

GRANADA GOLD MINE INC.

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INFORMATION CIRCULAR

as at March 22, 2019

This information circular (“Information Circular”) is furnished in connection with the solicitation of proxies by the management of GRANADA GOLD MINE INC. (the “Company”) for use at the Annual General Meeting of shareholders of the Company (the “Meeting”) to be held on Friday, April 26, 2019, at the time and place and for the purposes set forth in the accompanying Notice of Annual General Meeting.

Notice of the Meeting was provided to the TSX Venture Exchange (the “TSX-V”) and to the securities commissions in each jurisdiction where the Company is a reporting issuer under applicable securities laws.

“Non-Registered Shareholders” means shareholders who do not hold common shares in their own name and “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders of the common shares held of record by those Intermediaries and the Company may reimburse the Intermediaries for their reasonable fees and disbursements by them in so doing.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy are directors and officers of the Company (the “Management Designees”). **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company, who need not be a shareholder, other than either of the persons designated in the proxy, 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 Proxyholder

The Management Designees named in the proxy will vote or withhold from voting the common shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your common shares will be voted accordingly. The proxy will confer discretionary authority on the nominees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

THE COMMON SHARES REPRESENTED BY THE ACCOMPANYING FORM OF PROXY WILL BE VOTED OR WITHHELD FROM VOTING AS DIRECTED BY THE SHAREHOLDER, HOWEVER, IF SUCH A DIRECTION IS NOT MADE IN RESPECT OF ANY MATTER, THIS PROXY WILL BE VOTED AS RECOMMENDED BY MANAGEMENT.

Registered Shareholders

If you are a Registered Shareholder, you may elect to submit a proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to a toll free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy for the toll free number, the holder's account number and the proxy access number; or
- (c) using the internet through the website of the Company's transfer agent at www.computershare.com/ca/proxy. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number;

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used. Late proxies may be accepted or rejected by the Chairman of the Meeting in his or her discretion, however, the Chairman is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive this time limit for receipt of proxies without notice.

Non-Registered Shareholders

The following information is of significant importance to shareholders who do not hold common shares in their own name. Non-Registered Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of common shares) or as set out in the following disclosure.

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the Company. Such common shares will more likely be registered under the names of intermediaries. In the United States, the vast majority of such common shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks), and in Canada, 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).

Intermediaries are required to seek voting instructions from Non-Registered Shareholders in advance of meetings of shareholders. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. You are encouraged to follow the instructions provided by your Intermediary to provide your voting instructions. Your Intermediary will not vote your common shares without receiving instructions from you.

The form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote your common shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a Voting Instruction Form ("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 common shares at the Meeting. You have the right to appoint a person, who need not be a Non-Registered Shareholder of the Company, other than any of the persons designated in the VIF, to represent your common shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative, which may be yourself, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge

by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common 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 common shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your common shares at the Meeting.

Non-Objecting and Objecting Beneficial Owners

There are two types of Non-Registered Shareholders. Non-Registered Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as "NOBOs" or "Non-Objecting Beneficial Owners". Non-Registered Shareholders who have objected to their Intermediary disclosing the ownership information about themselves to the Company are referred to as "OBOs" or "Objecting Beneficial Owners". In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), the Company has elected to send the meeting materials to the NOBOs utilizing the services of Broadridge. The Company does not intend to pay for Intermediaries to deliver meeting materials to OBOs and, as such, OBOs will not receive proxy-related materials unless the OBO's Intermediary assumes the delivery costs. Please return your voting instructions as specified in the VIF or form of proxy delivered to you.

Please vote in sufficient time to allow your Intermediary to provide the proxy at least 48 hours (*excluding* Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

The Company is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related material in connection with the Meeting.

Notice to Shareholders in the United States

The solicitation of proxies involve 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 *Business Corporations Act* (British Columbia), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of 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.

Revocation of Proxies

A Registered Shareholder of the Company who has given a proxy may revoke the proxy at any time prior to use by:

- (a) depositing an instrument in writing, including another completed proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an officer or attorney thereof properly authorized, either: (i) at the registered and records office of the Company located at 3028 Quadra Court, Coquitlam, British Columbia V3B 5X6, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof, (ii) with Computershare Investor Services Inc., Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any

adjournment thereof, or (iii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof;

- (b) transmitting, by telephone or electronic means, a revocation that complies with paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be; or
- (c) in any other manner permitted by law including attending the Meeting in person.

A Non-Registered Shareholder who has submitted a form of proxy may revoke it by contacting the Intermediary through which the Non-Registered Shareholder's common shares are held and following the instructions of the Intermediary respecting the revocation of proxies.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Signing of Proxy

The form of proxy must be signed by the shareholder of the Company or the duly appointed attorney of the shareholder of the Company authorized in writing or, if the shareholder of the Company is a corporation, by a duly authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the shareholder of the Company or in some other representative capacity, including an officer of a corporation which is a shareholder of the Company, should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Company.

A shareholder of the Company or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be.

RECORD DATE, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Record Date

In accordance with applicable laws, the Board of Directors of the Company has provided notice of and fixed the record date as of March 22, 2019 (the "Record Date") for the purposes of determining shareholders entitled to receive notice of, and to vote at, the Meeting, and has obtained a list of all persons who are Registered Shareholders at the close of business on the Record Date and the number of common shares registered in the name of each Registered Shareholder on that date. Each Registered Shareholder as at the close of business on the Record Date will be entitled to receive notice of the Meeting and will be entitled to one vote at the Meeting for each common share registered in his or her name as it appears on the list.

Description of Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. As at March 22, 2019, the Company had outstanding 69,224,687 fully paid and non-assessable common shares without par value, each common share carrying the right to one vote. The Company has no other classes of voting securities. As previously disclosed in the Company's information Circular filed April 3, 2018 and available at www.sedar.com, the Company consolidated its capital on an eight old for one new basis. All securities contained herewith are shown on a post-consolidated basis.

Ownership of Securities of the Company

To the knowledge of the directors and executive officers of the Company, no individual person or corporation beneficially owns, or controls or direct, directly or indirectly, common shares carrying 10% or more of the voting rights attached to the common shares of the Company.

VOTES NECESSARY TO PASS RESOLUTIONS

The Articles of the Company provide that at least one person present in person or by proxy, being a shareholder entitled to vote thereat or a duly appointed proxy holder or representative for a shareholder so entitled, constitutes a quorum for the Meeting in respect of holders of the common shares of the Company. If such a quorum is not present in person or by proxy, the Company will reschedule the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders, or who is holding a proxy on behalf of a shareholder who is not present at the Meeting, will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each share registered in his name on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting.

