

MELKIOR RESOURCES INC.

66 Brousseau Avenue, Suite 207
Timmins, Ontario
P4N 5Y2

INFORMATION CIRCULAR

as of February 24, 2021 (unless otherwise noted)

MANAGEMENT SOLICITATION OF PROXIES

This Information Circular is furnished to you in connection with the solicitation of proxies by management of Melkior Resources Inc. (“we”, “us”, the “Company” or “Melkior”) for use at the Annual General and Special Meeting (the “Meeting”) of shareholders of the Company to be held on March 31, 2021, at 82 Richmond Street East, Toronto, Ontario at 11:00 a.m. (Toronto time), and at any adjournment of the Meeting. The Company will conduct its solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse shareholders, nominees or agents (including brokers holding shares on behalf of clients) for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.

Due to the COVID19 Pandemic and given the restrictions on public gatherings and in the best interest of the health of all participants in the Company’s Meeting, the Company respectfully asks that all shareholders do not attend the Meeting in person. The Company requests that shareholders who wish to participate by listening to the Meeting, contact the Company by March 29, 2021 to be included in the telephone conference for the Meeting. The Company will arrange for telephone participation for all shareholders who have requested it by March 29, 2021. However, the Company strongly recommends that shareholders vote by Proxy or VIF in advance to ease the voting tabulation at the Meeting by Computershare Investor Services Inc. If public health guidelines regarding physical distancing in Ontario have changed by the meeting date of March 31, 2021, the Company will issue a news release advising of permitted Meeting attendance in accordance with such updated guidelines.

APPOINTMENT OF PROXY HOLDER

The persons named as **proxy holders** in the enclosed form of proxy are the Company’s directors or officers. **As a shareholder, you have the right to appoint a person (who need not be a shareholder) in place of the persons named in the form of proxy to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the form of proxy and strike out the other names or complete and deliver another appropriate form of proxy.**

A proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

VOTING BY PROXY

The persons named in the accompanying form of proxy will vote or withhold from voting the shares represented by the proxy in accordance with your instructions, provided your

instructions are clear. If you have specified a choice on any matter to be acted on at the Meeting, your shares will be voted or withheld from voting accordingly. If you do not specify a choice or where you specify both choices for any matter to be acted on, your shares will be voted in favour of all matters.

The enclosed form of proxy gives the persons named as proxy holders discretionary authority regarding amendments or variations to matters identified in the Notice of Meeting and any other matter that may properly come before the Meeting. As of the date of this Information Circular, our management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any amendment, variation or other matter properly comes before the Meeting, the persons named in the form of proxy intend to vote on such other business in accordance with their judgement.

You may indicate the manner in which the persons named in the enclosed proxy are to vote on any matter by marking an "X" in the appropriate space. If you wish to give the persons named in the proxy a discretionary authority on any matter described in the proxy, then you should leave the space blank. **In that case, the proxy holders nominated by management will vote the shares represented by your proxy in accordance with their judgment.**

RETURN OF PROXY

You must deliver the completed form of proxy to the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, fax within North America 1-866-249-7775, outside North America 416 263-9524, by fax, by mail or by hand to the Company's head office at the address listed on the cover page of this Information Circular, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment.

ADVICE TO NON-REGISTERED SHAREHOLDERS

Only shareholders whose names appear on our records or validly appointed proxy holders are permitted to vote at the Meeting. Most of our shareholders are "non-registered" shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a "Nominee"). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as "NOBOs". Those non-registered Holders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as "OBOs".

In accordance with the securities regulatory policy, we will have distributed copies of the Meeting Materials, being the Notice of Meeting, this Information Circular, and the form of proxy directly to NOBOs and to the Nominees for onward distribution to OBOs. **The Company does not intend to pay for a Nominee to deliver to OBOs, therefore an OBO will not receive the materials unless the OBO's Nominee assumes the costs of delivery.**

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting Materials sent to non-

registered holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIF’s, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Shares which they beneficially own. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request (in writing) to the Company or its Nominee, as applicable, without expense to the non-registered holder, that the non-registered holder or his/her nominee be appointed as proxyholder and have the right to attend and vote at the Meeting.** Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

REVOCAION OF PROXY

If you are a registered shareholder who has returned a proxy, you may revoke your proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either:

- (a) signing a proxy bearing a later date; or
- (b) signing a written notice of revocation in the same manner as the form of proxy is required to be signed as set out in the notes to the proxy.

