

# CANTERRA MINERALS CORPORATION

Suite 1020 – 625 Howe Street  
Vancouver, British Columbia V6C 2T6

## INFORMATION CIRCULAR

*(Containing information as at September 25, 2019 unless indicated otherwise)*

### **SOLICITATION OF PROXIES**

This information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Canterra Minerals Corporation (the “**Company**”) for use at the Annual General Meeting of shareholders of the Company (and any adjournment thereof) to be held on Thursday, October 24, 2019 (the “**Meeting**”) at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

### **APPOINTMENT OF PROXYHOLDER**

The individuals named (the “**Management’s Nominees**”) in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Company. **IF YOU ARE A SHAREHOLDER ENTITLED TO VOTE AT THE MEETING, YOU HAVE THE RIGHT TO APPOINT A PERSON OR COMPANY OTHER THAN THE MANAGEMENT’S NOMINEES DESIGNATED IN THE PROXY, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT FOR YOU AND ON YOUR BEHALF AT THE MEETING. YOU MAY DO SO EITHER BY STRIKING OUT THE NAMES OF THE MANAGEMENT NOMINEES AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING AND DELIVERING ANOTHER SUITABLE FORM OF PROXY.** If your Common Shares are held in physical form (i.e. paper form) and are registered in your name, then you are a registered shareholder (a “**Registered Shareholder**”). However, if, like most shareholders, you keep your Common Shares in a brokerage account, then you are a beneficial shareholder. The manner for voting is different for Registered Shareholders and Beneficial Shareholders (as defined below). The instructions below should be read carefully by all shareholders.

### **REVOCAION OF PROXIES**

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited with the Company’s registrar and transfer agent, **Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1**, (the “**Transfer Agent**”) at any time up to and including the last business day preceding the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **REGISTERED SHAREHOLDERS**

Registered Shareholders may wish to vote by Proxy whether or not they 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 Transfer Agent;
- (b) using a touch-tone phone to transmit voting choices to the toll-free number indicated in the Proxy. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the holder’s account number and the proxy control number; or
- (c) using the internet through the website of the Company’s transfer agent at [www.investorvote.com](http://www.investorvote.com). 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 control 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.

## **NON-REGISTERED SHAREHOLDERS**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only registered shareholders may vote at the Meeting.** 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 such shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS Inc. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers’ clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy to the clearing agencies and intermediaries for onward distribution to Beneficial Shareholders.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). 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. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted.**

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBO’s**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBO’s**”). Subject to the provision of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) issuers may request and obtain a list of their NOBO’s from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers who obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBO’s.

**If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf. Common Shares on your behalf. The intermediaries (or their service companies) are responsible for forwarding this Information Circular and other Meeting materials to each OBO, unless the OBO has waived the right to receive them.**

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

The Company has not adopted the notice and access procedure described in NI 54-101 and National Instrument 51-102 - *Continuous Disclosure Obligations* to distribute its proxy related materials to the Registered Shareholders and Beneficial Shareholders. In addition, the Company has not agreed to pay to distribute the proxy-related materials to the OBOs.

Meeting materials sent to Beneficial Shareholders who have not waived their right to receive Meeting materials are accompanied by a request for voting instructions (a “**VIF**”). This form is provided instead of a Proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. VIF’s whether provided by the Company or by an intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit a Beneficial Shareholder to direct the voting of the Common Shares which they beneficially own. If a Beneficial Shareholder who receives a VIF wishes to attend the Meeting or have someone else attend on his behalf, then the Beneficial Shareholder may write the applicable name in the space provided in the VIF, which will grant the Beneficial Shareholder or his nominee the right to attend and vote at the Meeting.

**IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE REFER TO THE INSTRUCTIONS SET OUT ON THE “REQUEST FOR VOTING INSTRUCTIONS” (VIF) THAT ACCOMPANIES THIS INFORMATION CIRCULAR.**

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

#### **VOTING OF PROXIES**

The shares represented by a properly executed proxy in favour of persons proposed by management as proxyholders in the accompanying form of proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

**ON A POLL SUCH SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.**

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter proposed to be presented to the Meeting.

