is detailed above) in respect of option-based awards, share-based awards and non-equity incentive plan compensation.

<b>Name</b>	<b>Option-Based Awards- Value Vested During the Year (\$)<sup>(1)</sup></b>	<b>Share-Based Awards- Value Vested During the Year (\$)</b>	<b>Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)</b>
Robert Myhill	Nil	Nil	Nil
J. Gordon McMehen	Nil	Nil	Nil
Quinton Hennigh	Nil	Nil	Nil
Thomas Weis	Nil	Nil	Nil

Note:

<sup>(1)</sup> Determined based on the difference between the market price of the underlying Common Shares on the vesting dated and the exercise price of the options.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN**

The following table provides details of compensation plans under which equity securities of the Corporation are authorized for issuance as of the financial year ended February 28, 2022.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights<sup>(1)</sup></b>	<b>Weighted-average price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by securityholders	14,095,000	\$0.94	2,298,699
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>Total</b>	<b>14,095,000</b>	<b>\$0.94</b>	<b>2,298,699</b>

Note:

<sup>(1)</sup> Currently, the only applicable plan is the Plan (as defined under the heading “Stock Option Plan”).

The following table provides details of compensation plans under which equity securities of the Corporation are authorized for issuance as of the financial year ended February 28, 2021.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by securityholders	14,370,000	\$0.91	1,371,928
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>Total</b>	<b>14,370,000</b>	<b>\$0.91</b>	<b>1,371,928</b>

## STOCK OPTION PLAN

In 2016, the directors of the Corporation adopted a new 2016 Stock Option Plan (the “**2016 Plan**”), which was approved by the Shareholders of the Corporation on November 2, 2016, and ratified on October 17, 2019 to encourage common stock ownership in the Corporation for directors, executive officers, employees and consultants who are primarily responsible for the management and profitable growth of its business, to provide additional incentive for superior performance by such persons and to enable the Corporation to attract and retain valued directors, officers and employees by granting stock options to such persons.

The 2016 Plan provides that eligible persons thereunder include any director, employee (full-time or part-time), executive officer or consultant of the Corporation or any subsidiary thereof. A consultant means an individual (including an individual whose services are contracted through a personal holding company) with whom the Corporation or a subsidiary has a contract for substantial services.

The 2016 Plan is administered by the Board of Directors of the Corporation. The Board of Directors has the authority to determine, among other things, subject to the terms and conditions of the 2016 Plan, the terms, limitations, restrictions and conditions respecting the grant of stock options under the 2016 Plan.

The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding Common Shares from time to time. Investor Relations persons may not be granted options exceeding 2% of outstanding capital and such options must vest over 1 year with no more than 25% vesting in each quarter.

Pursuant to the 2016 Plan, the options will not be transferable other than by will or the laws of descent and distribution, the option price to be such price as is to be fixed by the 2016 Plan’s administrator but shall not be less than the fair market value of the shares at the time the option is granted and payment thereof shall be made in full on the exercise of the options. The terms of the options may not exceed 5 years and shall be subject to earlier redemption upon the termination of employment. If an optionee ceases to be an eligible person for any reason whatsoever other than death, each option held by such optionee will cease to be exercisable in a period not exceeding 6 months following the termination of the optionee’s position with the Corporation but only up to and including the original option expiry date. If an optionee dies, the legal representative of the optionee may exercise the optionee’s options for a period not exceeding 1 year after the date of the optionee’s death but only up to and including the original option expiry date. The 2016 Plan also contains anti-dilution provisions usual to plans of this type.

The Corporation will not provide any optionee with financial assistance in order to enable such optionee to exercise stock options granted under the 2016 Plan. The Corporation has no other compensation plans or arrangements in place and none are currently contemplated.

As of the date of this Circular, there are 13,125,000 stock options outstanding under the Plan and 4,525,272 options available for grant as follows:

<b>Name and Position</b>	<b>Common Shares Under Option</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Directors	4,350,000	\$0.08 to \$3.00	January 30, 2023 to July 4, 2027
Directors who are also Executive Officers	6,550,000	\$0.08 to \$3.00	January 30, 2023 to July 4, 2027
Executive Officers	1,300,000	\$0.135 to \$3.00	December 9, 2024 to July 4, 2027
Consultants	925,000	\$0.135 to \$3.00	December 9, 2024 to July 4, 2027
<b>TOTAL</b>	<b>13,125,000</b>		

## INDEBTEDNESS OF OFFICERS AND DIRECTORS

No officer or director of the Corporation is indebted to the Corporation for any sum.