The later proxy or the notice of revocation must be delivered to the office of the Company’s registrar and transfer agent or to the Company’s head office at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment, or to the Chairman of the Meeting on the day of the Meeting or any adjournment.

If you are a non-registered shareholder who wishes to revoke a VIF or to revoke a waiver of your right to receive Meeting materials and to give voting instructions, you must give written instructions to your Nominee at least seven days before the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the adoption of the Company’s stock option plan, approval of which will be sought at the Meeting. Directors and executive officers of the Company may participate in the Company’s stock option plan, and accordingly have an interest in its approval. See “Particulars of Matters to be Acted Upon”.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The Company is authorized to issue an unlimited number of common shares without par value, of which 21,849,420 common shares are issued and outstanding as of February 24, 2021. There is one class of shares only.

Persons who are registered shareholders at the close of business on February 24, 2021 will be entitled to receive notice of, attend, and vote at the Meeting. On a show of hands, every shareholder and proxy holder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each share. In order to approve a motion proposed at the Meeting, a majority of at least 50% plus one vote of the votes cast will be required to pass an ordinary resolution, and a majority of at least 2/3 of the votes cast will be required to pass a special resolution.

To the knowledge of our directors and executive officers, other than set out below, there are no persons or companies that beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of all voting rights as of February 24, 2021.

Name of Shareholder	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised	Percentage of Class
Keith James Deluce	2,888,191 ⁽¹⁾	13.2%

Note:

(1) Mr. Deluce also holds 605,000 share purchase warrants exercisable into common shares and 760,000 stock options exercisable into common shares.

ELECTION OF DIRECTORS

Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until that person sooner ceases to be a director. The shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at three (3) for the next year, subject to any increases permitted by the Company's Articles.

Unless you provide other instructions, the enclosed proxy will be voted for the nominees listed below. Management does not expect that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the proxy will exercise his or her discretionary authority to vote the shares represented by the proxy for the election of any other person or persons as directors.

Management proposes to nominate the persons named in the table below for election as director. The information concerning the proposed nominees has been furnished by each of them:

Name, Province or State and Country of Residence and Present Office Held	Periods Served as Director	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised ⁽¹⁾	Principal Occupation and, if Not Previously Elected, Principal Occupation during the Past Five Years
Jonathon Deluce ⁽²⁾ CEO and Director Ontario, Canada	March 24, 2020	218,000 ⁽³⁾	CEO of the Company; President of Goldseek Resources Inc.; Chartered Professional Accountant
Keith James Deluce Director	March 4, 2016	2,888,191 ⁽⁴⁾	President of Bradel Properties Ltd, a private company controlled

Name, Province or State and Country of Residence and Present Office Held	Periods Served as Director	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised ⁽¹⁾	Principal Occupation and, if Not Previously Elected, Principal Occupation during the Past Five Years
Ontario, Canada			by Mr. Deluce.
Norman Farrell⁽²⁾ Chairman of the Board and Director Quebec, Canada	October 18, 1979	962,868 ⁽⁵⁾	Marketing advisor for Forex Inc.

Notes:

- (1) As at February 24, 2021.
- (2) Member of the Audit Committee.
- (3) 40,000 Common Shares held directly; 178,000 Common Shares held in the name of Silverwater Capital Corp.
- (4) 999,941 Common Shares held directly; 1,888,250 Common Shares controlled by Keith James Deluce and held by various family members of Keith James Deluce.
- (5) 396,368 Common Shares held directly; 6,450 Common Shares held in the name of Consultant Global Farrell & Lacelle; 560,050 Common Shares held in the name of Gesfar Inc.