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an "ordinary resolution") unless the motion requires a special resolution in which case a majority of 66 2/3% of the votes cast will be required (a "special resolution"). If there are more nominees for election as directors 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 is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

Recommendation of the Board

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF ALL RESOLUTIONS.

STATEMENT OF EXECUTIVE COMPENSATION

The following terms have the meanings set out below:

Chief Executive Officer ("CEO") means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

Chief Financial Officer ("CFO") means an individual who served as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

Named Executive Officers ("NEOs") means the following individuals:

(a) a CEO; (b) a CFO; (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, 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 for that financial year; and (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

Compensation Discussion & Analysis

When determining the compensation of the NEOs, the board of directors ("Board of Directors") considers the resources of the Company and the objectives of attracting, motivating and retaining highly skilled and experienced executive officers. The Board of Directors does not have a formal compensation program with set benchmarks, however, the Board of Directors does have an informal program which seeks to reward an executive officer's current and future expected performance and the achievements of corporate milestones and align the interests of executive officers with the interests of the Company's shareholders.

The compensation awarded to, earned by, paid to or payable to each of the NEOs for the most recently completed financial year is set out under the heading, "Executive Compensation – Summary Compensation Table".

Compensation Discussion & Analysis

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The compensation awarded to, earned by, paid to or payable to each of the NEOs for the most recently completed financial year is set out under the heading, “*Executive Compensation – Summary Compensation Table*”.

Compensation Review Process

The Board of Directors reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer, including the NEOs.

In establishing levels of remuneration, stock option and bonus grants, the Board of Directors are guided by the following principles:

- compensation is determined on an individual basis by the need to attract and retain talented, qualified and effective executives;
- total compensation is set with reference to the market for similar positions in comparable companies and with reference to the location of employment; and
- the current market and economic environment.

Assessment of Individual Performance

Individual performance in connection with the achievement of corporate milestones and objectives is reviewed by the Board of Directors for all executive officers. While awards are generally tied to performance against quantitative objectives, consideration is also given to an individual’s qualitative contribution to the Company. For example, the Board of Directors will evaluate the individual’s leadership skills, commitment to the Company’s shareholders, innovation and teamwork.

Elements of Executive Compensation

There are two main elements of direct compensation, namely base salary and equity participation through the Company’s stock option plan (the “*Stock Option Plan*”).

Base Salary

The base fee or salary for each NEO is determined by an assessment by the Board of Directors of such NEOs performance, a consideration of competitive compensation levels in companies similar to the Company and review of the performance of the Company as a whole.

Option Based Awards

In the Company’s view, encouraging its executive officers and employees to become shareholders of the Company is the best way to align their interests with those of the Company’s shareholders. Equity participation is accomplished through the Stock Option Plan.

The Board of Directors reviews the performance of the Company’s management and advisors from time to time, and recommends option based awards as appropriate, taking into consideration factors such as individual performance and the overall performance of the Company.

Summary of Compensation

As at the year ended June 30, 2018, the Company had two NEOs, being (i) Frank Basa, President, Chairman and CEO of the Company and; (ii) Thomas Devlin, CFO of the Company.

The following table sets forth a summary of the compensation paid to the Company's NEOs for the fiscal year ended June 30, 2018.

Name and principal position	Year	Salary (\$)	Share based awards (\$)	Option based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Frank J. Basa ⁽³⁾ President, Chairman and CEO	2018	Nil	Nil	Nil	Nil	Nil	Nil	300,000	300,000
	2017	Nil	Nil	Nil	Nil	Nil	Nil	440,001 ⁽²⁾	440,001
	2016	Nil	Nil	Nil	Nil	Nil	Nil	300,000	300,000
Thomas P. Devlin CFO	2018	Nil	Nil	Nil	Nil	Nil	Nil	\$96,000	\$96,000
	2017	Nil	Nil	Nil	Nil	Nil	Nil	130,906	130,906
	2016	Nil	Nil	Nil	Nil	Nil	Nil	131,621	131,621

Notes:

- (1) Deemed fair value of options granted during the fiscal year ended June 30, 2018, based on the Black-Scholes model. Indicated figure does not represent in-the-money value of options on grant date
- (2) Compensation consists of an aggregate of \$440,001 paid to Mineral Recovery Management Systems Corp. ("MRMS"). Of this amount, Frank J. Basa received \$300,000, Grupo Moje Limited received \$1.00 ("Grupo") and his spouse, Elaine Basa, received \$140,000. MRMS and Grupo are beneficially owned by Frank J. Basa. Refer to "Termination of Employment, Change in Responsibilities and Employment Contracts" for details.
- (3) Subsequent to year end and prior to the record date, the Company appointed Eric Owens as President of the Company.

Incentive Plan Awards

Option-Based Awards and Share-Based Awards

The following table sets out for each Named Executive Officer, the incentive stock options (option-based awards) and share-based awards, outstanding as at the financial year ended June 30, 2018.

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 ⁽¹⁾ (\$)	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 (\$)
Frank J. Basa	150,000	\$0.30	February 14, 2023	Nil	Nil	Nil	Nil
	150,000	\$0.40	March 24, 2022	Nil	Nil	Nil	Nil
	150,000	\$0.30	January 4, 2022	Nil	Nil	Nil	Nil
	150,000	\$0.40	February 12, 2021	Nil	Nil	Nil	Nil
	75,000	\$0.40	July 23, 2019	Nil	Nil	Nil	Nil
Thomas P. Devlin	150,000	\$0.30	February 14, 2023	Nil	Nil	Nil	Nil
	75,000	\$0.40	March 24, 2022	Nil	Nil	Nil	Nil
	56,250	\$0.30	January 4, 2022	Nil	Nil	Nil	Nil
	75,000	\$0.40	February 12, 2021	Nil	Nil	Nil	Nil
	56,250	\$0.40	July 23, 2019	Nil	Nil	Nil	Nil

Notes:

- (1) The value of unexercised "in-the-money options" at the financial year-end is the difference between the option exercise price and the market value of the underlying stock on the TSX-V on June 30, 2018 (\$0.205).