## **MANAGEMENT CONTRACTS**

No management functions of the Corporation are performed to any substantial degree by a person other than the directors or executive officers of the Corporation.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No insider of the Corporation, no proposed nominee for election as a director of the Corporation, and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Corporation or any of its subsidiaries, other than disclosed under the headings "Executive Compensation" and "Stock Option Plan" as disclosed below.

## **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS**

National Instrument 52-110 of the Canadian Securities Administrators ("**NI 52-110**") requires the Corporation, as a Venture Issuer, to disclose annually in its information circular certain information relating to the Corporation's audit committee and its relationship with the Corporation's independent auditors.

### **The Audit Committee's Charter**

The Corporation's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as **Schedule "A"**.

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

The Corporation's Audit Committee is currently comprised of three (3) directors: Messrs. Robert Myhill (Chair), J. Gordon McMehen and Thomas Weis. As defined in NI 52-110, two (2) of the directors are independent: Messrs. Weis and McMehen. All of the Audit Committee members are financially literate.

### **Audit Committee Oversight**

Since the commencement of the Corporation's most recently completed fiscal year, the Corporation's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### **Relevant Education and Experience**

The following is a summary of the relevant education and experience of each of the members of the Corporation's Audit Committee:

*Robert Myhill* - From 1991 until 2006, Mr. Myhill was the President of Canadian Investors Corporation, an investment company focused on financing of corporate re-organizations. Mr. Myhill actively participated in directorship and management of the investee companies. From 1985 to 1991, he invested in and raised capital for small companies in Ontario. From 1976 to 1984 Mr. Myhill was President of national companies within the Southam Inc. Group and Jim Pattison Industries. Mr. Myhill earned an H.B.A and M.B.A. from the IVEY School of Business Administration at the University of Western Ontario and qualified as a Chartered Accountant with Price Waterhouse.

*J. Gordon McMehen* - In 2000, Mr. McMehen co-founded Conundrum Capital Corporation, a private equity real estate fund management firm which today has several sectoral real estate funds under its administration. Mr. McMehen now serves as Chairman of Conundrum Capital Corporation. From 1998 to 2000, Mr. McMehen served as Executive Vice-President, Chief Operating Officer and a director of Central Park Lodges Ltd., helping to manage one of North America's pre-eminent providers of seniors housing, long-term care and ancillary health care services. At the

law firm of Gardiner Roberts LLP, Mr. McMehen practiced corporate and commercial law from 1978 to 1998, specializing in mergers and acquisitions, corporate structure and finance. He acted as Managing Partner of the firm from 1994 to 1998. Mr. McMehen completed his under graduate studies at the University of Toronto in 1972 and obtained an LL.B from the University of Ottawa in 1976. He was called to the Ontario Bar in 1978, and is a member of the Law Society of Upper Canada.

*Thomas Weis* - Thomas Weis is a minerals exploration geophysicist with over 35 years of exploration experience working for both major and junior mining companies worldwide. These have included Exxon Minerals, Newmont and Normandy Poseidon. He has a broad background in precious, base metals and industrial mineral exploration including VMS, Porphyry Copper, Epithermal and Carlin style systems. He holds a Bachelor of Science Degree in Geology and a Masters of Science Degree in Geophysics at Michigan Technological University as well as advanced studies and research at the University of Utah and University of Kansas. He is currently the President of Thomas V Weis and Associates Inc. a geophysical contracting and consulting company.

### **Reliance on Certain Exemptions**

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

### **External Auditors Service Fees (By Category)**

The fees paid by the Corporation's external auditors in each of the last two (2) fiscal years for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees<sup>(1)</sup></b>	<b>Tax Fees<sup>(2)</sup></b>	<b>All Other Fees<sup>(3)</sup></b>
2022	\$30,000	Nil	\$2,500	Nil
2021	\$8,000	Nil	\$5,800	Nil

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

### **Exemption**

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 for venture issuers which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110 and allows for the short form of disclosure of Audit Committee procedures set out in Form 52-110F2.

