



1090 Hamilton Street  
Vancouver, British Columbia V6B 2R9

**INFORMATION CIRCULAR**

**For its Annual General Meeting of Shareholders to be held  
March 25, 2019**

**ALLEGIANT GOLD LTD.**  
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Vancouver, B.C. V6B 2R9  
Tel: (604) 634-0970 Fax: (604) 634-0971

**MANAGEMENT INFORMATION CIRCULAR**  
*(as at February 14, 2019, except as otherwise indicated)*

*Allegiant Gold Ltd. (“Allegiant” or the “Company”) is providing this Management Information Circular (this “Circular”) in connection with the solicitation of proxies by the management of Allegiant for use at the ANNUAL GENERAL MEETING (the “Meeting”) of Allegiant to be held on March 25, 2019, and at any adjournments. Unless the context otherwise requires, when reference is made in this Circular to Allegiant, the subsidiaries of Allegiant are also included. Allegiant will conduct its solicitation by mail and directors, officers and employees of Allegiant may, without receiving special compensation, also telephone or make other personal contact. Allegiant will pay the cost of solicitation. This Circular refers to Allegiant’s financial years ended September 30, 2018 and 2017.*

**APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on behalf of a shareholder of the Company (a “**Shareholder**”) in accordance with the instructions given by the Shareholder in the proxy. The individuals named in the enclosed form of proxy are officers and/or Directors of the Company (the “**Management Proxyholders**”).

**IF YOU ARE A SHAREHOLDER ENTITLED TO VOTE AT THE MEETING, YOU HAVE THE RIGHT TO APPOINT A PERSON OR COMPANY OTHER THAN THE MANAGEMENT PROXYHOLDERS, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT FOR YOU AND ON YOUR BEHALF AT THE MEETING. YOU MAY DO SO EITHER BY INSERTING THE NAME OF THAT OTHER PERSON IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING AND DELIVERING ANOTHER SUITABLE FORM OF PROXY.**

**VOTING BY PROXY**

**Only registered shareholders (“Registered Shareholders”) or duly appointed proxyholders are permitted to vote at the Meeting.** Shares (“Shares”) represented by a properly executed proxy will be voted for or against or be withheld from voting on each matter referred to in the notice of Meeting (“**Notice of Meeting**”) in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

The enclosed form of proxy confers discretionary authority on the persons named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, P.O. Box 4572, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

### Non-Registered Holders

**The following information is of significant importance to shareholders who do not hold Shares in their own name. Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting.** Registered Shareholders are holders whose names appear on the share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which the shares are purchased. Most shareholders are "non-registered" shareholders ("**Non-Registered Shareholders**" or "**Beneficial Shareholders**") because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which the shares were purchased. Non-Registered Shareholders' Shares will more likely be registered under the names of intermediaries (each an "**Intermediary**" or "**Intermediaries**"). In Canada the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every Intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: those who object to their name being disclosed to the issuers of securities they own (called "**OBOs**" for Objecting Beneficial Owners); and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

Issuers can request and obtain a list of their NOBOs from Intermediaries via their transfer agents, pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and issuers can use the NOBO list for distribution of proxy-related materials directly to NOBOs. The Company is taking advantage of NI 54-101 provisions permitting it to deliver proxy-related material directly to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form ("**VIF**") from Computershare Investor Services Inc. ("**Computershare**"), the Company's transfer agent. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs they receive. Alternatively, NOBOs may vote following instructions on the voting instruction form, via the internet or by phone.

Beneficial Shareholders who are OBOs should follow their intermediary's instructions carefully to ensure their Shares are voted at the Meeting. Management of the Company does not intend to pay for intermediaries to forward proxy-related materials or the VIF to OBOs, and in such case an OBO will not receive the materials unless an OBO's intermediary assumes the cost of delivery.

The securityholder material is being sent to both Registered Shareholders and Non-Registered Shareholders of the Company. If you are a Non-Registered Shareholder, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent your Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Shares at the Meeting and that person may be you. To exercise this right, insert the name of your desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of the Shares to be represented at the Meeting and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Shares voted, or to have an alternate representative duly appointed to attend the Meeting and vote your Shares at the Meeting.**

#### **Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *British Columbia Business Corporations Act* (the “**Act**”), as amended, certain of its Directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

#### **Revocability of Proxies**

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Registered Shareholder, their attorney authorized in writing or, if the Registered Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. Only Registered Shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their Intermediary to revoke the proxy on their behalf.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board of the Company has fixed February 14, 2019 as the record date (the “**Record Date**”) for determination of persons entitled to vote at the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting. As of the Record Date, there were 60,843,850 Shares without par value issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of Directors, nor are there cumulative or similar voting rights attached to the Shares.

To the knowledge of the Company’s Directors and executive officers, there are no persons or companies that beneficially owned, controlled, or directed, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company as of the Record Date.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### Votes Necessary to Pass Resolutions

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as Directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment as a Director is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

#### Election of Directors

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. The Board currently consists of four Directors and Shareholder approval will be sought to fix the number of Directors of the Company at **four**.

At the Meeting, the four persons named hereunder will be proposed for election as Directors of the Company (the “**Nominees**”).

The Board and management consider the election of each of the Nominees to be appropriate and in the best interests of the Company. **Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying proxy will vote the Shares represented by such form of proxy, properly executed, FOR the election of each of the Nominees whose names are set forth below.**

The table below sets out the names of management’s nominees for election as Directors, all major offices and positions with the Company and any of its significant affiliates each nominee now holds, each nominee’s principal occupation, business or employment (for the five preceding years for new Director nominees), the period of time during which each has been a Director of the Company and the number of Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as of the Record Date.