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth for the Named Executive Officers, the value vested during the financial year ended on June 30, 2018, for options awarded under the Company's stock option plan (all option-based awards vest immediately upon date of grant), as well as the value earned under non-equity incentive plans for the same period.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Frank J. Basa	\$13,500	Nil	Nil
Thomas P. Devlin	\$9,000	Nil	Nil

Notes:
(1) Value vested during the year is calculated by subtracting the closing market price of the Company's Common Shares on the date of grant from the exercise price of the option. All options were fully vested on the date of grant.

A. Pension Plan Benefits and Deferred Compensation Plans

There are no pension plan benefits or deferred compensation plans in place for the Named Executive Officers.

B. Termination of Employment, Change in Responsibilities and Employment Contracts

The Company is not party to any compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive any compensation from the Company in the event of resignation, retirement or any other termination of employment of such persons, change of control of the Company of the Company, or a change in the Named Executive Officer's responsibilities following a change of control, except as disclosed below:

Frank J. Basa, President, Chairman and Chief Executive Officer

Effective January 1, 2007, the Company entered into a management agreement with Grupo Moje Limited ("Grupo"), a company controlled by Frank J. Basa, a director, President, Chairman and Chief Executive Officer of the Company. The fee for management services was 20 ounces of gold per month. The dollar amount calculated was based on the price of gold, which is quoted in U.S. dollars and converted into Canadian dollars, on the same date as at the end of each quarter. This engagement could be terminated by either party by giving four months' notice to the other subject to certain provisions of the agreement. Effective December 1, 2010, this agreement was amended to require that if the agreement was terminated by the Company upon or following a change in control or change of management the Company would make a payment to Grupo equal to 240 ounces of gold with the dollar amounts to be calculated based on the price of gold on the date of termination of the agreement. Effective May 16, 2013, this agreement was further amended to change the management fee from 20 ounces of gold per month to \$25,000 per month for the services of Mr. Frank Basa and to \$11,666.67 per month for the services of Ms. Elaine Basa. Effective January 1, 2014, this agreement was amended again to reflect that Grupo would provide the management services of Mr. Basa in consideration for a nominal annual fee of \$1.00 (but retaining the change in control or change in management payout) whilst Mineral Recovery Management Systems Corp., a company controlled by Frank Basa and his spouse, Elaine Basa, would provide project management, engineering and geological services to the Company in connection with its Granada gold project, in consideration of a monthly fee of \$25,000 for Frank Basa and \$11,666 for Elaine Basa. Such consulting fees are not to exceed an annual fee of \$300,000 for services provided by Frank J. Basa and \$140,000 for services provided by Elaine Basa. Either party may terminate this agreement by giving a four months' notice to the other, subject to certain provisions of the agreement. Effective March 1, 2015 the Agreement was further amended that in the event the Agreement is terminated by the Company upon or following a change in control or change of management of the Company, the Company shall make a payment to Grupo equal to 480 ounces of gold with the dollar amounts to be calculated based on the price of gold on the date of termination of the Agreement.

Thomas P. Devlin, Chief Financial Officer

Effective March 1, 2011, the Company entered into a consulting agreement with Thomas P. Devlin, the Chief Financial Officer of the Company at a monthly fee of US\$6,000. This engagement may be terminated by either party by giving four months' notice to the other subject to certain provisions of the agreement. This agreement also required that if the agreement was terminated by the Company upon or following a change in control or change of management the Company would make a payment to Thomas Devlin of US\$72,000. Effective February 1, 2012, this agreement was amended as follows: The fee for consulting services was increased to US\$8,000 per month and if the agreement is terminated by the Company upon or following a change in control or change of management the Company shall make a payment to Thomas Devlin of US\$96,000. Effective March

1, 2015, the Agreement was further amended that in the event the Agreement is terminated by the Company upon a change in control or change of management of the Company, the Company shall make a payment to Thomas Devlin of US\$192,000.

Certain directors of the Company, who are not Named Executive Officers, are also entitled to receive compensation from the Company in the event of change of control or change of control of the Company. Refer to "Management Contracts" below for details.

C. Compensation of Directors

Compensation of Directors

The Company does not pay its directors a fee for their services as such, except as disclosed herein in the form of consulting fees or grants of stock options. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors, and the Company may, from time to time, grant incentive stock options to purchase common shares to its directors.

The following table sets forth information in respect of all compensation paid to, or earned by, the directors of the Company during the financial year ended June 30, 2018, but excludes compensation paid to Frank Basa in his capacity as a director of the Company as he is a Named Executive Officer whose compensation is disclosed above.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Jacques F. Monette	Nil	Nil	\$1,500	Nil	Nil	Nil	Nil
Dianne Tookenay ⁽²⁾	Nil	Nil	\$1,500	Nil	Nil	\$72,000	Nil
Robert Setter ⁽³⁾	Nil	Nil	\$1,500	Nil	Nil	Nil	Nil
Ronald Goguen Sr. ⁽³⁾	Nil	Nil	\$1,500	Nil	Nil	\$72,000	Nil

Notes:

(1) Value vested during the year is calculated by subtracting the market price of the Corporation's common shares on the date the option vested (being the closing price of the Corporation's shares on the TSXV on the last trading day prior to the vesting date) from the exercise price of the option.

(2) Dianne Tookenay received compensation as a consultant of the Company pursuant to a consulting agreement dated November 1, 2016.

(3) Mr. Goguen Sr. ceased to be a director April 27, 2018. Subsequent to year end, all outstanding options held by Mr. Goguen Sr. were cancelled. Mr. Setter was elected director of the Company on April 27, 2018.

Option-Based and Share-based Awards to Directors

The following table sets out for each director, other than a director who is also a Named Executive Officer, the incentive stock options (option-based awards) and share-based awards, outstanding as at the financial year ended June 30, 2018.

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 ⁽¹⁾ (\$)	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 (\$)
Jacques F. Monette	150,000	\$0.30	February 14, 2023	\$1,500	Nil	Nil	Nil
	75,000	\$0.40	March 24, 2022	\$Nil			
	75,000	\$0.30	January 4, 2022	\$750			
	75,000	\$0.40	February 12, 2021	\$Nil			
	75,000	\$0.40	July 23, 2019	\$Nil			

Dianne Tookenay	150,000	\$0.30	February 14, 2023	\$1,500	Nil	Nil	Nil
	75,000	\$0.40	March 24, 2022	\$Nil			
	75,000	\$0.40	February 12, 2021	\$Nil			
	75,000	\$0.40	August 5, 2019	\$Nil			
Robert Setter ⁽²⁾	150,000	\$0.30	February 14, 2023	\$1,500	Nil	Nil	Nil
	37,500	\$0.40	March 24, 2022	\$Nil			
	37,500	\$0.40	February 12, 2021	\$Nil			
	25,000	\$0.40	January 4, 2022	\$Nil			
Ronald J. Goguen, Sr. ⁽²⁾	100,000	\$0.30	February 14, 2023	\$1,000	Nil	Nil	Nil
	75,000	\$0.30	May 25, 2021	\$750			
	75,000	\$0.40	March 24, 2022	\$Nil			

Notes:

(1) The value of unexercised “in-the-money options” at the financial year-end is the difference between the option exercise price and the market value of the underlying stock on the TSX-V on June 30, 2018(\$0.31).