No proposed director of the Company is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, while the person was acting in that capacity:

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

For the purposes of the above, “order” means (a) a cease trade order; (b) an order similar to a cease trade order; or (c) 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.

No proposed director of the Company has, within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the knowledge of the Company, no nominee for director of the Company 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 that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Other than as set out below, no proposed director of the Company is or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or

instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following persons are considered the “Named Executive Officers” or “NEOs” for the purposes of this disclosure:

- (a) the Company’s chief executive officer (“CEO”);
- (b) the Company’s chief financial officer (“CFO”);
- (c) each of the Company’s most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the August 31, 2020 year end; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was neither an executive officer, nor acting in a similar capacity at August 31, 2020.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiaries of the Company to each Named Executive Officer and director of the Company during the Company’s two most recent financial years ended August 31, 2020 and August 31, 2019.

Table of compensation excluding compensation securities							
Name and position	Year Ended August 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites ⁽¹⁾ (\$)	Value of all other compensation (\$)	Total compensation (\$)
Keith James Deluce Director and Former CEO ⁽²⁾	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Norman Farrell Chairman of the Board and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Jonathon Deluce Director CEO ⁽³⁾	2020	30,000	Nil	Nil	Nil	Nil	30,000
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Charles Joseph Deluce Former Director ⁽⁴⁾	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Sung Min (Eric) Myung	2020	N/A	N/A	N/A	N/A	N/A	N/A

Table of compensation excluding compensation securities							
Name and position	Year Ended August 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites ⁽¹⁾ (\$)	Value of all other compensation (\$)	Total compensation (\$)
CFO ⁽⁵⁾	2019	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) The value of perquisites and benefits, if any, was less than \$15,000.
- (2) Mr. Keith James Deluce resigned as President and CEO on March 24, 2020.
- (3) Mr. Jonathon Deluce was appointed CEO on March 24, 2020.
- (4) Mr. Charles Deluce was appointed a director on July 9, 2019, so the information is for only two months of the financial year. Mr. Charles Deluce resigned as a director February 20, 2020.
- (5) Mr. Myung is paid through Marrelli, which has a contract with the Company, as described below. An aggregate of \$62,844 was paid to Marrelli and affiliated entities during the financial year ended August 31, 2019, and an aggregate of \$51,818 was paid to Marrelli and affiliated entities during the financial year ended August 31, 2020. See note 10 to the Company's audited financial statements as at August 31, 2020.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued during the most recently completed financial year ended August 31, 2020 to each Named Executive Officer and director for services provided or to be provided, directly or indirectly, to the Company or its subsidiaries. Stock options held at the financial year ended August 31, 2020 but not granted during the year are shown as footnotes to the table.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Keith James Deluce ⁽¹⁾ Director and Former CEO	Stock options	400,000	February 27, 2020	0.20	0.15	0.82	February 27, 2025
Norman Farrell ⁽²⁾ Chairman of the Board and Director	Stock options	400,000	February 27, 2020	0.20	0.15	0.82	February 27, 2025
Jonathon Deluce ⁽³⁾ Director and CEO	Stock options	150,000	February 27, 2020	0.20	0.15	0.82	February 27, 2025
	Stock options	90,000	June 25, 2020	0.80	0.76	0.82	June 25, 2023
Charles Joseph Deluce Former Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sung Min (Eric) Myung ⁽⁴⁾ CFO	Stock options	75,000	February 27, 2020	0.20	0.15	0.82	February 27, 2025

Notes:

- (1) At year end, Mr. Keith Jim Deluce held 60,000 stock options exercisable until May 31, 2021 at an exercise price of \$1.00 and 400,000 stock options exercisable until February 27, 2025 at an exercise price of \$0.20.
- (2) At year end, Mr. Norman Farrell held 100,000 stock options exercisable until May 31, 2021 at an exercise price of \$1.00, 70,000 stock options exercisable until January 10, 2024 at an exercise price of \$1.15 and 400,000 stock options exercisable until February 27, 2025 at an exercise price of \$0.20.
- (3) At year end, Mr. Jonathon Deluce held 150,000 stock options exercisable until February 27, 2025 at an exercise price of \$0.20 and 90,000 stock options exercisable until June 25, 2023 at an exercise price of \$0.80.
- (4) At year end, Mr. Sung Min Myung held 30,000 stock options exercisable until January 10, 2024 at an exercise price of \$1.15 and 75,000 stock options exercisable until February 27, 2025 at an exercise price of \$0.20.