<b>Proposed Nominees for Election as a Director</b>				
<b>Name and Residence <sup>(1)</sup></b>	<b>Principal Occupation</b>	<b>Member of Committees</b>	<b>Period as a Director</b>	<b>Shares Beneficially Owned or Controlled<sup>(2)</sup></b>
<b>Robert Giustra</b> <i>British Columbia, Canada</i>	Chairman and CEO of the Company since January 2018; Chairman of Columbus Gold Corp. since January 2005; President and CEO of Organto Foods Inc. (formerly Columbus Exploration Corp.) from May 2007 to April 2015	Nil	Since September 26, 2017	375,153
<b>Norman Pitcher</b> <i>British Columbia, Canada</i>	President and CEO of Mirasol Resources since February 2019; President of Eldorado Gold Corporation from 2012 to 2015	Audit Committee	Since December 18, 2017	157,056
<b>Peter Gianulis</b> <i>Florida, USA</i>	President and Managing Director of Carrelton Asset Management since 2005; Executive Vice President, Corporate Development of Organto Foods Inc. since April 27, 2015	Audit Committee	Since September 26, 2017	188,888
<b>Russell Ball</b> <i>British Columbia, Canada</i>	Founding Partner of QDBS Resources Inc.; CFO & Executive VP of Corporate Development of Goldcorp Inc. from December 2014 to March 2016; Executive VP of Capital Projects of Goldcorp Inc. from May 2013 to December 2014	Audit Committee	Since December 18, 2017	301,169

*Notes:*

1. None of the proposed nominees for election as a Director are proposed for election pursuant to any arrangement or understanding between the nominee and any other person.
2. "Shares Beneficially Owned or Controlled" refers to Shares beneficially owned, or controlled or directed, directly or indirectly, by each proposed Director.

*Corporate Cease Trade Orders and Bankruptcies*

Other than as set out below, none of the proposed directors (or any of their personal holding companies) of the Company:

- a) is, or during the ten years preceding the date of this Circular has been, a director, chief executive officer or chief financial officer of any company, including the Company, that:
  - i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the relevant company and which resulted

- from an event that occurred while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;
- b) is, or during the ten years preceding the date of this Circular has been, a director or executive officer, of any company, including the Company, that while the proposed director was acting in that capacity, or within a year of the proposed director 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
  - c) has, within the ten years preceding 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 that individual.

For the purposes of this Management Information Circular, an “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.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- b) any other penalties or sanctions imposed by a court or regulatory body which would likely be considered important to a reasonable security holder of the Company in deciding whether to vote for a proposed director.

Russell Ball was a director of Molycorp, Inc. (“**Molycorp**”) from March 2010 until August 2016. In June 2015, Molycorp filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware. On November 3, 2016, Molycorp announced that it filed a joint plan of reorganization with the US Bankruptcy Court for the District of Delaware that proposed an emergence from chapter 11 protection and on August 31, 2016, Molycorp announced that such plan of reorganization became effective and Molycorp emerged from chapter 11 protection.

### **Appointment of Auditor**

Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants (“**DMCL**”), of Vancouver, British Columbia are the auditors of the Company. **Accordingly, unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Shares represented by such form of proxy, properly executed, FOR the appointment of DMCL as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.** DMCL was appointed auditor of the Company on January 24, 2018.

### **Approval of Option Plan for Continuation**

The Company has a Share Option Plan dated for reference October 27, 2017 (the “**Plan**”). The Plan is a rolling plan. Under the Plan, options totalling a maximum of 10% of the Common Shares outstanding from time to time are available for grant. A copy of the Plan is available for review under the Company’s profile at [www.sedar.com](http://www.sedar.com).

To comply with the policies of the TSX Venture Exchange (the “**TSXV**”) covering “rolling” option plans, continued grants under the Plan must be approved annually by the shareholders of the Company. At the

Meeting, shareholders will be asked to ratify and approve the Plan for continuation until the next annual general meeting of the Company.

As at February 14, 2019 there were 60,843,850 Common Shares issued and outstanding. Accordingly, under the Plan the Company has the authority to grant options to purchase up to a total of 6,084,385 Common Shares. At the date of this Information Circular, options to purchase an aggregate of 5,090,000 Common Shares are granted and outstanding under the Plan, representing approximately 8.37% of the outstanding Common Shares in the capital of the Company.

### **Material Terms of the Plan**

The following is a summary of the material terms of the Plan:

- a) Persons who are Service Providers to the Company or its affiliates, or who provide services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- b) Upon grant of Options to Service Providers the Company must ensure that the proposed Optionee is a bona fide "Service Provider" of the Company or its affiliates, as defined in the Plan;
- c) A Service Provider is a person who is a director, officer, employee, management company employee, consultant or company consultant to the Company;
- d) The Board is responsible for administration of the Plan and all grants and exercises pursuant thereto, but may delegate such administration to a committee of the Board;
- e) Options granted pursuant to the Plan are non-assignable and non-transferable and are issuable for a period of up to 10 years, at the discretion of the Board, subject to the grant of an extension under a "Black-out Period" as defined in s. 3.10 of the Plan;
- f) If an Optionee dies, any vested option held by the Optionee at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option;
- g) At the discretion of the Board, options may be granted with vesting provisions. However, in all cases where options are granted to Consultants conducting Investor Relations Activities those options will have vesting provisions;
- h) An Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- i) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- j) the exercise price of each Option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- k) vesting of Options will be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its

affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period;

- l) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan;
- m) Disinterested shareholder approval, as defined in the Plan, is required for: (i) a Service Provider to be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements of the Company granted to such Service Provider in the previous 12 months, exceeds 5% of the Outstanding Shares; (ii) to allow the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period to exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSXV; (iii) for the aggregate number of Options granted to any one Consultant in any 12 month period to exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSXV; (iv) together with the Company's other previous Share Compensation Arrangements, for an amendment to result in: the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeds 10% of the Outstanding Shares in the event that the Plan is amended to reserve for issuance more than 10% of the Outstanding Shares, the number of Optioned Shares issued to Insiders within a one-year period exceeds 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; and to issue to any one Optionee, within a 12-month period, a number of Common Shares exceeding 5% of the Outstanding Shares; or (v) to effect a reduction in the Exercise Price of an Option previously granted to an Insider; and
- n) The Board may, in its absolute discretion, amend or modify the Plan or any Option granted pursuant to the Plan to: (i) make amendments which are of a typographical, grammatical or clerical nature only; (ii) change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable; (iii) change the termination provision of an Option granted pursuant to the Plan, which does not entail an extension beyond the original Expiry Date of such Option; (iv) make amendments necessary as a result in changes in securities laws applicable to the Company; (v) make such amendments as may be required by the policies of any senior stock exchange or stock market on which the Company may become listed or quoted; and (vi) make such amendments as reduce, and do not increase, the benefits of the Plan to Service Providers.