(2) Mr. Goguen Sr. ceased to be a director April 27, 2018. Subsequent to year end, all outstanding options held by Mr. Goguen Sr. were cancelled. Mr. Setter was elected director of the Company on April 27, 2018.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth for each Director that are not NEOs, the value vested during the financial year ended June 30, 2018, for options awarded under the Company’s stock option plan (all option-based awards vest immediately upon date of grant), as well as the value earned under non-equity incentive plans for the same period.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jacques F. Monette	\$10,500	Nil	Nil
Dianne Tookenay	\$6,000	Nil	Nil
Robert Setter ⁽²⁾	\$3,000	Nil	Nil
Ronald Goguen Sr. ⁽²⁾	\$4,000	Nil	Nil

Notes:

(1) Value vested during the year is calculated by subtracting the closing market price of the Company’s Common Shares on the date of grant from the exercise price of the option. All options were fully vested on the date of grant.

(2) Mr. Goguen Sr. ceased to be a director April 27, 2018. Subsequent to year end, all outstanding options held by Mr. Goguen Sr. were cancelled. Mr. Setter was elected director of the Company on April 27, 2018

D. Management Contracts

The management functions of the Company are substantially performed by the directors and officers of the Company, and not to any substantial degree by any other person with whom the Company has contracted. Refer to “Termination of Employment, Change in Responsibilities and Employment Contracts” above for details of management/consulting contracts with executive officers of the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The only equity compensation plan which the Company has in place is its Share Option Plan (the “Plan”). The Company maintained a 10% rolling Stock Option Plan, which was approved by the shareholders of the Company on April 27, 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 directors of the Company. The Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan provides that the number of common shares issuable under the Plan, together with all of the Company’s other previously

established or proposed share compensation agreements, may not exceed 10% of the total number of issued and outstanding common shares at the date of grant. All current options expire on a date not later than ten years after the issuance of such option.

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance in effect as at the financial year ended June 30, 2018.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (c)) (c)
Equity compensation plans approved by securityholders	4,452,375	\$0.35	1,443,255 ⁽¹⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	4,452,375	\$0.35	1,443,255 ⁽¹⁾

Notes:

(1) Calculated based on 10% of the issued and outstanding share capital as at June 30, 2018, of 58,956,302 (being 5,895,630) less the number of options outstanding of 4,452,375. The stock options are governed by the Company's Share Option Plan.

CORPORATE GOVERNANCE DISCLOSURE

General

Corporate governance relates to the activities of the board of directors of the Company (the "**Board**"), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**") establishes corporate governance guidelines, which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. In accordance with National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Company annually discloses information relating to its system of corporate governance which disclosure is set out below.

Structure and Composition

NP 58-201 provides guidance that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under National Instrument 52-110 ("**NI 52-110**"), which provides that a director is independent if he or she has no direct or indirect "**material relationship**" with the company. "**Material relationship**" is defined as a relationship which could, in the view of the Company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, Section 5.7 of Policy 3.1 of the TSX-V requires that each listed company must have at least two independent directors, as that term is defined in NI 52-110.

During the financial year ended June 30, 2018, the Board was composed of four directors, namely: Frank J. Basa, Jacques F. Monette, Robert Setter (appointed April 27, 2018, formerly held by Ronald Goguen Sr.) and Dianne Tookenay. Jacques F. Monette and Robert Setter were deemed to be independent. Frank Basa, as President, Chairman and Chief Executive Officer of the Company, is not independent by virtue of being an officer of the

Company and receiving management and consulting fees. Dianne Tookenay is not independent by virtue of receiving consulting fees.

The Board is specifically responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for all material contracts, business transactions and all debt and equity financing proposals. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. In keeping with its overall responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company's internal control and management information systems and for the Company's policies respecting corporate disclosure and communications.

The Board delegates to management, through the Chief Executive Officer and Chief Financial Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Directorships

As of the date of this Information Circular, certain directors of the Company are also directors and/or officers of other reporting issuers (or equivalent) in a Canadian jurisdiction or a foreign jurisdiction as follows:

Name of Director	Names of Other Reporting Issuers of which the Director is a Director or Officer
Frank J. Basa	Canada Cobalt Works Inc.
Jacques F. Monette	Canada Cobalt Works Inc. Colibri Resource Corporation
Dianne Tookenay	Canada Cobalt Works Inc.
Robert Setter	Canada Cobalt Works Inc.

Orientation and Continuing Education

The Company does not currently have any formal orientation for new directors and this is considered to be appropriate, given the Company's size and current level of operations. Orientation and education of new directors is carried out through an informal process. New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies and are provided with access to recent, publicly filed documents of the Company, technical reports and internal financial information. The Company also provides technical presentations and/or information to new directors where necessary to ensure that they possess or have access to the technical skills and knowledge necessary for them to meet their obligation as directors.

In addition, the skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The individuals comprising the Board possess varying backgrounds and, collectively, have extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the Company's Board.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. On February 16, 2007, the Company adopted a formal Code of Conduct, a copy of which is available for viewing through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The Company also adopted an Insider Trading Policy on August 18, 2006, a copy of which is available for viewing through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The Board itself must comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as the relevant securities regulatory instruments and stock exchange policies, in order 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.

The Board of Directors expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

Mandate of the Board

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees (see "Other Board Committees" below). In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources. Board consideration and approval is also required for all material contracts, business transactions and all debt and equity financing proposals. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate and securities legislation and regulatory policies. However, as the Company grows, the Board will move to develop a formal written mandate.

The Board is not, however, involved in the day to day operations of the Company. Such operations are delegated to the Company's management, more specifically the President/Chief Executive Officer and Chief Financial Officer. Specifically, the Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Each member of the Board understands that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances.