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

Authorized Capital: Unlimited Common Shares without par value

Issued and Outstanding: 89,864,870 Common Shares without par value, as at September 19, 2019

Shareholders are entitled to one vote per Common Share at meetings of the shareholders. Only shareholders of record at the close of business on September 19, 2019, (the “**Record Date**”) who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at 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 Common Share registered in his name on the list of shareholders, which is available for inspection during normal business hours at the offices of the Transfer Agent and will be available at the Meeting.

To the knowledge of the directors and senior officers of the Company, the only persons or corporations who beneficially own, directly or indirectly or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company are:

Name of Shareholder	Number of Shares	Percentage of Issued and Outstanding
CDS & Co. <sup>(1)</sup>	65,768,532 <sup>(2)</sup>	73.19%
James A. Pattison	15,484,128	17.23%

Notes:

(1) The beneficial owner(s) of shares held by depositories are not known to the Company.

(2) As at the Record Date.

### **ELECTION OF DIRECTORS**

The Board of Directors presently consists of five (5) directors and it is intended to determine the number of directors at five (5) and to elect five (5) directors for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia).

The following table and notes thereto sets out the names of each person proposed to be nominated by management for election as a director (a "proposed director"), the province or state, as applicable, and country of residence, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company, and the number of Common Shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name, Province or State and Country of Residence, and Position with the Company <sup>(1)</sup>	Present Principal Occupation, Business or Employment <sup>(1)</sup>	Date Served as Director Since	No. of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(2)</sup>
Randy Turner British Columbia, Canada President, CEO and Director	Geologist. CEO & Director of Independence Gold Corp., Board Chairman of Aurelius Minerals Inc., and Director of Rockhaven Resources Ltd.	March 30, 1999	11,020,284
John McDonald <sup>(3)/(5)</sup> British Columbia, Canada Director	Geologist. Director of Independence Gold Corp., Hudson Resource Inc. and First Point Minerals Corp.	March 30, 1999	500,501
James Eccott <sup>(3)/(4)</sup> British Columbia, Canada Director	Retired Businessman.	September 27, 2001	3,071,492
Gary Lindsay <sup>(3)/(5)</sup> Utah, United States of America Director	Consultant to the explosives industry	October 29, 2013	600,000

Name, Province or State and Country of Residence, and Position with the Company <sup>(1)</sup>	Present Principal Occupation, Business or Employment <sup>(1)</sup>	Date Served as Director Since	No. of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(2)</sup>
Andrew Farncomb <sup>(4)</sup> Ontario, Canada Nominee	Principal at Cairn Merchant Partners LP	October 29, 2015	433,300

Notes:

- (1) *The information as to the province or state, as applicable, country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.*
- (2) *The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.*
- (3) *Denotes member of the Audit Committee, Chair: John McDonald*
- (4) *Denotes member of the Compensation Committee. Chair: James Eccott*
- (5) *Denotes member of the Corporate Governance Committee. Chair: John McDonald*

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

### **CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES**

None of the proposed directors (or any of their personal holding companies) of the Company:

- (a) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any corporation, including the Company, that:
- (i) was the subject of an order while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (ii) was the subject of an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer in the Company which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer;
- (b) is as at the date of this Information Circular or has been within the 10 years before the date of this Information Circular, a director or executive officer of any corporation (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;
- (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, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual;
- (d) has been subject to 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
- (e) has been subject to 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.

**AUDIT COMMITTEE DISCLOSURE**

Under National Instrument 52-110 - Audit Committees (“NI 52-110”), companies are required to provide disclosure with respect to their audit committee including the text of the audit committee’s charter, composition of the audit committee and the fees paid to the external auditor. This information is set out in the attached Schedule “A”.

**CORPORATE GOVERNANCE DISCLOSURE**

The British Columbia Securities Commission has issued guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2 and requires full and complete annual disclosure of listed companies’ systems of corporate governance with reference to such guidelines (the “Guidelines”). Where a corporation’s corporate governance system differs from the Guidelines, each difference and the reason for the difference is required to be disclosed. The Company’s approach to corporate governance is set out in Schedule “B”.