For more information concerning the Plan, see "Securities Authorized for Issuance under Equity Compensation Plans" below.

### **Shareholder Approval**

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass the following ordinary resolution, with or without variation, to ratify and approve the Plan for continuation:

**"BE IT RESOLVED** that the Company's Share Option Plan dated for reference October 27, 2017, is hereby ratified and approved for continuation."

The Board believes the Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry.

**The Board recommends shareholders vote in favour of the above resolution. A copy of the Plan will be available for inspection at the Meeting. A copy of the Plan is also available at [www.sedar.com](http://www.sedar.com).**

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy. **In the absence of instructions to the contrary, the persons named in the enclosed form of proxy intend to vote the shares represented thereby in favour of passing this resolution.**

## STATEMENT OF EXECUTIVE COMPENSATION

### Identification of Named Executive Officers

The following are the Named Executive Officers (“**Named Executive Officers**” or “**NEOs**”) for the purposes of the disclosure in this “Statement of Executive Compensation” section of the Circular, concerning the Company’s financial years ended September 30, 2018 and 2017:

- a) Robert Giustra, currently the Company’s Chairman and CEO;
- b) Andy B. Wallace, the Company’s former CEO; and
- c) Andrew Yau, currently the Company’s Chief Financial Officer; and

### Compensation Discussion and Analysis

#### *Objectives of the Compensation Program*

The Board determines management compensation based on advice and discussion provided by the Board, without reference to formal objectives, criteria or analysis. The Board relies on the experience of its members as officers and Directors of the Company and with other junior mining companies in determining its compensation program. The general objectives of the Company’s compensation program are to:

- a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing shareholder value;
- b) align management’s interests with the interests of shareholders;
- c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent;
- d) to ensure that the total compensation package is designed in a manner that takes into account the constraints under which the Company operates, in particular that the Company is a junior mineral exploration company without a history of earnings; and
- e) to ensure that total compensation paid to all Named Executive Officers is fair and reasonable.

#### *Elements of Compensation*

Base salary is used to provide the Named Executive Officers with an agreed-upon annual compensation with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company.

Incentive stock options are a significant component of Named Executive Officer compensation, as options reward increases in shareholder value without requiring the Company to pay cash from its treasury. Stock options are generally awarded to Directors, officers, consultants and employees at the commencement of service to the Company, and periodically thereafter. The terms and conditions of the Company’s stock

option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's stock option plan.

The Company may also issue a bonus to a Named Executive Officer, generally at the conclusion of a calendar year. A bonus may be payable in the event that the Company had an exceptional year or accomplished significant achievements. Bonuses are also tied in part to the performance by a Named Executive Officer in a given year, and the Named Executive Officer's contribution to the achievement of the Company's goals and objects for that year.

#### *Determination of Amounts of Each Element*

The Board determines the amount of each element of compensation payable to a Named Executive Officer through reference to other junior mineral exploration companies, the experience of the Named Executive Officer, and general market conditions, with the intention of meeting the objectives set out above.

While the Company considers the value of each element in determining the values of the other elements of compensation payable, the Company sets each element in reference to the compensation provided to the Company's other officers, employees, and consultants and also to general market standards.

#### *Implications of Risks Associated with Compensation Program*

Neither the Board nor a committee of the Board has deemed it necessary to consider the implications of the risks associated with the Company's compensation policies and practices. The Company is a junior mining company that compensates its personnel based upon an agreed upon wage, and does not make use of more complicated mechanisms for determining remuneration. Due to the straightforward nature of the model of determining compensation, the Board does not consider there to be material risks associated therewith requiring consideration.

#### *NEO or Director's Ability to Purchase Financial Instruments*

The Company does not place restrictions on a NEO or Director's ability to purchase securities or financial instruments, beyond the imposition of blackout periods where applicable and also an expectation that all personnel will strictly abide by insider trading laws. Notwithstanding this fact, financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or Director, are not generally available in connection with the Company.

### **Share-based and Option-based Awards**

#### *Objectives and Rewards of the Compensation Program*

The Company established its share option plan to provide incentives to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Board considers share option grants based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board.

The Directors have the responsibility to administer the compensation policies related to the executive officers, including option-based awards. In determining the number of options to be granted to the Company's executive officers, the Directors take into account the number of options, if any, previously granted to each executive officer, and the exercise price of any such outstanding options.

In monitoring or adjusting option allotments, the Directors take into account their own observations on individual performance (where possible) and their assessment of individual contribution to shareholder value, previous option grants and the objectives set for the Named Executive Officers and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. In addition to determining the number of options to be granted to the methodology outlined above, the Directors also make the following determinations:

- a) parties who are entitled to participate in the Company's stock option plan;
- b) the exercise price for each stock option granted, subject to the policies of any applicable regulatory authority or stock exchange;
- c) the date on which each option is granted;
- d) the vesting period, if any, for each stock option;
- e) other material terms and conditions of each stock option grant; and
- f) any re-pricing or amendment to a stock option grant.

The Directors make these determinations subject to and in accordance with the provisions of the Company's stock option plan. The Board reviews and approves grants of options on an annual basis and periodically during a financial year.

## **Compensation Governance**

### *Policies and Practices*

Due to its size, the Board has not formed a compensation committee. Instead, the full Board is tasked with (a) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives; (b) discussing and establishing non-CEO officer and Director compensation, incentive-compensation plans and equity-based plans; and (c) reviewing executive compensation disclosure before the Company publicly discloses this information. The Board believes that their years of experience with public companies and in particular those in the mining sector have provided them with the skills necessary to evaluate appropriate compensation levels.