Nomination of Directors

Given its current size and stage of development, the Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole. Nominees are generally the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the President/Chief Executive Officer, and the Board considers the advice and input from all directors regarding, inter alia, the appropriate size of Board, the necessary qualifications and skills of the Board as a whole and of each director individually, and the recommendation of new individuals willing to serve as directors who offer experience and expertise in an area of strategic interest to the Company as well as the ability to devote the time required.

Compensation

The Company does not have a Compensation Committee.

Given its relatively small size the entire Board currently performs the functions of a Compensation Committee of the Company with the responsibility for reviewing the adequacy and form of compensation of executive officers and directors having regard to, among other things, the responsibilities and risks associated with each executive officer's and director's position, the Company's overall performance and shareholder returns.

Meeting Attendance

As Board members reside in many different geographic locations, a director is considered in attendance regardless of whether he or she attends by conference call or in person. Non-independent directors may be asked to attend committee meetings in order to benefit from presentations or discussions.

The majority of the Board's decisions during the year were passed by way of written consent resolutions following informal discussions amongst the directors and management.

Other Board Committees

The current operations of the Company do not support a large Board of Directors and the Board has determined that the current composition of the Board is appropriate for the Company's current stage of development. Given its relative size the entire Board takes responsibility for the overall stewardship of the Company and, accordingly, other than the Audit Committee, the Company does not have any other Board committees.

Assessments

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual director, but will consider implementing one in the future should circumstances warrant. Based on the Company's current size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees or individuals directors on an ad hoc basis.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 – Audit Committees (NI 52-110) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee (the "Audit Committee") and its relationship with its independent auditors, as set forth in the following:

Composition of the Audit Committee

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

During the financial year ended June 30, 2018, the Audit Committee consisted of Frank J. Basa, Jacques F.

Monette and Robert Setter (appointed April 27, 2018, formerly held by Ronald Goguen Sr.), with Frank Basa serving as Chair. All members are directors of the Company. Frank Basa is not deemed to be “independent”, as defined in NI 52-110, as he is also an officer of the Company. Jacques F. Monette and Robert Setter are deemed to be independent. All members of the Audit Committee are “financially literate” as that term is defined in NI 52-110.

The Audit Committee's Charter

The Company adopted a charter (the "Charter") of the Audit Committee on November 29, 2007, a copy of which may be viewed through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and forms part of the Management Information Circular filed November 30, 2007. A copy of the Charter was also filed on SEDAR on February 8, 2010. Upon request, a copy of the Charter will promptly be provided free of charge to shareholders of the Company.

Mandate

The primary function of the audit committee (the “Committee”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

Meetings

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.

- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the financial year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

Relevant Education and Experience

Frank J. Basa, President, Chairman CEO and Director

Mr. Basa has over 34 years global experience in gold mining and development as a professional hydrometallurgical engineer with a focus in milling, gravity concentration, flotation, leaching and refining of precious and base metals. He graduated from McGill University with a B.A. in Engineering in 1983 and has been a member of the Professional Engineers of Ontario since 1987. He is President of Grupo Moje Limited and Mineral Recovery Management Services Corp. and, since March 10, 2011, a director, President and Chief Executive Officer of Canada Cobalt Works Inc. (formerly Castle Silver Resources Inc.) from Sept. 15, 2015 to present.

Jacques F. Monette, Director

Although Mr. Monette does not have the benefit of a formal university education, he has extensive practical experience as a career miner who has been engaged in every facet of underground mining for more than 40 years. His previous positions included Shaft Project Coordinator with Cementation Canada Inc., Vice President of Operations/Mining Division for Wabi Development Corp., Vice President of Development for CMAC Mining Group, Operations Manager for Moran Mining and Tunneling, as well as Area Manager for J.S. Redpath Group. Since March 10, 2011, Mr. Monette is also a director of Canada Cobalt Works Inc. (formerly Castle Silver Resources Inc.) from Sept. 15, 2015 to present.

Robert Setter, Director

Mr. Setter is the former Senior Financial Editor for Report on Mining, a former public company Director and consultant for publicly traded resource companies since 2010. and has also been a board member with Canada Cobalt Works Inc. since December, 2015. Mr. Setter brings two decades of business and marketing experience to the Company and he holds a degree in Economics from UBC.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

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 a 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.

Exemption

As a “venture issuer” as defined in NI 52-110, the audit committee of the Company relies on the exemption set forth in section 6.1 of NI 52-110 with respect to Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by McGovern, Hurley, Cunningham LLP, Chartered Accountants, to the Company to ensure auditor independence. Fees incurred for audit and non-audit services in the last two financial years for audit fees are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended	
	June 30, 2018	June 30, 2017
Audit Fees ⁽¹⁾	\$38,000	\$40,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	\$10,000	\$24,000
All Other Fees ⁽⁴⁾	Nil	Nil

Notes:

(1) “Audit Fees” include fees necessary to perform the annual audit 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

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, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% 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 itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended June 30, 2018, or has any interest in any material transaction in the current year other than as set out herein or disclosed below:

1. On August 4, 2018, the Company renewed the loan agreement of August 4, 2015 between the Company and Mineral Recovery Management Systems Corp., a company controlled by Frank Basa, a director and officer of the Company, and his spouse, Elaine Basa. It comprises a \$100,000 demand loan with a three-year term at an interest rate of 8% calculated monthly and payable annually. The loan automatically renews for an additional three-year term until such time as the lender agrees to terminate the agreement. The lender also has the option to obtain interest and principal loan repayments in gold rather than cash should that option become feasible while the loan remains in place. In that event, the gold is to be valued at US\$800 per ounce. The lender also has the option to participate in future financings but is not obliged to do so. The outstanding loan balance is subject to repayment in full at any time at the discretion of the lender. The Granada Gold property is registered as security against the loan.
2. On August 4, 2018, the Company renewed the loan agreement of August 4, 2015 between the Company and Grupo Moje Limited, a company owned by Frank Basa, a director and officer of the Company. The original loan agreement was a non-interest-bearing loan in the amount of \$373,138.75 (plus \$18,656.94 GST + \$37,220.59 QST). The renewal of this agreement implemented a promissory note with interest accruing on the unpaid principal sum only at a rate of 8% per annum from the date of the renewal until paid in full. Interest is to be calculated monthly, and due and payable annually, on the anniversary date of the renewal. The lender has the option to obtain loan principal repayments including interest as applicable, in gold valued at US\$800 per ounce if feasible. The lender shall have the option of renewing the Loan for consecutive three-year terms, under the same terms and conditions. The Granada Gold property is registered as security against the loan.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end 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 except as disclosed in this Information Circular.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Company was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company. None of the proposed nominees for election as a director of the Company, or any associate or affiliate of any director, executive officer or proposed nominee, was indebted to the Company as at the date hereof or at any time during the most recently completed financial year.