## **CORPORATE GOVERNANCE**

The securities regulatory authorities in Canada adopted National Instrument 58-101 Disclosure of Corporate Governance Practices ("**NI-58-101**"), which requires the Corporation to provide disclosure in this Circular of its corporate governance practices, and National Policy 58-201 Corporate Governance Guidelines ("**NP-58-201**"), which contains a series of guidelines for effective corporate governance relating to such matters as the constitution and

independence of corporate boards, their functions and the experience and education of board members. Pursuant to NI-58-101, and in accordance with Form 58-101F2, the following disclosure is provided:

1. **Board of Directors** — There are currently five (5) members of the Corporation's Board of Directors: Hugh M. (Mac) Balkam, Robert Myhill, J. Gordon McMehen, Quinton Hennigh and Thomas Weis. Mr. McMehen, Mr. Hennigh and Mr. Weis are considered independent. Mr. Balkam is the President and Chief Executive Officer of the Corporation and Mr. Myhill is the Vice President Finance.
2. **Directorships** — None of the current directors are directors of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction. Quinton Hennigh, a proposed director of the Corporation, is a director of the following reporting issuers:

Name of Director	Name of Reporting Issuer
Quinton Hennigh	Irving Resources Inc. Novo Resources Corp.

3. **Orientation and Continuing Education** — The Corporation has not yet developed an official policy for orienting new directors. The Board of Directors will consider implementing such a procedure if it becomes necessary in the future. The Board of Directors has not currently established criteria for continuing education for directors. All directors have either expertise or substantial experience in the Corporation's area of business.
4. **Ethical Business Conduct** — The Directors understand their fiduciary obligations as directors of a public company and are in the process of developing a code of business conduct and ethics.
5. **Nomination of Directors** — The Board of Directors is responsible for identifying new candidates for the board including members to fill any vacancies on the board. It will consider candidates submitted by directors, officers, employees, shareholders and others and may retain search firms for the purposes of identifying suitable candidates who meet the level of personal and professional integrity and ability it deems appropriate for directors of the Corporation.
6. **Audit Committee** — The Corporation's Audit Committee is currently comprised of three (3) directors, Robert Myhill (Chair), J. Gordon McMehen and Thomas Weis. Messrs. Weis and McMehen are independent. Also, as defined in NI 52-110, all of the Audit Committee members are financially literate.
7. **Compensation** — The Corporation has a Compensation Committee which reviews the compensation of directors and officers, including the granting of stock options and makes recommendations to the full Board of Directors. The Compensation Committee consists of two (2) directors: J. Gordon McMehen (Chair) and Robert Myhill. The Compensation Committee meets on an ad hoc basis as needed; determines and reviews remuneration arrangements for the directors and the executive team; assesses the appropriateness of the nature and amounts of compensation of such officers on a periodic basis by reference to relevant employment market conditions; and makes recommendations to the board on these matters with a view to ensuring maximum shareholder benefit from the retention of a high quality executive team.
8. **Other Board Committees** — The Board of Directors has no other committees other than the Audit Committee and the Compensation Committee.
9. **Assessments** — The Board of Directors will establish procedures for satisfying itself that the board, its committees, and its individual directors are performing effectively.

## MATTERS TO BE ACTED UPON AT THE MEETING

### PRESENTATION OF FINANCIAL STATEMENTS

The Annual Financial Statements for the fiscal years ended February 28, 2022 and February 28, 2021 including the reports of the auditors thereon and the Annual MD&A will be submitted to the Meeting. Receipt at the Meeting of the auditors' reports and the Annual Financial Statements for the Corporation's last completed fiscal period will not constitute approval or disapproval of any matters referred to therein. The Annual Financial Statements and the Annual MD&A can be obtained from the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at <http://eskaymining.com>. Shareholders may receive paper copies of the Circular and the Annual Financial Statements and Annual MD&A by following the procedure referred to under the heading "Notice-and-Access" on the first page of this Circular. In the alternative, upon receiving a written request to the address on the first page of this Circular, the Corporation will mail a copy of the Annual Financial Statements and Annual MD&A to you.

### ELECTION OF THE BOARD OF DIRECTORS

The Board of Directors currently consists of five (5) directors. The directors have passed a resolution fixing the number of directors to be elected at five (5). The persons named in the enclosed form of proxy intend to vote for the election as directors of each of the five (5) nominees of management whose names are set forth in the table below. The Board of Directors has adopted a majority voting policy in order to promote enhanced director accountability. Each Shareholder is entitled to cast their votes for, or withhold their votes from, the election of each director. If the number of shares "withheld" for any nominee exceeds the number of shares voted "for" the nominee, then, notwithstanding that such director was duly elected as a matter of corporate law, he shall tender his written resignation to the Corporation. The Board will consider such offer of resignation and the director's suitability to continue to serve as a Board member after considering, among other things, the stated reasons, if any, why certain shareholders "withheld" votes for the director, the qualifications of the director and whether the director's resignation from the Board would be in the best interests of the Corporation.