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## Summary Compensation Table

The following table sets forth the annual and long-term compensation for services in all capacities delivered to the Company for the financial years ended September 30, 2018 and 2017 of the Company in respect of the Named Executive Officers. Compensation paid to the NEOs for such financial years is set out below and expressed in Canadian dollars unless otherwise noted.

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			
Robert Giustra CEO and Chairman <sup>(1)</sup>	2018	112,500	Nil	595,125	Nil	Nil	Nil	Nil	707,625
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andy Wallace CEO <sup>(2)</sup>	2018	224,080	Nil	Nil	Nil	Nil	Nil	Nil	224,080
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Yau CFO <sup>(3)(4)</sup>	2018	54,000	Nil	102,150	Nil	Nil	Nil	Nil	156,150
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. All salary amounts paid to Mr. Giustra are paid to Columbus Capital Corporation (“Columbus Capital”), a private company wholly-owned by Mr. Giustra. Mr. Giustra was appointed Chairman of the Company effective January 1, 2018, and Chairman & CEO of the Company effective July 28, 2018, and is also a Director of the Company.
2. Mr. Wallace was appointed as the CEO of the Company effective September 26, 2017, and resigned as CEO effective July 28, 2018. Mr. Wallace remains a director and officer of a subsidiary of the Company.
3. Salary amounts paid to Mr. Yau are paid to Columbus Gold Corp. (“Columbus”), a company with certain Directors and Officers in common, under an existing cost sharing agreement.
4. Mr. Andrew Yau was appointed as the CFO of the Company effective September 26, 2017.

## Narrative Discussion of Summary Compensation Table

Option-based award values are calculated using the *Black-Scholes* model on the date of grant. Key assumptions and estimates used to price the option-based awards are as follows:

	September 13, 2018	January 30, 2018
Expected price volatility	73.7%	69.5%
Risk free interest rate	2.2%	2.0%
Expected life of options	2.96 years	2.96 years
Expected dividend yield	nil	nil

Mr. Giustra is a NEO and a Director of the Company. Mr. Giustra receives a salary from the Company through Columbus Capital. Mr. Giustra waived all director’s fees for the financial years ended September 30, 2018 and 2017.

Mr. Giustra was appointed as the sole director of the Company effective September 26, 2017 for no consideration, as the Company was a subsidiary of Columbus at the time. Effective January 1, 2018, the Company entered into a management agreement with Columbus Capital, pursuant to which Columbus Capital provided the services of Robert Giustra to act as the Chairman of the Company in consideration for management fees of \$150,000 per year. Columbus Capital is a company that is wholly-owned and controlled by Mr. Giustra. The Board of the Company appointed Mr. Giustra as Chairman & Chief Executive Officer effective July 28, 2018, with no change in compensation.

The Board of the Company appointed Mr. Wallace as Chief Executive Officer effective September 26, 2017 for consideration of \$246,317 per year, paid through Cordex, a company which Mr. Wallace is a principal of. Mr. Wallace resigned from the Chief Executive Officer position effective July 28, 2018, and remains a director and officer of a subsidiary of the Company.

The Board of the Company appointed Mr. Yau as the Chief Financial Officer effective September 26, 2017 for no consideration, as the Company was a subsidiary of Columbus at the time. Effective January 1, 2018, Mr. Yau received a compensation of \$72,000 per year, paid through Columbus under a cost sharing agreement.

### **Incentive Plan Awards**

The Company has a Stock Option Plan dated for reference October 27, 2017 (previously defined, the “**Plan**”), which was adopted by the Board and was accepted for filing with the TSXV at the time of acceptance of the Company’s filing of its TSXV Listing Application on January 24, 2018. The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board and provides that incentive options will be issued to directors, officers, employees or consultants of the Company, or a subsidiary of the Company. The Plan is a rolling plan, pursuant to which options totalling a maximum of 10% of the Shares outstanding from time to time are available for grant. Pursuant to TSXV policies, the Company is required to obtain shareholder approval for the Plan annually. Therefore, at the Meeting the Company will ask the shareholders to approve an ordinary resolution to ratify and approve the Plan for continuation until the next annual general meeting of the shareholders of the Company (See “Particulars of Matters to be Acted Upon” above).

*[The remainder of this page has been intentionally left in blank]*

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

The following table sets out all option-based awards and share-based awards outstanding as at September 30, 2018 for each NEO:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration Date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Robert Giustra	1,250,000	0.60	30-Jan-2023	Nil	Nil	Nil	Nil
	750,000	0.46	13-Sep-2023	Nil	Nil	Nil	Nil
Andy Wallace	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Yau	300,000	0.60	30-Jan-2023	Nil	Nil	Nil	Nil

*Footnotes to Table:*

1. The market price for the Company's Shares on the TSX-V on September 28, 2018 was \$0.405 per share.

## Incentive Plan Awards – Value vested or earned during the year

The following table sets out the value vested or earned under incentive plans during the Company's financial year ended September 30, 2018, for each NEO:

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 Giustra	595,125	Nil	Nil
Andy Wallace	Nil	Nil	Nil
Andrew Yau	102,150	Nil	Nil

*Notes:*

1. All options granted to NEOs during the Company's financial year ended September 30, 2018 vested immediately, and no options were granted to NEOs in prior financial years. 750,000 options were granted to Mr. Giustra on September 13, 2018 with an exercise price of \$0.46 per Share, and the remainder of the grants to NEOs occurred on January 30, 2018 with an exercise price of \$0.60 per Share. The closing price of Shares on the TSX-V on September 13, 2018 was \$0.44 per Share and on January 30, 2018 was \$0.68 per Share.

## Narrative Discussion of Incentive Plan Awards (NEOs)

Awards are made under the Company's stock option plan at the discretion of the Board. The Plan reserves a rolling number of Shares issuable on exercise of options granted thereunder, being 10% of the issued and outstanding Shares at any given time. As of the date of this Circular, 5,090,000 incentive stock options are currently outstanding.

The Company uses the Black Scholes option valuation model in determining the amounts payable related to the option grant. The Black Scholes option valuation model is used because it provides a fair value widely

accepted by the business community and is regarded as one of the best ways of determining a fair price for options. The fair value based on the Company's historical stock prices to determine the stock's volatility, the expected life of the option which is based on the average length of time similar option grants in the past have remained outstanding prior to the exercise and vesting period of the grant.