The Company has not provided any guarantees, support agreements, letters of credit or other similar arrangement or understanding for any indebtedness of any of the Company's directors, executive officers, proposed nominees for election as a director, or associates or affiliates of any of the foregoing individuals as at the date hereof or at any time during the most recently completed financial year of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. PRESENTATION OF FINANCIAL STATEMENTS

At the Meeting, the Chairman of the Meeting will present to shareholders the financial statements of the Company for the year ended June 30, 2018, and the auditors' report thereon.

2. ELECTION OF DIRECTORS

(a) Setting Number of Directors

The board of directors of the Company presently consists of four directors. The term of office of each of the present directors expires at the Meeting. Shareholders will be asked at the Meeting to approve an ordinary

resolution that the number of directors elected be set at four for the ensuing year, subject to such increase as may be permitted by the articles of the Company and the provisions of the *Business Corporations Act* ((British Columbia).

MANAGEMENT RECOMMENDS THE APPROVAL OF THE RESOLUTION TO SET THE NUMBER OF DIRECTORS OF THE COMPANY AT FOUR. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE ANY COMMON SHARES REPRESENTED BY PROXIES HELD BY THEM IN FAVOUR OF THE RESOLUTION SETTING THE NUMBER OF DIRECTORS AT FOUR.

(b) Election of Directors

The term of office of each of the current directors expires at the Meeting. The Company’s board of directors proposes to nominate the persons named in the table below for election as directors of the Company. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Company or the *Business Corporations Act* (British Columbia) or he or she becomes disqualified to act as a director.

On January 6, 2014, the Company’s board of directors adopted an advance notice policy (the “Advance Notice Policy”), a copy of which may be viewed under the Company’s profile on SEDAR at www.sedar.com. The policy provides shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

The table below sets forth for each management nominee for election as director, (i) their name, (ii) the province or state and country where they reside, (iii) all offices of the Company now held by each of them, including committees on which they serve, (iv) their principal occupations, businesses or employments, (v) the period of time during which each has been a director of the Company, and (vi) the number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed, as of the date of this Information Circular.

Name, Province or State and Country of Residence, and Current Position with the Company	Occupation, Business or Employment ⁽¹⁾	Director of Company Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised ⁽¹⁾⁽²⁾
Frank J. Basa ⁽³⁾⁽⁵⁾ Haileybury, Ontario Canada President, Chairman, Chief Executive Officer and Director	President, Chairman and Chief Executive Officer of the Company since 2004; Acting Chief Financial Officer of the Company, October 2008 to July 2009; President, Chief Executive Officer and Director, Canada Cobalt Works Inc. (formerly Castle Silver Resources Inc.), Sept. 15’15 to present; President, Grupo Moje Ltd. and Mineral Recovery Management Services Corp.	June 10, 2004	2,526,711 ⁽⁴⁾
Jacques F. Monette ⁽³⁾ Dieppe, New Brunswick Canada Director	Shaft Project Coordinator, J.S. Redpath Group, 2012 to present; VP Marketing, Landdrill International Inc., 2009 to 2012; Staff Coordinator, Sanitation Canada, 2007 to 2009; previously Vice- President of Business Development of Wabi Development Corp., a contract mining company; Vice-President, Operations of CMAC, a contract mining company.	July 7, 2008	25,000

Robert Setter ⁽³⁾ British Columbia, Canada Director	Self-employed writer and consultant, 2011 to present; Senior Financial Editor, Fushion Publishing, 2011 to 2013; Director, Sprott Shaw College, 2010 to 2011; Director of Canada Cobalt Works Inc. (formerly Castle Silver Resources Inc.), December 18, 2015 to present.	April 27, 2018	Nil
Dianne Tookenay Ontario, Canada Director	Director, Canada Cobalt Works Inc. (formerly Castle Silver Resources Inc.), June 15, 2015 to present; Mineral Development Advisor, Wabun Tribal Council, September 2012 to May 2014; Impact Benefit Agreement Coordinator, Matachewan First Nation, June 2011 to October 2011; Consultation and Accommodation Coordinator, Gull Bay First Nation, September 2010 to October 2010; Health Program Contractor, Wabun Tribal Council, December 2008 to June 2009; Business Development Advisor, Windigo Community Development Corporation, September 2008 to October 2008.	April 28, 2017	Nil
Notes:			
<p>(1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years unless otherwise indicated.</p> <p>(2) The number of common shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by insider reports filed on SEDI and by the nominees themselves.</p> <p>(3) Member of the Company's Audit Committee, of which Frank Basa is the Chair. Mr. Setter is a Member of the Company's Audit Committee.</p> <p>(4) Of these shares, 471,625 are held directly, 543,687 are held indirectly by Grupo Moje Limited, a private company controlled by Mr. Basa, and 1,511,399 are held indirectly by Mineral Recovery Management Systems Corp., a private company controlled by Mr. Basa and his spouse.</p> <p>(5) Subsequent to year end and prior to the record date, the Company appointed Eric Owens as President of the Company.</p>			

Frank J. Basa, P. Eng., President, Chairman and CEO

Frank Basa joined the Board in 2004. He has over 34 years global experience in gold mining and development as a professional hydrometallurgical engineer with a focus in milling, gravity concentration, flotation, leaching and refining of precious and base metals. He graduated from McGill University with a B.A. in Engineering in 1983 and has been a member of the Professional Engineers of Ontario since 1987. He is also President of Grupo Moje Ltd. and Mineral Recovery Management Services Corporation and a director, President and Chief Executive Officer since September 15, 2015 of Castle Silver Resources Inc.

Jacques F. Monette, Director

Jacques Monette has been a Granada Gold director since 2008. He is a career miner who has been engaged in every facet of underground mining for more than 40 years. His previous positions included Shaft Project Coordinator with Cementation Canada Inc., Vice President of Operations/Mining Division for Wabi Development Corp., Vice President of Development for CMAC Mining Group, Operations Manager for Moran Mining and Tunneling, as well as Area Manager for J.S. Redpath Group. He is also a director of Castle Silver Resources Inc. from September 15, 2015 to present.