**EQUITY COMPENSATION PLAN INFORMATION**

The Board of the Company adopted a Stock Option Plan (the “**Plan**”) effective November 2011 which was approved by the shareholders of the Company at the Company’s annual general meeting held on November 3, 2011.

The purpose of the Plan is to allow the Company to grant options to directors, officers, employees and consultants, as an incentive to dedicate their efforts to advance the success of the Company. The granting of options is intended to align the interests of such persons with that of the members. Options will be exercisable over periods up to ten years as determined by the Board of the Company and are required to have an exercise price no less than the closing market price of the Company’s shares prevailing on the day that the option is granted, less a discount of up to 25%, the amount of discount varying with market price in accordance with the policies of the Exchange. Pursuant to the Plan, the Board may, from time to time, authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The significant terms of the Company's stock option plan are set out below under the heading "Particulars of Matters to be Acted Upon – Annual Approval of Stock Option Plan".

The following table provides information regarding compensation plans under which equity securities of the Company are authorized for issuance in effect as of the end of the Company’s most recently completed financial year:

*Equity Compensation Plan Information*

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)</b>
Equity Compensation Plans Approved By Shareholders	1,915,000	\$0.09	7,071,487
Equity Compensation Plans Not Approved By Shareholders	N/A	N/A	N/A
Total:	1,915,000	\$0.09	7,071,487

## **STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this Information Circular, a Named Executive Officer (“**Named Executive Officer**” or “**NEO**”) of the Company means each of the following individuals:

- (a) a chief executive officer (“**CEO**”) of the Company;
- (b) a chief financial officer (“**CFO**”) of the Company,
- (c) each of the Company’s three most highly compensated executive officers, including any of its subsidiaries, 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 as determined in accordance with subsection 1.3(6) of Form 51-102F6; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity at December 31, 2018.

During financial year ending December 31, 2018, the Company had three (2) NEOs namely, Randy Turner, the CEO of the Company and Harry Chan, the CFO of the Company.

### **Compensation Discussion and Analysis**

The Company's process of determining executive and director compensation is very simple. In particular, the Company relies solely on board discussion without any formal objectives, criteria or analysis.

The Company's compensation policy has been established with a view to continuing to provide executives with compensation that is in accordance with existing market standards generally and competitive within the mining industry.

The Company compensates its executives through the Company's stock option plan (as more particularly described below). Through its executive compensation practices, the Company seeks to provide value to its shareholders through a strong executive leadership. Specifically, the Company's executive compensation structure seeks to motivate and reward executives whose knowledge, skills and performance are critical to the Company's success, and align the interests of the Company's executives and shareholders by motivating executives to increase shareholder value.

Officers are eligible under the Company's stock option plan to receive grants of stock options. The stock option plan is an important part of the Company's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of the Company's common shares over a stated period of time. The Company's stock option plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

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

The Company has no compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive more than \$100,000 from the Company or its subsidiaries, including periodic payments or instalments, in the event of (i) the resignation, retirement or any other termination of the Named Executive Officer's employment with the Company and its subsidiaries; (ii) a change of control of the Company or any of its subsidiaries; or (iii) a change in the Named Executive Officer's responsibilities following a change of control.

### ***Summary Compensation Table***

The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Company for the three most recently completed financial years ending December 31, 2018, 2017 and 2016 in respect of the NEOs of the Company.

NEO Name And Principal Position	Year <sup>(1)</sup>	Salary (\$)	Share- based awards (\$)	Option- based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other comp- ensation (\$)	Total comp- ensation (\$)
					Annual incentive plans	Long- term incentive plans			
Randy Turner President and Chief Executive Officer	2018	75,000	Nil	Nil	Nil	Nil	Nil	Nil	75,000
	2017	120,000	Nil	Nil	Nil	Nil	Nil	Nil	120,000
	2016	120,000	Nil	7,467	Nil	Nil	Nil	Nil	127,467
Harry Chan Chief Financial Officer <sup>(4)</sup>	2018	18,938	Nil	Nil	Nil	Nil	Nil	Nil	18,938
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Susan Neale Chief Financial Officer <sup>(3)</sup>	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017	9,750	Nil	Nil	Nil	Nil	Nil	Nil	9,750
	2016	16,250	Nil	4,480	Nil	Nil	Nil	Nil	20,730

Notes:

(1) Financial years ended December 31, 2018.