During the Company's financial year ended September 30, 2018, there were two option grants awarded by the Company to its NEOs as follows:

- January 30, 2018 - incentive options to acquire an aggregate of 1,550,000 Shares at an exercise price of \$0.60 per Share were granted to Mr. Giustra and Mr. Yau. This option grant is exercisable until January 30, 2023.
- September 13, 2018 – incentive options to acquire 750,000 Shares at an exercise price of \$0.46 per Share were granted to Mr. Giustra. This option grant is exercisable until September 13, 2023.

There were no options grant awarded during the financial year ended September 30, 2017.

As a matter of policy, the Company does not grant options at an exercise price that is less than the closing price of the Shares on the TSX-V the trading day prior to the grant date. Accordingly, all of the options held by NEOs were granted with an exercise price at or above market price at the date of grant.

Other than the Plan, the Company does not have any other securities compensation arrangements.

### **Pension Plan Benefits**

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

### **Termination and Change of Control Benefits**

Neither the Company nor any subsidiary thereof has a contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company, or a change in responsibilities of the NEO following a change of control.

### **Director Compensation**

Compensation provided to the Directors of the Company, not set out in the NEO compensation reported above, for the Company's financial year ended September 30, 2018 is set out below:

<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>
Norman Pitcher <sup>(1)</sup>	45,000	Nil	170,250	Nil	Nil	Nil	215,250
Peter Gianulis <sup>(2)</sup>	45,000	Nil	255,375	Nil	Nil	Nil	300,375
Russell Ball <sup>(1)</sup>	45,000	Nil	170,250	Nil	Nil	Nil	215,250
Graham Taylor <sup>(3)</sup>	5,000	Nil	8,512	Nil	Nil	Nil	13,512
Miroslav Reba <sup>(4)</sup>	5,000	Nil	8,512	Nil	Nil	Nil	13,512

*Notes:*

1. On December 18, 2017, Mr. Pitcher and Mr. Ball were appointed to the Board of Directors.
2. On September 26, 2017, Mr. Gianulis was appointed to the Board of Directors.
3. On November 28, 2017, Mr. Taylor was appointed to the Board of Directors. Mr. Taylor resigned from the Board of Directors effective January 30, 2018.
4. On November 28, 2017, Mr. Reba was appointed to the Board of Directors. Mr. Reba resigned from the Board of Directors effective January 30, 2018.

There was no compensation provided to Directors of the Company during the financial year ended September 30, 2017.

*Narrative Discussion of Director Compensation*

The Company paid \$5,000 per month in Directors' fees to each Director from January 1, 2018 to September 30, 2018.

Option-based award values are calculated using the *Black-Scholes* model on the date of grant. Key assumptions and estimates used to price the option-based awards are as follows:

	<b>January 30, 2018</b>
Expected price volatility	69.5%
Risk free interest rate	2.0%
Expected life of options	2.96 years
Expected dividend yield	-

The Directors are reimbursed for expenses incurred on behalf of the Company. From time to time, Directors may be retained to provide specific services to the Company and will be compensated on a normal commercial basis for such services.

Other than as set out above with respect to Mr. Giustra, there were no other arrangements for the Company or any of its subsidiaries to compensate any Directors during the financial year ended September 30, 2018 for their services in their capacity as Directors or consultants of the Company.

*[The remainder of this page has been intentionally left in blank]*

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

The following table sets out all option-based awards and share-based awards outstanding as at September 30, 2018 for each Director that is not a NEO:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration Date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Norman Pitcher	500,000	0.60	30-Jan-2023	Nil	Nil	Nil	Nil
Peter Gianulis	750,000	0.60	30-Jan-2023	Nil	Nil	Nil	Nil
Russell Ball	500,000	0.60	30-Jan-2023	Nil	Nil	Nil	Nil
Graham Taylor	25,000	0.60	30-Jan-2023	Nil	Nil	Nil	Nil
Miroslav Reba	25,000	0.60	30-Jan-2023	Nil	Nil	Nil	Nil

*Footnotes to Table:*

- The closing price for the Shares on the TSX-V on September 28, 2018 was \$0.405 per Share.

There were no option-based awards and share-based awards outstanding as at September 30, 2017.

## Incentive Plan Awards – Value vested or earned during the year (Directors)

The following table sets out the value vested or earned under incentive plans during the Company's last completed financial year, for each Director that is not a NEO:

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
Norman Pitcher	500,000	Nil	Nil
Peter Gianulis	750,000	Nil	Nil
Russell Ball	500,000	Nil	Nil
Graham Taylor	25,000	Nil	Nil
Miroslav Reba	25,000	Nil	Nil

*Notes:*

- All options granted to Directors during the Company's financial year ended September 30, 2018 vested immediately, and no options were granted to Directors during the financial year ended September 30, 2017. All grants occurred on January 30, 2018 with an exercise price of \$0.60 per Share. The closing price of Shares on the TSX-V on January 30, 2018 was \$0.68 per Share.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at September 30, 2018:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by security holders	5,090,000	0.58	991,148
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>5,090,000</b>	<b>0.58</b>	<b>991,148</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the fiscal year ended September 30, 2018 was, a Director or executive officer of the Company, each proposed nominee for election as a Director of the Company, and each associate of any such Director, executive officer, or proposed nominee: (a) is, or at any time since the beginning of the fiscal year ended September 30, 2018 of the Company has been indebted to the Company or any of its subsidiaries; or (b) is indebted to another entity that is, or at any time since the beginning of the financial year ended September 30, 2018 of the Company has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

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

Other than the election of Directors or the appointment of auditors, no (a) person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year; (b) proposed nominee for election as a Director of the Company; or (c) associate or affiliate of a person in (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

## CORPORATE GOVERNANCE DISCLOSURE

### *General*

The term "corporate governance" refers generally to the policies and structure of a board of directors whose members are elected by and are accountable to the shareholders of a company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as they are in the best interests of both the Company and its shareholders and help to contribute to effective and efficient decision-making.