Robert Setter, Director

Mr. Setter is the former Senior Financial Editor for Report on Mining, a former public company Director and consultant for publicly traded resource companies since 2010. He holds a degree in Economics from UBC and has also served as Corporate Research and Analytics for Canada Cobalt Works Inc. (formerly Castle Silver Resources Inc.). Mr. Setter has been on the board of Canada Cobalt Works Inc. since December 2015 and will bring two decades of business and marketing experience to the Company.

Dianne Tookenay, Director

Ms. Tookenay is a director of Castle Silver Resources Inc. since June 15, 2015. Ms. Tookenay holds a Certificate in Mining Law from the Osgoode Hall Law School, York University, a Joint Masters of Public Administration from

the University of Manitoba, a Bachelor of Administration from Lakehead University and Native Band Management and Indian Economic Development Diplomas from Confederation College Applied Arts and Technology. Ms. Tookenay's experience, knowledge and deep roots within the First Nation communities will add significant value to Granada's development efforts over the coming years.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

Corporate Cease Trade Orders and Bankruptcies

No proposed director (including any personal holding company of a proposed director):

- (a) is, as at the date of this Information Circular, or has been, within the preceding 10 years, 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, 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,

except as follows:

On September 6, 2011, the Autorité des marchés financiers issued a cease trade order against Excel Gold Mining Inc. ("Excel") for failure to file audited financial statements for the year ended April 30, 2011, together with related Management's Discussion and Analysis and certification of annual filings within the required time period. As a result of the foregoing, Excel's common shares were suspended from trading by the TSX-V on September 6, 2011. Prior to the suspension in trading, the shares of Excel were halted by the TSX-V on July 18, 2011, pending clarification of Excel's affairs. On September 7, 2011, the BCSC issued a similar cease trade order against Excel, followed by a cease trade order issued by the Alberta Securities Commission on December 20, 2011. Effective December 22, 2011, the common shares of Excel were transferred from the TSX-V to the NEX Board as a result of Excel not being able to evidence its ability to meet the Tier 2 continued listing requirements. Excel was subsequently delisted from the NEX Board on October 10, 2012, for failure to pay listing maintenance fees and remains cease traded. Jacques F. Monette, a director of the Company, is a director of Excel.

On October 12, 2012, the New Brunswick Securities Commission issued a cease trade order against Landdrill International Inc. ("Landdrill") under Section 188.2 of the *Securities Act* (New Brunswick) for failure to file interim financial statements together with related Management's Discussion and Analysis and certification of interim filings for the period ended June 30, 2012. On October 15, 2012, the BCSC issued a similar cease trade order under Section 164 of the *Securities Act* (British Columbia). On January 11, 2013, the Alberta Securities Commission issued a cease trade order under Section 33.1 of the *Securities Act* (Alberta) for failure to file interim financial statements together with related Management's Discussion and Analysis and certification of interim filings for the periods ended June 30, 2012, and September 30, 2012. The TSX-V suspended trading in Landdrill's shares on October 12, 2012. On May 30, 2013, Landdrill announced that it had been declared bankrupt as of May 30, 2013, pursuant to the Bankruptcy and Insolvency Act. Immediately prior to the bankruptcy, all directors of Landdrill tendered their resignations. Jacques F. Monette, a director of the Company, was a director of Landdrill.

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

except as follows:

On August 31, 2012, Landdrill announced it obtained an Initial Order from the Court of Queen's Bench of New Brunswick under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA"). The Court granted Landdrill and certain of its subsidiaries protection under the CCAA for an initial period in order to grant Landdrill time to conduct a going concern sale process. On May 30, 2013, Landdrill announced that it had been declared bankrupt as of May 30, 2013, pursuant to the *Bankruptcy and Insolvency Act*. Immediately prior to the bankruptcy, all directors of Landdrill tendered their resignations. Jacques F. Monette, a director of the Company, was a director of Landdrill.

- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.
- (d) has been subject to:
 - (i) 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
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

MANAGEMENT RECOMMENDS THAT THE SHAREHOLDERS VOTE IN FAVOUR OF THE ABOVE LISTED NOMINEES.

IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

3. APPOINTMENT OF AUDITORS

McGovern, Hurley, Cunningham LLP, Chartered Accountants, of 2005 Sheppard Ave. E., Suite 300, Toronto, Ontario M2J 5B4 were appointed auditors of the Company on February 15, 2013. Management proposes that McGovern, Hurley, Cunningham, Chartered Accountants, be appointed auditors of the Company for the ensuing year, until the close of the next annual general meeting of the shareholders, at a remuneration to be fixed by the directors.

MANAGEMENT RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE RE- APPOINTMENT OF MCGOVERN, HURLEY, CUNNINGHAM LLP, CHARTERED ACCOUNTANTS. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE ANY COMMON SHARES REPRESENTED BY PROXIES HELD BY THEM IN FAVOUR OF THE RESOLUTION APPOINTING MCGOVNRN, HURLEY, CUNNINGHAM, CHARTERED ACCOUNTANTS, AUDITORS OF THE COMPANY FOR THE ENSUING YEAR AT A REMUNERATION TO BE FIXED BY THE DIRECTORS.

4. COMPANY'S SHARE OPTION PLAN

On February 21, 2014, the Board of Directors approved the adoption of a new "rolling" stock option plan (the "Plan"), whereby a maximum of 10% of the issued shares of the Company, from time to time, may be reserved for issuance pursuant to the exercise of stock options. This Plan replaced the previous share option plan of the

Company and was approved by shareholders at its Annual General and Special Meeting held April 27, 2018. The Plan is substantially similar to the previous share option plan, except that it was revised to comply with the amendments made to the *TSX-V Policy 4.4 Incentive Stock Options*, which became effective as at May 8, 2013.

The Plan provides for a floating maximum limit of 10% of the issued and outstanding common shares of the Company (subject to standard anti-dilution adjustments), as permitted by the policies of the TSX-V. As at the date of this Information Circular, the Company is eligible to grant up to 6,922,469 options under its Plan. There are presently 5,327,375 options outstanding and an additional 1,595,094 are reserved and available under the Plan.

The purpose of the Plan is to provide certain directors, officers and key employees of, and certain other persons who provide services to the Company and any subsidiaries with an opportunity to purchase common shares of the Company and benefit from any appreciation in the value of the Company's shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Company, thus enhancing the value of the common shares for the benefit of all the shareholders and increasing the ability of the Company and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Company.