Exercise of Compensation Securities by Directors and NEOs

During the financial year ending August 31, 2020, none of the Named Executive Officers or directors exercised any stock options.

For information about the material terms of the Company's stock option plan, please refer to the heading "Particulars of Matters to be Acted Upon – Shareholder Approval of Stock Option Plan".

Employment, Consulting and Management agreements

The CEO, through Silverwater Capital Corp., is paid a consulting fee of \$5,000 per month. The Company can terminate the agreement with three months' notice. The CEO has change of control provisions in his consulting agreements that provide for, upon a change of control as defined in their agreements, all unpaid expenses incurred in accordance with the agreement up to the date of termination of the agreement must be paid and a lump sum payment equivalent to 36 months' of consulting fees based on the average fees paid to the CEO over the three months prior to the date of termination must be paid.

During the financial year ended August 31, 2019, the Company entered into a consulting agreement with Marrelli Support Services Inc. ("Marrelli") and Sung Min (Eric) Myung dated July 10, 2018, under which Marrelli will provide accounting services to the Company, and Mr. Myung will act as CFO of the Company. This agreement provides for a monthly consulting fee of \$2,500 to Marrelli for the services provided, and the Company must pay a termination fee of \$5,000 to Marrelli if it chooses to terminate the arrangement.

Oversight and Description of Director and Named Executive Officer Compensation

Director compensation

As at the financial year ended August 31, 2020, the Company had three directors, one of whom is also an NEO. For the year ended August 31, 2020, the Company did not pay directors who are not officers of the Company for attending directors' meetings or for serving on committees. None of the Company's directors have received any cash compensation for services provided in their capacity as directors during the Company's most recently completed financial year. Directors are entitled to reimbursement of reasonable out-of-pocket expenses incurred in the course of their duties as a director.

The Company may, from time to time, grant to its directors incentive stock options to purchase common shares in the capital of the Company pursuant to the terms of the Stock Option Plan and in accordance with the policies of the TSX Venture Exchange (the "Exchange").

Named Executive Officer Compensation

The Board is responsible for ensuring that the Company's compensation strategy is aligned with performance and shareholder interests.

The main objectives the Company hopes to achieve through its compensation policies are to attract and retain executives critical to the Company's success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value. The Board has responsibility for determining compensation for the directors and Named Executive Officers. To determine compensation payable, the Board considers compensation paid for directors and CEO's of companies of similar size and stage of development in the mineral exploration and development industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. The Board also has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

Due to the small size of the Company and the current level of the Company's activity, the Board of Directors is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Executive compensation is comprised of short-term fee compensation and long-term ownership through the Company's Stock Option Plan. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long term shareholder value.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has an incentive stock option plan under which stock options are granted. Stock options have been determined by the Company's directors and are only granted in compliance with applicable laws and regulatory policy. The Company presently has a 10% "rolling" stock option plan, as described further under "Particulars of Matters to be Acted Upon – Shareholder Approval of Stock Option Plan". The policies of the Exchange limit the granting of stock options to employees, officers, directors and consultants of the Company and provide limits on the length of term, number and exercise price of such options.

The following table sets out equity compensation plan information as at the end of the financial year ended August 31, 2020.

Plan Category	Number of securities to be issued upon exercise of outstanding options⁽¹⁾	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))⁽²⁾
(a)	(b)	(c)	
Equity compensation plans approved by securityholders	1,815,000	0.53	369,942
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,815,000	0.53	369,942

Notes:

- (1) Assuming outstanding options are fully vested.
- (2) Excluding the number of shares issuable on exercise of the outstanding options shown in the second column.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to the Company or our subsidiaries at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the commencement of our last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of our subsidiaries, other than as disclosed under the heading "Particulars of Matters to be Acted On".