### *Independence of Directors*

The Board facilitates its exercise of independent supervision over management primarily by ensuring that a majority of its members are independent, as such term is defined by NI 52-110. The following table sets out the independence status of the current composition of the Board, a majority of whom are independent under NI 52-110:

<b>Director Name</b>	<b>Independence and Basis for Determination of Non-Independence</b>
Robert Giustra	Not Independent by virtue of being the CEO of the Company (see Section 1.4(3)(a) of NI 52-110)
Norman Pitcher	Independent
Peter Gianulis	Independent
Russell Ball	Independent

In discharging their fiduciary duties of care, loyalty and candour, Directors are expected to exercise their business judgment to act in what they reasonably and honestly believe to be the best interests of the Company and its shareholders free from personal interests. In discharging their duties, when appropriate, the Directors normally are entitled to rely on the Company's senior executives and its outside advisors, auditors and legal counsel but are also entitled to obtain and consider second opinions where circumstances warrant.

Directors are expected to become and remain informed about the Company and its business, properties, risks and prospects, and are responsible for determining that effective systems are in place for the periodic and timely reporting to the Board on important matters concerning the Company. Directors are required to devote the time needed, and meet as frequently as necessary, to properly discharge their responsibilities.

The Board will ensure it has at all times at least the minimum number of the members of the Board who meet applicable standards of Director independence. For members of the Audit Committee, Director independence is to be determined in accordance with those legal and stock exchange independence standards applicable to the Company's Audit Committee. For other purposes, the Board will, from time to time, establish independence standards that (i) comply with applicable legal and stock exchange requirements and (ii) are designed to ensure that the Director does not have, directly or indirectly, a financial, legal or other relationship with the Company that would reasonably interfere with the exercise of independent judgment in carrying out the responsibilities of the Director.

Robert Giustra, the current Chairman of the Board and CEO, was not independent during the year ended September 30, 2018 by virtue of the fact that he was the CEO of the Company.

### *Other Directorship Positions*

Each of the following Directors is presently a director of the following issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or in a foreign jurisdiction:

<b>Director Name</b>	<b>Other Directorship Positions</b>
Robert Giustra	Columbus Gold Corp. (TSX: CGT) Organto Foods Inc. (TSX-V: OGO)
Norman Pitcher	Roxgold Inc. (TSX: ROXG)
Peter Gianulis	Columbus Gold Corp. (TSX: CGT) Organto Foods Inc. (TSX-V: OGO)
Russell Ball	Columbus Gold Corp. (TSX: CGT) Trevali Corporation (TSX: TV) Lydian International Ltd. (TSX: LYD) Calibre Mining Corp. (TSX-V: CXB)

### *Meeting Attendance*

The Board holds periodic meetings to discuss the operations of the Company, as part of its exercise of independent supervision over management.

Independent Directors hold separate meetings when necessary, without non-independent Directors and members of management being present. The independent directors did not hold any such meetings during the financial year ended September 30, 2018 and 2017. During the year ended September 30, 2018, the Board held a total of 6 meetings. However, the Directors were in frequent contact with one another by telephone and email. Management also regularly updates the Board on key issues. The attendance record of Directors for formally convened Board meetings held during the financial year ended September 30, 2018 is as follows:

<b>Director Name</b>	<b>Number of Board Meetings Attended</b>	<b>Percentage of Board Meeting Attendance</b>
Robert Giustra	6 of 6	100%
Norman Pitcher	6 of 6	100%
Peter Gianulis	6 of 6	100%
Russell Ball	6 of 6	100%
Graham Taylor <sup>(1)</sup>	0 of 6	0%
Miroslav Reba <sup>(2)</sup>	1 of 6	16%

*Notes:*

- (1) Mr. Taylor was appointed a director of the Company on November 28, 2017 and resigned from this position on January 30, 2018
- (2) Mr. Reba was appointed a director of the Company on November 28, 2017 and resigned from this position on January 30, 2018

There were no Board meetings held during the financial year ended September 30, 2017.

### *Board Mandate*

The informal mandate of the Board is to oversee the management of the Company, thereby serving the best interests of the Company and its shareholders. Periodic meetings are held by the Board to achieve this mandate.

The Board carries out its responsibilities in accordance with corporate law requirements under the Act, the Company's Articles and its corporate governance policies described herein.

On, at minimum, an annual basis, the Board approves budgets prepared by the Company's senior management team. Long-term strategies are also approved by the Board, along with material agreements and transactions to which the Company intends to devote significant company resources.

The Chairman of the Audit Committee is expected to discharge the mandate of the Audit Committee set out in the Audit Committee Charter. A formal position description has not been developed for the CEO. The CEO is expected to carry out the responsibilities associated with being at the helm of an exploration and development stage mining company focused on gold exploration. Such responsibilities include at a high level, overseeing the direction of the Company's business, including the development of plans for exploration and development operations, and bringing those plans to fruition; analyzing potential acquisition opportunities for new property interests; hiring other senior executive officers; periodically reporting to the Board and maintaining an open dialogue with Directors; stakeholder engagement; and ensuring that the Company's financing needs are met given the capital intensive nature of mining exploration and development operations, among others.

### *Orientation and Continuing Education*

The Board and the Company's senior management conduct orientation programs for new Directors. The orientation programs include presentations by management to familiarize new Directors with the Company's projects strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its code of business conduct and ethics, its principal officers, its internal and independent auditors and its outside legal advisors. In addition, the orientation program includes a review of the Company's expectations of its Directors in terms of time and effort, a review of the Directors' fiduciary duties and visits to Company headquarters and, to the extent practical, certain of the Company's significant facilities.

To enable each Director to better perform his or her duties and to recognize and deal appropriately with issues that arise, the Company occasionally provides the Directors with suggestions to undertake continuing education for Directors, the cost of which is borne by the Company.