The material terms of the Plan are as follows:

1. the Plan shall be administered by the Board of Directors or a committee of the Board of Directors duly appointed for this purpose and consisting of not less than three directors;
2. the Board of Directors may determine the time during which any stock options may vest and the method of vesting or that no vesting restriction shall exist except for stock options granted to persons performing Investor Relations Activities, which will vest in stages over 12 months with no more than one-quarter of the stock options vesting in any three month period;
3. the exercise price of any stock options granted under the Plan will be determined by the board of directors, in its sole discretion, but shall not be less than the closing price of the Company's common shares on the day preceding the day on which the directors grant such stock options, less any discount permitted by the TSX-V, subject to a minimum of \$0.05 per share;
4. where the exercise price of the stock option is based on a discounted market price, a four month hold period will apply to all common shares issued under each option, commencing from the date of grant; stock option grants to directors and officers, regardless of the exercise price, are subject to an initial hold period of four months from the date of grant;
5. stock options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder's death;
6. stock options may be exercisable for a maximum of ten years from the date of grant (subject to extension where the expiry date falls within a "blackout period", as disclosed below);
7. the aggregate number of stock options granted to any one option holder (including companies wholly owned by that Optionee) in a 12 month period must not exceed 5% of the issued shares of the Company, calculated on the date a stock option is granted to the Optionee;
8. the aggregate number of stock options granted to any one consultant in a 12 month period must not exceed 2% of the issued shares of the Company, calculated at the date a stock option is granted to the consultant;
9. the aggregate number of stock options granted to all persons retained to provide Investor Relations Activities (as defined in TSX-V Policy 1.1) must not exceed 2% of the issued shares of the Company in any 12 month period, calculated at the date a stock option is granted to any such Optionee;
10. at no time will stock options be issued which could permit at any time the aggregate number of shares reserved for issuance under stock options granted to insiders (as a group) at any point in time exceeding 10% of the issued shares of the Company;

11. at no time will stock options be issued which could permit at any time the grant to insiders (as a group), within a 12 month period, of an aggregate number of options exceeding 10% of the issued shares of the Company calculated at the date a stock option is granted to any insider;
12. stock options held by an Optionee who is a director, employee, consultant or management company employee must expire within one year after the option holder ceases to be a director, employee, consultant or management company employee, which time period the Company will determine as reasonable. Stock options will expire immediately in the event an Optionee is dismissed from employment or service for cause, such Optionee's stock options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same;
13. stock options held by an Optionee who is engaged in Investor Relations Activities must expire within 30 days after the Optionee ceases to be employed by the Company to provide Investor Relations Activities;
14. in the event of an Optionee's death, the option holder's personal representative may exercise any portion of the Optionee's vested outstanding options for a period of one year following the option holder's death;
15. stock options cannot be granted to directors, employees, consultants or management company employees that are not bona fide directors, employees, consultants or management company employees, as the case may be; and
16. stock options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's common shares.

Should the expiry date for a stock option fall within a Blackout Period of the Company (as such time period may be determined by the Board of Directors where one or more Optionee may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company), or within nine (9) Business Days following the expiration of a Blackout Period, such expiry date shall, subject to approval of the TSX-V, be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the expiry date for such stock option for all purposes under the Plan.

Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the Optionee is an insider of the Company at the time of the proposed amendment; (ii) any grant of options to insiders, within a 12 month period, exceeding 10% of the Company's issued common shares; and (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Company's issued common shares.

The TSX-V requires listed companies that have "rolling" stock option plans in place to receive shareholder approval of such plans on a yearly basis at the Company's annual general meeting.

Shareholder Approval

Shareholders will be asked at the Meeting to approve, with or without variation, the following resolution:

"BE IT RESOLVED that the Company's Share Option Plan, as described in the Company's Information Circular dated March 22, 2019, be and is hereby ratified and approved, subject to regulatory approval, and that in connection therewith a maximum of 10% of the issued and outstanding common shares at the time of each grant be and are hereby approved for granting as options and that the Board of Directors be and are hereby authorized, without further shareholder approval, to make such changes to the Share Option Plan as may be required or approved by regulatory authorities."

MANAGEMENT RECOMMENDS THAT SHAREHOLDERS APPROVE THE COMPANY'S SHARE OPTION PLAN. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE ANY COMMON SHARES REPRESENTED BY PROXIES HELD BY THEM IN FAVOUR OF THE RESOLUTION APPROVING THE SHARE OPTION PLAN.

The full text of the Plan will be available at the Meeting. The Plan is available on www.sedar.com and may also be obtained by a Shareholder, without charge, upon request by contacting the Company's corporate office located at 3028 Quadra Court, Coquitlam, BC, V3B 5X6 or by email to tina.whyte1@gmail.com.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

As of the date of this Information Circular, management knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. However, if other matters not known to the management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

ADDITIONAL INFORMATION

Financial information concerning the Company is provided in its comparative financial statements and Management's Discussion and Analysis for the Company's most recently completed financial year ended June 30, 2018, and any interim financial statements of the Company for periods subsequent to June 30, 2018 and related Management's Discussion and Analysis.

The following documents filed with the securities commissions or similar regulatory authorities in British Columbia and Alberta are specifically incorporated by reference into, and form an integral part of this Information Circular:

- (a) the audited financial statements of the Company for the financial year ended June 30, 2018, together with the accompanying report of the auditors thereon and related Management's Discussion and Analysis and any interim financial statements of the Company for periods subsequent to June 30, 2018, and related Management's Discussion and Analysis;
- (b) the Company's Audit Committee Charter;
- (c) the Company's Code of Conduct;
- (d) the Company's Insider Trading Policy;
- (e) Advance Notice Policy;
- (f) Shareholder Rights Plan; and
- (g) Share Option Plan.

Copies of documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the corporate office of the Company located at 3028 Quadra Court, Coquitlam, BC, V3B 5X6 by telephone at 604-828-1475 or by email at tina.whyte1@gmail.com. These documents, as well as additional information relating to the Company and its operations, are also available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

APPROVAL OF DIRECTORS

The contents of this Information Circular have been approved and this mailing has been authorized by the Board of Directors of the Company.

Where information contained in this Information Circular rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

The foregoing contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Dated at Rouyn-Noranda, Quebec, this 22nd day of March, 2019

"Frank J. Basa"

Frank J. Basa
Chairman, CEO, and Director