An "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, so long as it holds any of its securities.

AUDIT COMMITTEE

Under this heading, the Company is including the disclosure required by Form 52-110F2 of National Instrument 52-110 *Audit Committees* ("**NI 52-110**").

Audit Committee Charter

The Audit Committee Charter was adopted by the Company's Audit Committee and the Board of Directors. The full text of the Company's Audit Committee Charter is attached as Exhibit "B" to the Company's Information Circular dated December 20, 2017 which was filed on SEDAR on December 28, 2017.

Composition of the Audit Committee

As of the date of this Information Circular, the following are the members of the Audit Committee:

Name of Member	Independent ⁽¹⁾⁽⁴⁾	Financially Literate ⁽¹⁾
Norman Farrell	Not Independent ⁽²⁾	Yes
Keith James Deluce	Not Independent ⁽³⁾	Yes
Jonathon Deluce	Not Independent	Yes

Notes:

(1) As that term is defined in NI 52-110.

(2) Mr. Farrell is the Chairman of the Company, and therefore considered an executive officer of the Company (within the meaning of NI 51-102) and not considered independent; however, he is not involved in day to day management, and would be considered a Non-Executive Chair.

(3) Mr. KJ Deluce is not considered independent as he was previously the CEO of the Company during part of the previous financial year; however, since he ceased to be CEO, he has not been involved in day to day management of the Company.

(4) Under NI 52-110, a venture issuer's audit committee must comply with section 6.1.1 of NI 52-110, which requires that the majority of the audit committee not be executive officers, employees or control persons of the issuer.

Relevant Education and Experience of Audit Committee Members

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. 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 reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting, are as follows:

Keith James Deluce – Mr. Deluce is a mining and real estate executive with over 40 years of experience in leadership roles, including both business ownership and business management. Mr. Deluce is the Chief Executive Officer of Melkior Resources Inc., a mineral exploration company, since October 2016. Based on his experience, Mr. Deluce has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

Norman Farrell – Mr. Farrell received a B.Sc.Com. from the École des Hautes Études Commerciales of the University of Montreal in 1969. He has been a director of the Company since 1979, and was the President of the Company from 1982 to 1998. From 1987 to 1990, he was Vice-President and director of Ressources Oasis Inc. and Ressources Orient Inc., which were both listed on the Montreal Exchange. He also was a director of Cambior Inc. from 1986 to 1989. From 1993 to 1999, he was Vice-president Marketing of Le Groupe Forex Inc., a publicly traded forest company.

Jonathon Deluce – Mr. Deluce obtained his CPA/CA while working at EY in the Assurance and Advisory practices. While at EY he led quarterly and year-end audit engagements on NYSE and

TSX clients in the construction, mining and power / utilities industries. While in advisory he led internal control and internal audit projects on multiple intermediate gold producers. Mr. Deluce graduated with a Bachelor of Business Administration (Accounting Specialization) degree from the University of Western Ontario in April 2014 and obtained his Chartered Professional Accountant designation from the CPA Association of Canada in December 2017. Based on his experience, Mr. Deluce has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in NI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit), the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), the exemption in subsection 6.1.1(5) (*Events Outside of Control of Member*), the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two financial years:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
August 31, 2020	\$17,000	N/A	N/A	N/A
August 31, 2019	\$20,000	N/A	N/A	N/A

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and if applicable, 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.
- (4) "All Other Fees" includes all other non-audit services".

Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations

Since the Company is a venture issuer, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee (as described in 'Composition of the Audit Committee' above) and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in this Information Circular).

CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian securities administrators requires the Company to annually disclose certain information regarding its corporate governance practices. Under this heading, the Company is providing the disclosure required by Form 58-101F2.

Board of Directors

The Board has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems.

The Board sets long term goals and objectives for the Company and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The Board is responsible for protecting shareholders' interests and ensuring that the incentives of the shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Company's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Company is authorized to act without board approval, on all ordinary course matters relating to the Company's business.