### *Ethical Business Conduct*

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**") which applies and is provided to the employees, officers, Directors, and consultants of the Company. The Code provides guidelines respecting discrimination, harassment, substance abuse, workplace violence, employment of family members, environment, health and safety, conflicts of interest, gifts and entertainment, competitive practices, supplier and contractor relationships, public relations, government relations, legal compliance (including without limitation insider trading), confidential and proprietary information, financial reporting, records retention, use of Company property, and other similar matters. All of the Company's personnel are provided a copy of the Code and expected to abide by its terms. A copy of the Code is available at [www.allegiantgold.com](http://www.allegiantgold.com).

To ensure the independent exercise of judgment by a Director who has a material interest in a transaction, the Company has included in the Code a description of the procedures to be followed by a Director with a material interest. Full disclosure by the Director to the Board of the material interest is required, and the Director is required to refrain from voting on any matter concerning the transaction.

### *Nomination of Directors*

Except where the Company is legally required by contract, law or otherwise to provide third parties with the right to nominate Directors, the Board is responsible for identifying individuals qualified to become Board members, consistent with criteria approved by the Board at such time. Throughout the Company's history this has occurred infrequently and as such the Board has no set rules for qualifications and determines same on a case-by-case basis, having reference to the needs of the Company at the time. In the event that a proposed Director is identified, and upon authorization by the Board, the Chairman of the Board is tasked with extending an invitation to a potential nominee, who is then evaluated by the Board for suitability.

### *Majority Voting Policy*

The Board has approved a Majority Voting Policy for the Company. In an uncontested election of directors of the Company, each director should be elected by the vote of a majority of the shares represented in person or by proxy at any shareholders' meeting for the election of directors. Accordingly, if any nominee for director receives a greater number of votes "withheld" from his or her election than votes "for" such election, that director will promptly tender his or her resignation to the Chairman of the Board following the meeting. In this policy, an "uncontested election" means an election where the number of nominees for director equals the number of directors to be elected.

The Board will consider the offer of resignation and whether or not to accept it. Any director who tenders his or her resignation may not participate in the deliberations of the Board at which the resignation is being considered. In its deliberations, the Board will consider any stated reasons why shareholders "withheld" votes from the election of that director, the length of service and the qualifications of the director, the director's contributions to the Company, the effect such resignation may have on the Company's ability to comply with any applicable governance rules and policies and the dynamics of the Board, and any other factors that the Board considers relevant.

The Board will make a decision within 90 days following the date of the applicable meeting and announce its decision by way of a news release, after considering the factors that the Board considers relevant. The Board expects to accept the resignation except in situations where extenuating circumstances would warrant the director continuing to serve on the Board. The resignation will become effective upon acceptance by the Board. However, if the Board declines to accept the resignation, it must include in the news release the reasons for its decision.

If a resignation is accepted, the Board may, in accordance with the *Business Corporations Act* (British Columbia) and the Company's articles, appoint a new director to fill any vacancy created by the resignation or reduce the size of the Board. If a director does not tender his or her resignation in accordance with this policy, the Board will not re-nominate that director at the next election.

The Board does not have a Nominating Committee comprised entirely of independent directors as the Board has determined that the Company's size does not warrant such a standing committee at present.

### *Compensation*

The Board does not have a Compensation Committee as its smaller size does not currently warrant such a committee. Instead, the form and amount of Director and executive officer compensation is determined by the Board from time to time. The Board's general philosophy is that the aforementioned compensation should be focused on providing incentives that promote long-term shareholder value. The Board believes that including equity options helps to align the interests of management with those of the Company's shareholders.

The Company seeks to attract exceptional Directors and management. Therefore, the Company's policy is to compensate Directors and its CEO (or the individual acting in the capacity of the CEO) competitively relative to comparable companies. The Company's management will, from time to time, present a report to the Board comparing the Company's Director and executive officer compensation with that of comparable companies.

In the event that the CEO (or the individual acting in the capacity of the CEO) is also a Director, such person is required to abstain from deliberations or voting on his or her own compensation.

See "Statement of Executive Compensation" for additional disclosure.

#### *Other Board Committees*

Other than the Audit Committee, the Board does not have any standing committees. It is the opinion of the Board that additional committees are not required at this stage of the Company's development.

#### *Assessments*

The Board is in a continual process of evaluating itself, its committees, and its individual Directors. The individual Directors speak regularly both within and outside formal Board meetings for the purposes of discussing the Company's goals and objectives, and evaluating its success at achieving such goals and objectives. The Board provides oversight and assessment of a number of key items, including: reviewing and approving fundamental operating, financial, and other strategic corporate plans, taking into account, among other things, the opportunities and risks of the business; evaluating the Company's performance at any given time, including whether corporate resources are being allocated appropriately; evaluating the performance, and overseeing the progress and development of senior management; taking action when required in respect of senior management oversight, including determining promotions, changing responsibilities, terminations, and creating senior management succession plans; overseeing compensation programs; evaluating the Company's systems for risk identification, assessment and management purposes; approving material transactions and commitments; determining whether the Company's governance structure allows and encourages the Board to fulfil its responsibilities and obligations; assisting the Company's senior management and providing guidance on those matters that require Board involvement or oversight; and assessing the overall effectiveness of the Board and its committees.

Individual Board members are expected to observe a high standard and it is the opinion of the Board that this standard is presently being met.

### **The Audit Committee**

#### *General*

The Company is required by law and applicable stock exchange policy to have an Audit Committee. This portion of the Circular provides disclosure in connection with the Company's Audit Committee. The Company's auditor is DMCL.

#### *Audit Committee Charter*

The Company's Audit Committee Charter (the "Charter") is included as Schedule F (page 186) to the Company's Listing Application filed on January 24, 2018 at [www.sedar.com](http://www.sedar.com).

#### *Composition of the Audit Committee*

Norman Pitcher, Peter Gianulis and Russell Ball are the members of the Company's Audit Committee as of the date of this Circular and are all considered "independent" as such term is used in NI 52-110. All members of the Audit Committee are financially literate.

The Company proposes to appoint three members to the Audit Committee following the Meeting.

## **Relevant Education and Experience**

### *All Members*

Each member of the Audit Committee has:

- a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably expected to be raised by the Company's financial statements, and/or experience actively supervising individuals engaged in such activities; and
- c) an understanding of internal controls and procedures for financial reporting.