These nominees have consented to being named in this Circular and to serve if elected. The Corporation's management does not contemplate that any of the nominees will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly submitted proxies given in favour of such nominee(s) may be voted by the persons whose names are printed in the form of proxy, in their discretion, in favour of another nominee.

The following table and notes thereto state the names of all the persons proposed to be nominated for election as directors, all of the positions and offices with the Corporation now held by them, their present principal occupations or employments for the last five (5) years and the number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of August 8, 2022. The information as to shares beneficially owned has been furnished to the Board of Directors by the respective nominees.

<b>Name &amp; Municipality of Residence</b>	<b>Position with Corporation</b>	<b>Principal Occupation or Employment for the Last Five Years</b>	<b>Director From</b>	<b>Number of Shares Beneficially Owned or Controlled</b>
Hugh M. (Mac) Balkam Toronto, Ontario	President, CEO and Director	President of the Corporation since 2009, Business Consultant	October 20, 2009	16,883,345 Common Shares
Robert Myhill <sup>(1)(2)</sup> Toronto, Ontario	Director	C.E.O. and Chairman, ThinkDesk Inc.	November 3, 2009	1,160,928 Common Shares
J. Gordon McMehen <sup>(1)(2)</sup> Toronto, Ontario	Director	Chairman, Conundrum Capital Corporation	December 21, 2009	11,514,787 Common Shares
Quinton Hennigh Colorado U.S.A	Proposed Director	President and Chairman of Novo Resources Corp.	August 11, 2020	900,000 Common Shares
Thomas Weis <sup>(1)</sup> Colorado U.S.A.	Proposed Director	President of Thomas V Weis and Associates Inc. a geophysical contracting and consulting company	August 11, 2020	188,000 Common Shares

Notes:

<sup>(1)</sup> Member of the Audit Committee.

<sup>(2)</sup> Member of the Compensation Committee.

**The Shareholders are urged to elect Management's nominees as Directors of the Corporation.**

**Cease Trade Order, Penalties or Sanctions, and Bankruptcies**

**Cease Trade Orders**

To the knowledge of the Corporation, no director or proposed director of the Corporation is, as at the date of this Circular, or has been in the last 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity,

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of subsections (a) and (b) above, "order" means (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

**Bankruptcies**

To the knowledge of the Corporation, no director or proposed director of the Corporation:

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

- (b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or proposed director.

### **Penalties or Sanctions**

To the knowledge of the Corporation, none of the directors or proposed directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have 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 making an investment decision.

### **Conflict of Interest**

To the best of the Corporation's knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among the Corporation, its promoters, directors, officers or other members of management of the Corporation except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies and their duties as a director, officer, promoter or management of the Corporation.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

### **APPOINTMENT OF AUDITORS**

The persons named in the enclosed form of proxy intend to vote for the appointment of McGovern Hurley LLP, of Toronto, Ontario, as auditors of the Corporation to hold office until the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix the auditors' remuneration.

On the representations of the said auditors, neither that firm nor any of its partners has any direct financial interest nor any material indirect financial interest in the Corporation or any of its subsidiaries nor has had any connection during the past three years with the Corporation or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee.

**The Shareholders are urged by Management to appoint McGovern Hurley LLP, as the Corporation's auditors and to authorize the Board of Directors to fix their remuneration.**

### **RATIFICATION OF THE 2016 STOCK OPTION PLAN**

The TSX Venture Exchange requires annual approval of the 2016 Plan. Management is therefore seeking the approval of the Shareholders to ratify the 2016 Plan.

It is proposed that Shareholders approve the following resolution:

#### **“BE IT RESOLVED THAT:**

1. the Corporation's 2016 Stock Option Plan is hereby ratified; and
2. any one director or officer of the Corporation be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds,

documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

**Management urges Shareholders to approve the ratification of the 2016 Plan.**

**ADDITIONAL INFORMATION**

Additional information concerning the Corporation can be obtained from [www.sedar.com](http://www.sedar.com).

Financial information concerning the Corporation is provided in the Corporation’s comparative financial statements and management’s discussion and analysis for its fiscal years ended February 28, 2022 and February 28, 2021. Copies of these documents may be obtained from the Corporation by making a request in writing to the Corporation at 82 Richmond Street East, Toronto, Ontario M5C 1P1, Attention: President.

**APPROVAL OF DIRECTORS**

The contents of this Circular have been approved by the Board of Directors of the Corporation.