(2) These values were calculated using the Black-Scholes fair value method for stock-based compensation and **do not** represent actual amounts received by the Directors as the gain, if any, will depend on the market value of the shares on the date that the option is exercised.

(3) Former CFO of the Company whose tenure ended on November 30, 2017.

(4) Current CFO of the Company who started his tenure on December 1, 2017.

## INCENTIVE PLAN AWARDS

### *Plan-based Awards for Named Executive Officers*

The significant terms of the Company's stock option plan are set out below under the heading "Particulars of Matters to be Acted Upon – Annual Approval of Stock Option Plan".

### *Outstanding Option-Based Awards and Share-Based Awards*

The following table (presented in accordance with Form 51-102F6) sets forth for each Named Executive Officer all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

NEO Name	Option-based Awards				Share-based Awards <sup>(1)</sup>	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Randy Turner	250,000	\$0.08	May 2, 2021	Nil <sup>(2)</sup>	N/A	N/A
Harry Chan	Nil	Nil	Nil	Nil <sup>(2)</sup>	N/A	N/A

Notes:

(1) The Company has not granted any share-based awards.

(2) This option is not "in the money" as the closing market price of the common shares of the Company on the TSX Venture Exchange on December 31, 2018, being the last trading day to the most recently completed financial year end, of \$0.05 is below the stock option exercise price

***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table (presented in accordance with Form 51-102F6) sets forth for each Named Executive Officer all awards vested or earned at the end of the most recently completed financial year for each incentive plan award.

<b>NEO Name</b>	<b>Option-based awards – Value vested during the year (\$) <sup>(1)</sup></b>	<b>Share-based awards – Value vested during the year (\$) <sup>(2)</sup></b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$) <sup>(2)</sup></b>
Randy Turner	Nil	N/A	Nil
Harry Chan	Nil	N/A	Nil

Notes:

- (1) *This amount is the aggregate dollar value that would have been realized if the options under the option-based awards had been exercised on the vesting date. It is determined by the difference between the exercise price of the option and the market price on the date of vesting. If the option was not-in-the-money, then a NIL value was assigned.*
- (2) *The Company has not granted any share-based awards.*

No option-based awards were exercised during the most recently completed financial year end by each Named Executive Officer.

**Pension Plan Benefits**

The Company does not provide a defined benefit plan or a defined contribution plan for any of its executive officers, nor does it have a deferred compensation plan for any of its executive officers.

**Director Compensation**

***Director Compensation Table***

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the directors for the Company's most recently completed financial year.

<b>Name</b>	<b>Fees earned (\$)</b>	<b>Share-based awards <sup>(1)</sup> (\$)</b>	<b>Option-based awards <sup>(2)</sup> (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
John McDonald	Nil	N/A	Nil	Nil	Nil	Nil	Nil
James Eccott	Nil	N/A	Nil	Nil	Nil	Nil	Nil
Mike Muzylowski	Nil	N/A	Nil	Nil	Nil	Nil	Nil
Gary Lindsay	Nil	N/A	Nil	Nil	Nil	Nil	Nil
Andrew Farncomb	Nil	N/A	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) *The Company has not granted any share-based awards.*
- (2) *The Company did not grant any option-based awards.*

***Incentive Plan Awards for Directors***

The significant terms of the Company's stock option plan are set out below under the heading "Particulars of Matters to be Acted Upon – Annual Approval of Stock Option Plan".