The Board also monitors the Company's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board is responsible for selecting the President and appointing senior management and for monitoring their performance.

The Board considers that the following directors are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best

interests of the Company, other than interests and relationships arising from shareholding Norman Farrell and Keith James Deluce. The Board considers that Jonathon Deluce, the CEO of the Company, is not independent because he is a member of management.

Directorships

Certain of the directors are presently a director of one or more other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction, as follows:

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)
Jonathon Deluce	Goldseek Resources Inc.
Keith James Deluce	Goldseek Resources Inc.

Orientation and Continuing Education

The Board takes the following steps to ensure that all new directors receive orientation regarding the role of the Board, its committees and its directors, and the nature and operation of the Company: reports and other documentation relating to the Company's business and affairs are provided to new directors and Board meetings are held to give the directors additional insight into the Company's business and operations.

The Board has not at this time taken any measures to provide continuing education for the directors; however, the directors of the Company are encouraged to attend, at the Company's expense, any seminar given by the Exchange or the Canadian Securities Administrators relating to the management of a public company or relating to their responsibilities as a director of a public company. Furthermore, the directors are given access to the Company's legal advisors for any questions they may have relating to such responsibilities.

Ethical Business Conduct

The Board relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board has found that these, combined with the conflict of interest provisions of the *Business Corporations Act* (BC), as well as the relevant securities regulatory instruments, to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

The Chairman of the Board and CEO of the Company seek qualified candidates to be considered for nomination as directors. Proposed nominations are subject to review and approval by the Board.

Any new appointees or nominees to the Board must have a favourable track record in general business management, special expertise in areas of strategic interest to the Company, the ability to devote the time required and a willingness to serve as a director.

Compensation

The Board is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the CEO of the Company and the

directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations in general; and (v) permitted compensation under Exchange rules.

Other Board Committees

The Board has no other committees other than the Audit Committee.

Assessments

The Board has not established any formal procedures for assessing the performance of the Board or its committees and members. Generally, those responsibilities have been carried out on an informal basis by the Board itself. Furthermore, it is the view of the Board that, in light of its small size and the close and open relationship among its members, the formality of a committee would not be as effective as the current arrangement and is unnecessary.

APPOINTMENT OF AUDITOR

Unless otherwise instructed, the proxies given in this solicitation will be voted for the re-appointment of Crowe MacKay LLP, Chartered Professional Accountants, of Vancouver, BC, as our auditor to hold office until the next annual general meeting. Crowe MacKay LLP, Chartered Professional Accountants has been the Company's auditors since January 2017. We propose that the Board of Directors be authorized to fix the remuneration to be paid to the auditor.

Our Audit Committee recommends the election of Crowe MacKay LLP, Chartered Professional Accountants, as our auditor to hold office until the Company's next annual general meeting. The Audit Committee proposes that the Board of Directors be authorized to fix the remuneration to be paid to the auditor.

Unless otherwise instructed, the proxies solicited by management will be voted for the appointment of Crowe MacKay LLP, Chartered Professional Accountants, as the Company's auditor.

MANAGEMENT CONTRACTS

The management functions of the Company are not to any substantial degree performed by any person other than the executive officers and directors of the Company.

PARTICULARS OF MATTERS TO BE ACTED ON

Shareholder Approval of Stock Option Plan

The only equity compensation plan which the Company currently has in place is the 2020 stock option plan (the "**2020 Plan**") which was approved by the directors and the shareholders of the Company. The 2020 Plan was established to provide incentive to employees, officers, directors and consultants who provide services to the Company. Exchange policy requires that all companies listed on the Exchange adopt a stock option plan if a company wishes to grant stock options and that all stock option plans that reserve a maximum of 10% of the issued and

outstanding share capital of the Company at the time of grant (called a “rolling plan” under Exchange policies), must be approved and ratified by shareholders on an annual basis in accordance with Policy 4.4 of the Exchange (“**Policy 4.4**”). The Company’s 2020 Plan was approved by the Company’s shareholders at the previous annual general meeting of shareholders held on March 12, 2020.