*Norman Pitcher:* Mr. Pitcher is the President & CEO of Mirasol Resources Ltd since February 1, 2019. From 2012 to 2015, Mr. Pitcher served as the President of Eldorado Gold Corporation, a Canadian mid-tier gold producer with a market capitalization exceeding a billion dollars. Prior to this, he served as Eldorado's Chief Operating Officer. During his 30-year career, Mr. Pitcher has also worked with Pan American Silver, H.A. Simons, Ivanhoe Gold and Pioneer Metals. He has extensive international expertise in exploration, evaluation and mining of open-pit and underground mineral deposits. Mr. Pitcher is a Professional Geologist and is a graduate of the University of Arizona with a Bachelor of Science in Geology.

*Peter Gianulis:* Mr. Gianulis is a Director and the Executive Vice President, Corporate Development of Organto Foods Inc., a TSX Venture Exchange listed company. He is also the President and Managing Director of Carrelton Asset Management, and was formerly a Partner of Saranac Capital Management, a NYC-based hedge fund. Carrelton Asset Management is an asset management and private equity firm specializing in small and micro-cap companies with a particular emphasis on the natural resource sector. Mr. Gianulis graduated with an MBA from Cornell University and a BA from the University of California at San Diego.

*Russell Ball:* Russell Ball was previously the Chief Financial Officer of both Goldcorp Inc. and Newmont Mining Corporation, two of the world's largest gold producers. Mr. Ball joined Goldcorp in 2013 as Executive Vice President of Projects and Capital Management and in 2014 he was appointed Executive Vice President of Corporate Development and Capital Projects. From March 2016 to October 2017, Mr. Ball served as Chief Financial Officer and Executive Vice President of Corporate Development. Prior to Goldcorp, Mr. Ball served as Executive Vice President and Chief Financial Officer for Newmont Mining Corporation. Over his nineteen years with Newmont, Mr. Ball worked in audit, finance, treasury and investor relations before joining the executive team as Chief Financial Officer. Prior to Newmont, Mr. Ball was a manager in the finance and audit groups with PriceWaterhouseCoopers in Durban, South Africa. He is qualified as both a Chartered Accountant from the Institute of Chartered Accountants of South Africa and a Certified Public Accountant in Colorado.

### *Audit Committee Oversight*

At no time since the commencement of the Company's financial year ended September 30, 2018 has a recommendation of the Audit Committee to nominate or compensate an external auditor have been declined by the Board.

### *Pre-Approval Policies and Procedures*

All services to be performed by the Company's independent auditor must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence and has adopted an informal policy governing the provision of these services. This policy requires the pre-approval by the Audit Committee of

all audit and non-audit services provided by the external auditor, other than any *de minimus* non-audit services allowed by applicable law or regulation.

#### *External Auditor Service Fees*

The Audit Committee has reviewed the nature and amount of the non-audited services provided by DMCL to the Company to ensure auditor independence. Fees incurred with DMCL for audit and non-audit services in the last two financial years for audit fees are outlined in the following table.

<b>Nature of Services</b>	<b>Fees Paid to Auditor in Year Ended September 30, 2018</b>	<b>Fees Paid to Auditor in Year Ended September 30, 2017</b>
Audit Fees <sup>(1)</sup>	30,000	\$3,000
Audit-Related Fees <sup>(2)</sup>	-	-
Tax Fees <sup>(3)</sup>	10,250	-
All Other Fees <sup>(4)</sup>	600	-
<b>Total</b>	<b>43,850</b>	<b>3,000</b>

#### *Footnotes to Table:*

1. “**Audit Fees**” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
2. “**Audit-Related Fees**” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
3. “**Tax Fees**” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
4. “**All Other Fees**” include all other non-audit services.

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

To the knowledge of management of the Company, no Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or proposed Director of the Company, or any associate or affiliate of the aforementioned persons had any material interest in any transaction since the commencement of the Company’s financial year ended September 30, 2018 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, other than as set out under “MANAGEMENT CONTRACTS” below.

### **MANAGEMENT CONTRACTS**

Pursuant to a consulting agreement with Columbus Capital, effective January 1, 2018 the Company engaged Columbus Capital to provide the services of Robert Giustra as the Chairman of the Company in consideration for a fee of \$150,000 per year. Columbus Capital is a company wholly-owned and controlled by Robert Giustra, a Director of the Company. Mr. Giustra resides in Vancouver, British Columbia. Effective July 28, 2018 Mr. Giustra was appointed as Chairman & CEO of the Company with no change to compensation. Since the start of the Company’s last completed financial year to the date of this Circular, the Company paid \$182,500 to Columbus Capital, representing Mr. Giustra’s compensation for his management services.

Other than as disclosed above, to the knowledge of management of the Company, no informed person or nominee for election as a Director of the Company had any interest in any material transaction during the

Company's last completed financial year or has any interest in any material transaction in the current year other than as set out herein.

#### **OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgement on such matter.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information regarding the Company is provided in the Company's comparative financial statements and management discussion and analysis for its financial year ended September 30, 2018. While shareholders are encouraged to obtain the Company's financial documents on SEDAR, the Company will provide to any person or company, upon request to the Corporate Secretary of the Company, one copy of any of the financial statements of the Company filed with the applicable securities regulatory authorities for the Company's financial year ended September 30, 2018 in respect to for which such financial statements have been issued, together with the report of the auditor, related management's discussion and analysis and any interim financial statements of the Company filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements.

Copies of documents may be obtained by a shareholder without charge upon request to the Corporate Secretary of the Company at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, telephone 604-638-0934. The Company may require the payment of a reasonable charge from any person or company who is not a shareholder of the Company, who requests a copy of any such document.

#### **APPROVAL BY THE BOARD**

The contents of this Circular and its distribution to shareholders have been approved by the Board.

#### **BY ORDER OF THE BOARD OF DIRECTORS**

**(signed) "Robert Giustra"**

Robert Giustra, Chairman, Director and CEO

February 14, 2019  
Vancouver, British Columbia