

BY-LAW NO. 1

A by-law relating generally to the transaction of the business and affairs of

XAU RESOURCES INC.

IT IS HEREBY ENACTED as By-law No. 1 of XAU Resources Inc. (the “**Corporation**”) as follows:

1 Interpretation

1.1 Statutory References

In the by-laws of the Corporation, **Act** means the *Canada Business Corporations Act* and the regulations made thereto, as from time to time amended, and every statute that may be substituted therefor, and in the case of such amendment or substitution, any reference to the Act in the by-laws of the Corporation refers to the amended or substituted provisions therefor.

1.2 Conflict with the Act and Articles

To the extent that there is any conflict or inconsistency between by-laws and the Act or the articles of the Corporation, the Act or articles will govern.

1.3 Number and Gender

Any reference in this Agreement to gender includes all genders and words importing the singular include the plural and *vice versa*.

2 Directors

2.1 Place

Meetings of the board of directors (**the “board”**) may be held at the registered office of the Corporation or any other place within or outside Canada.

2.2 Notice

Subject to any resolution of the board, meetings of the board may be called at any time by the chair of the board or the president or any vice-president who is a director, or any two directors. Notice of the time and place for holding any meeting of the board and the general nature of the business to be transacted thereat will be given by the secretary of the Corporation at least 24 hours prior to the time fixed for the meeting.

2.3 Quorum

The board may, from time to time, fix by resolution the quorum for meetings of the board. Until otherwise fixed, a majority of directors in office, from time to time, will constitute a quorum.

2.4 First Meeting of the New Board

For the first meeting of the board to be held following the election of directors at an annual or special meeting of the shareholders, or for a meeting of the board at which a director is appointed to fill a vacancy on the board, no notice of such meeting need be given to the newly elected or appointed director(s) in order for the meeting to be duly constituted, provided a quorum of the directors is present.

2.5 **Chair**

The chair of any meeting of the board shall be the first mentioned of the following officers who is a director and present at the meeting: the chair of the board, the chief executive officer or the president. If such officer is not present, the directors present will choose one of their number to be chair of the meeting.

2.6 **Votes to Govern**

All questions arising at any meeting of the board will be decided by a majority of votes. In the case of an equality of votes, the chair of the meeting is not entitled to a second or casting vote in addition to his original vote.

3 **Protection of Directors, Officers and Others**

3.1 **Indemnity**

Subject to the Act and any other applicable law, the Corporation shall indemnify each director and officer of the Corporation, each former director and officer of the Corporation, and each other individual who acts or acted at the Corporation's request as a director or officer or in a similar capacity of another entity against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal, administrative, investigative or other proceeding to which he is made a party or involved in by reason of being or having been a director or officer of the Corporation or such other entity at the request of the Corporation or in a similar capacity (excluding any proceeding initiated by such individual other than to establish a right of indemnification), provided:

- (a) the individual acted honestly and in good faith with a view to the best interests of the Corporation, or, as the case may be, to the best interest of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds to believe that his conduct was lawful.

3.2 **Advances for Costs**

The Corporation may advance monies to an individual referred to in section 3.1 for costs, charges, and expenses of a proceeding referred to in section 3.1 provided such individual shall repay the monies advanced if the individual does not fulfill the conditions of indemnification set out in the Act.

3.3 **Indemnification Agreements**

The Corporation is authorized to enter into any agreement evidencing and setting out the terms and conditions of, an indemnity in favour of any of the persons referred to in section 3.1.

3.4 **Director and Officer Insurance**

The Corporation may purchase, maintain or participate in insurance against the risk of its liability to indemnify pursuant to this by-law or otherwise.

3.5 **Right not Exclusive**

The right of any person to indemnification granted by this by-law is not exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors, at law or otherwise.

4 **Shareholders**

4.1 **Notice of Meeting**

Notice of the time and place of a meeting of shareholders shall be given not less than Twenty-One (21) days and not more than fifty days before the meeting.

4.2 **Chair, Secretary and Scrutineer**

The chair of any meeting of shareholders will be the first mentioned of such of the following officers who is present at the meeting and is a shareholder: chair of the board, chief executive officer, president or a vice-president. If no such officer is present within fifteen minutes from the time fixed for holding the meeting, the persons present and entitled to vote thereat will choose one of their number to be chair of the meeting. If present, the secretary of the Corporation shall be secretary of the meeting. If the secretary is absent, the chair of the meeting shall appoint another person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more persons, who need not be shareholders, may be appointed to act as scrutineers by the chair of the meeting.

4.3 **Quorum**

A quorum of shareholders is present at a meeting of shareholders irrespective of the number of persons actually present at the meeting, if the holder(s) of 10% of the shares are present in person or represented by proxy at the start of any meeting of shareholders.

4.4 **Adjournment**

The chair of any meeting of shareholders may, with the consent of the persons present who are entitled to vote at the meeting, adjourn the meeting from time to time and place to place, subject to conditions as such persons may decide. Any adjourned meeting is duly constitute if held in accordance with the terms of the adjournment and a quorum is present at the adjourned meeting. Any business may be considered and transacted at any adjourned meeting which could have been considered and transacted at the original meeting of shareholders.

4.5 **Votes to Govern**

A vote at a meeting of shareholders may be held by telephone or electronic or other means of communication facility made available by the Corporation. In the case of an equality of votes, the chair of the meeting will not be entitled to a second or casting vote.