Management seeks shareholder approval for renewal of the 2020 Plan, as the Company’s 2021 stock option plan (the “**2021 Plan**”) in accordance with and subject to the rules and policies of the Exchange. The intention of management in proposing the 2021 Plan is to increase the proprietary interest and incentive of employees, officers, directors and consultants in the Company and thereby aid the Company in attracting, retaining and encouraging the continued involvement of such persons with the Company. It is proposed that under the 2021 Plan, the total number of common shares that may be reserved for issuance will be 10% of the issued and outstanding common shares of the Company at the time of grant, less any common shares reserved for issuance pursuant to the grant of stock options under any other share compensation arrangements. The 2021 Plan complies with the current policies of the Exchange, and all capitalized terms below that are not defined in this Information Circular, have the meanings given to them in Policy 4.4. The 2021 Plan is subject to approval by the Exchange.

Terms of the 2021 Plan

A full copy of the 2021 Plan will be available at the Meeting for review by shareholders. Shareholders may also obtain copies of the 2021 Plan from the Company prior to the meeting on written request. The following is a summary of the material terms of 2021 Plan:

1. The options are non-assignable and non-transferable (except that the Optionee’s heirs or administrators can exercise any portion of the outstanding option, up to one year from the Optionee’s death).
2. The number of shares subject to each option is determined by the Board of Directors provided that the 2021 Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12 month period, result in:
 - (a) the number of options granted to any one Person exceeding 5% of the issued shares of the Company; or
 - (b) the number of options granted to any one Consultant exceeding 2% of the issued shares of the Company; or
 - (c) the number of options granted to all Persons retained to provide Investor Relations Activities of a number shares exceeding 2% of the issued shares of the Company.
3. The exercise price of an option may not be set at less than Discounted Market Price.
4. The options may be exercisable for a period of up to 10 years, (subject to extension where the expiry date falls within a “blackout period”).
5. Disinterested shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Company at the time of the proposed amendment.
6. For stock options granted to Employees, Consultants or Management Company Employees, the Company and the Optionee are responsible for ensuring and confirming

that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

7. Any options granted to any Optionee who is a Director, Employee, Consultant or Management Company Employee must expire within a reasonable period following the date the Optionee ceases to be in that role (in general, the Exchange considers anything not exceeding 12 months to be a reasonable period for these purposes).

Shareholders will be asked to pass the following, ordinary resolution, approving the Company's 2021 Plan:

“IT IS RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. The Company adopt a 2021 Stock Option Plan (the “Plan”), including the reserving for issuance under the Plan at any time of a maximum of 10% of the issued common shares of the Company;
2. The Board of Directors be authorized on behalf of the Company to make any further amendments to the Plan as may be required by regulatory authorities, without further approval of the shareholders of the Company, in order to ensure adoption of the Plan;
3. The Company file the Plan with the TSX Venture Exchange for acceptance; and
4. Any one director or officer of the Company is authorized and directed to do all such acts and things and to execute and deliver all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

Recommendation of the Company's Directors

The directors have reviewed and considered all facts respecting the approval of the 2021 Plan. The Company's directors unanimously recommend that the shareholders vote in favour of ratifying and approving the 2021 Plan.

An ordinary resolution requires the approval of a simple majority (50% + one vote) of the votes cast at the Meeting, in person or by proxy. **It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the ordinary resolution authorizing the approval of the 2021 Plan.**

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information is provided in the Company's audited financial statements and Management's Discussion and Analysis for its most recently completed financial year ended August 31, 2020. Shareholders may also contact the Company to request copies of the Company's financial statements and the Management's Discussion and Analysis at 66 Brousseau Avenue, Suite 207, Timmins, Ontario, P4N 5Y2.

OTHER MATERIAL FACTS

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy.

DATED at Timmins, Ontario, on the 24th day of February, 2021

BY ORDER OF THE BOARD

MELKIOR RESOURCES INC.

(signed) "*Jonathon Deluce*"

Jonathon Deluce
Chief Executive Officer and Director