**DATED** the 8<sup>th</sup> day of August, 2022.

**BY ORDER OF THE  
BOARD OF DIRECTORS**

*“Hugh M. (Mac) Balkam”*

**HUGH M. (MAC) BALKAM**  
President and C.E.O.

## **SCHEDULE "A"**

### **ESKAY MINING CORPORATION (the "Corporation")**

#### **AUDIT COMMITTEE CHARTER**

##### **Purpose of the Audit Committee**

The purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of the Corporation is to assist the Board in fulfilling its responsibility for the oversight of the financial reporting process. The purpose of this Charter is to ensure that the Corporation maintains a strong, effective and independent audit committee, to enhance the quality of financial disclosure made by the Corporation and to foster increased investor confidence in both the Corporation and Canada's capital markets. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Corporation's Management to ensure that the independent auditors serve the interests of shareholders rather than the interests of Management of the Corporation. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will review financial reports or other financial information provided by the Corporation to regulatory authorities and shareholders and review the integrity, adequacy and timeliness of the financial reporting and disclosure practices of the Corporation. The Committee will monitor the independence and performance of the Corporation's independent auditors.

##### **Composition and Procedures of the Audit Committee**

The Committee shall consist of at least three (3) directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. While the Board may recommend a Chairman for the Committee, the Committee shall have the discretion to appoint the Chairman from amongst its members. The Committee shall establish procedures for quorum, notice and timing of meetings subject to the proviso that a quorum shall be no less than two (2) Committee members. Meetings shall be held no less regularly than once per quarter to review the audited financial statements and interim financial statements of the Corporation. At least one (1) member of the Committee shall be independent and the Board and the Committee shall endeavor to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

##### **Specific duties and responsibilities of the Audit Committee**

- (1) The Committee shall recommend to the Board:
  - (a) the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation; and
  - (b) the compensation of the external auditors.
- (2) The Committee shall be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between Management and the external auditors regarding financial reporting.
- (3) The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditors.

- (4) The Committee satisfies the pre-approval requirement in subsection (3) if:
  - (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiary entities to the Corporation's external auditors during the fiscal year in which the services are provided;
  - (b) the Corporation or the subsidiary entity of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
  - (c) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.
- (5)
  - (a) The Committee may delegate to one or more independent members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection (3).
  - (b) The pre-approval of non-audit services by any member to whom authority has been delegated pursuant to subsection (5)(a) must be presented to the Committee at its first scheduled meeting following such pre-approval.
- (6) The Committee satisfies the pre-approval requirement in subsection (3) if it adopts specific policies and procedures for the engagement of the non-audit services, if:
  - (a) the pre-approval policies and procedures are detailed as to the particular service;
  - (b) the Committee is informed of each non-audit service; and
  - (c) the procedures do not include delegation of the Committee's responsibilities to Management.
- (7) The Committee shall review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.
- (8) The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (7), and must periodically assess the adequacy of those procedures.
- (9) The Committee must establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (10) The Committee must review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- (11) The Committee shall have the authority:
  - (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
  - (b) to set and pay the compensation for any advisors employed by the Committee; and

(c) to communicate directly with the internal and external auditors.

(12) The Committee shall review with Management and independent auditors the quality and the appropriateness of the Corporation's financial reporting and accounting policies, standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

(13) The Committee shall review the clarity of the financial statement presentation with a view to ensuring that the financial statements provide meaningful and readily understandable information to shareholders and the investing public

(14) The Committee shall monitor the independence of the independent auditors and establish procedures for confirming annually the independence of the independent auditors and any relationships that may impact upon the objectivity and the independence of the external auditors.

(15) The Committee shall review with Management and the external auditors the audit plan for the year-end financial statements prior to the commencement of the year end audit.

(16) The Committee shall review the appointments of the Corporation's Chief Financial Officer and any other key financial executives involved in the financial reporting process.

(17) The Committee shall review with Management and the external auditors significant related party transactions and potential conflicts of interest.

(18) The Committee shall review in consultation with the external auditors and Management the integrity of the Corporation's financial reporting process and internal controls.

(19) The Committee shall meet with the external auditors in the absence of Management to discuss the audit process, any difficulties encountered, any restrictions on the scope of work or access to required information, any significant judgements made by Management and any disagreement among Management and the external auditors in the preparation of the financial statements and such other matters that may arise as a result of the audit or review by the external auditors.

(20) The Committee shall conduct or authorize any review or investigation and consider any matters of the Corporation the Committee believes is within the scope of its responsibilities and shall establish procedures for such review or investigation as may be required.

(21) The Committee shall make recommendations to the Board with respect to changes or improvements to financial or accounting practices, policies and principles and changes to this Charter.