4.6 **Meeting Held by Telephonic, Electronic or Other Communications Facility**

A meeting of shareholders may be held by telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting. A shareholder, proxyholder or shareholder's representative who participates through those means at a meeting or establishes a communication link to the meeting shall be deemed to be present at that meeting.

5 **Advance Notice of Director Nominations**

- 5.1 Subject to the Act, applicable securities laws¹ and the articles of the corporation, only persons who are nominated in accordance with the procedures set out in this Section 5 shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at a special meeting of shareholders if the election of directors is a matter specified in the notice of meeting:

¹ "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the written rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each province and territory of Canada.

- a) by or at the direction of the board, including pursuant to a notice of meeting;
- b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of a shareholders meeting by one or more of the shareholders made in accordance with the provisions of the Act; or
- c) by any person (a “**Nominating Shareholder**”) who:
 - (i) at the close of business on the date of the giving of the notice provided for below in this Section 5 and on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation; and
 - (ii) complies with the notice procedures set forth below in this Section 5.

5.2 **Nominations for Election**

For the avoidance of doubt, the procedures set forth in this Section 5 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Corporation.

5.3 **Timely Notice**

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the corporate secretary of the Corporation in accordance with this Section 5.

5.4 **Manner of Timely Notice**

To be timely, a Nominating Shareholder’s notice to the corporate secretary of the Corporation must be made:

- a) in the case of an annual meeting of shareholders (including an annual and special meeting), not less than thirty (30) days prior to the date of the meeting, provided, however, that in the event that the meeting is to be held on a date that is less than fifty (50) days after the date (the “**Notice Date**”) on which the first public announcement¹ of the date of the meeting was made, notice by the Nominating Shareholder shall be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not also called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the meeting was made.

5.5 **Proper Form of Notice**

To be in proper written form, a Nominating Shareholder’s notice to the corporate secretary of the Corporation must be in writing and must set forth or be accompanied by, as applicable:

- a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (each a “**Proposed Nominee**”):

¹ “**public announcement**” means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com, or any system that is a replacement or successor thereto.

- (i) the name, age, and province or state, and country of residence of the Proposed Nominee;
 - (ii) the principal occupation, business or employment of the Proposed Nominee, both present and for the five years preceding the notice;
 - (iii) whether the Proposed Nominee is a resident Canadian within the meaning of the Act;
 - (iv) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (v) a description of any relationship, agreement, arrangement or understanding (including financial, compensatory or indemnity related or otherwise) between the Nominating Shareholder and the Proposed Nominee, or any Affiliates or Associates of, or any person or entity acting jointly or in concert with the Nominating Shareholder or the Proposed Nominee, in connection with the Proposed Nominee's nomination and election as director;
 - (vi) whether the Proposed Nominee is party to any existing or proposed relationship, agreement, arrangement or understanding with any competitor of the Corporation or its Affiliates or any other third party which may give rise to a real or perceived conflict of interest between the interests of the Corporation and the interests of the Proposed Nominee; and
 - (vii) any other information relating to the Proposed Nominee that would be required to be disclosed in a dissident's proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or any Applicable Securities Laws;
- b) as to each Nominating Shareholder:
- (i) the name, business and, if applicable, residential address of such Nominating Shareholder;
 - (ii) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such Nominating Shareholder or any other person with whom such Nominating Shareholder is acting jointly or in concert with respect to the Corporation or any of its securities, as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (iii) the interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which may be to alter, directly or indirectly, such Nominating Shareholder's economic interest in a security of the Corporation or such Nominating Shareholder's economic exposure to the Corporation;
 - (iv) full particulars regarding any proxy, contract, arrangement, agreement, understanding or relationship pursuant to which such Nominating Shareholder, or any of its Affiliates or Associates, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the board; and
 - (v) any other information relating to such Nominating Shareholder that would be required to be disclosed in a dissident's proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or any Applicable Securities Laws.

Reference to “**Nominating Shareholder**” in this Section 5 shall be deemed to refer to each shareholder that nominates or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

5.6 Notice to be Updated

To be considered timely and in proper form, a Nominating Shareholder’s notice shall be promptly updated and supplemented if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

5.7 Power of the Chair

The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this Section 5 and, if any proposed nomination is not in compliance with this Section 5, to declare that such defective nomination shall be disregarded.

5.8 Delivery of Notice

Notwithstanding any other provision of this by-law, notice given to the corporate secretary of the Corporation pursuant to this Section 5 may only be given by personal delivery or facsimile transmission (at such contact information as set out on the Corporation’s issuer profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com), and shall be deemed to have been given and made only at the time it is served by personal delivery or sent by facsimile transmission (provided that receipt of the confirmation of such transmission has been received) to the corporate secretary of the Corporation, at the address of the principal executive offices of the Corporation, provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

5.9 Board of Directors Discretion

Notwithstanding the foregoing, the board of directors may, in its sole discretion, waive any requirement in this Section 5.

6 Effective Date

This by-law will come into force on the date when made by the board in accordance with the Act.

ENACTED AND MADE by the board of the Corporation and confirmed by the shareholders of the Corporation on the 18th day of June, 2018.

“Gairat Gary Bay”

President

“Enrico Visentini”

Secretary