***Outstanding Option-Based Awards and Share-Based Awards***

The following table (presented in accordance with Form 51-102F6) sets forth for each director all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Option-based Awards				Share-based Awards <sup>(1)</sup>	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Mike Muzylowski	200,000	\$0.08	May 2, 2021	Nil <sup>(2)</sup>	N/A	N/A
John McDonald	200,000	\$0.08	May 2, 2021	Nil <sup>(2)</sup>	N/A	N/A
James Eccott	225,000	\$0.08	May 2, 2021	Nil <sup>(2)</sup>	N/A	N/A
Gary Lindsay	200,000	\$0.08	May 2, 2021	Nil <sup>(2)</sup>	N/A	N/A
Andrew Farncomb	350,000	\$0.08	May 2, 2021	Nil <sup>(2)</sup>	N/A	N/A

Notes:

(1) *The Company has not granted any share-based awards*

(2) *This amount is the aggregate dollar value that would have been realized if the options under the option-based awards had been exercised on the vesting date. It is determined by the difference between the exercise price of the option and the market price on the date of vesting. If the option was not-in-the-money, then a NIL value was assigned.*

***Incentive Plan Awards – Value Vested or Earning During the Year***

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned by each director during the most recently completed financial year for each incentive plan award.

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$) <sup>(2)</sup>	Non-equity incentive plan compensation – Value earned during the year (\$)
Mike Muzylowski	Nil	N/A	Nil
James Eccott	Nil	N/A	Nil
John McDonald	Nil	N/A	Nil
Gary Lindsay	Nil	N/A	Nil
Andrew Farncomb	Nil	N/A	Nil

Notes:

(1) *This amount is the aggregate dollar value that would have been realized if the options under the option-based awards had been exercised on the vesting date. It is determined by the difference between the exercise price of the option and the market price on the date of vesting. If the option was not-in-the-money, then a NIL value was assigned.*

(2) *The Company has not granted any share-based awards.*

No option-based awards were exercised during the most recently completed financial year end by each Director.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

At any time during the Company's last completed financial year, no director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or

proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries is or has been indebted to the Company or any of its subsidiaries or is or has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

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

Other than as set forth in this Information Circular and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, nor any shareholder beneficially owning, directly or indirectly, Common Shares, or exercising control or direction over Common Shares, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding shares of the Company nor an associate or affiliate of any of the foregoing persons has since January 1, 2018 (being the commencement of the Company's last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.

### **MANAGEMENT CONTRACTS**

Management functions of the Company or any of its subsidiaries are performed by the directors and senior officers of the Company, or private companies controlled by such directors or officers, and are not to any substantial degree performed by any other person or Company other than: Under the terms of a management agreement (the "Management Services Agreement"), between the Company, Rand Explorations Ltd. ("Rand") and Randy Turner ("Turner") it was agreed that Rand would supply the services of Turner, in the capacity of President of the Company, for monthly consideration of \$10,000 exclusive of GST. Upon review in June 2018, Turner's monthly consideration was revised to \$2,500 effective July 2019. Under the terms of the management contract dated December 1, 2017, between the Company and Harry Chan, it was agreed that Harry would provide contract services as the Chief Executive Officer of the Company for a consideration of \$125 per hour.

### **APPOINTMENT OF AUDITORS**

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the reappointment of Davidson & Company LLP, Chartered Accountants as auditors of the Company to hold office until the next annual general meeting of shareholders at remuneration to be fixed by the directors. Davidson & Company LLP were first appointed auditors of the Company on March 30, 1999.

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

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors. Directors and executive officers may, however, be interested in the approval of the Company's stock option plan as detailed below.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### ***Annual Approval of Stock Option Plan***

The Plan is a rolling maximum stock option plan providing for the number of Common Shares reserved for issuance under such Plan to be equal to 10% of the Company's issued and outstanding share capital at the time of any option grant. In accordance with the policies of the TSXV, rolling stock option plans must receive shareholder approval annually. Accordingly, at the Meeting, shareholders will be asked to re-approve the Plan.

The Plan is intended to provide the Board with the ability to issue options to provide the employees, consultants, officers and directors of the Company with long-term equity-based performance incentives which are a key component of the Company's executive compensation strategy. The Company believes it is important to align the interests of management

and employees with shareholder interests and to link performance compensation to enhancement of shareholder value. This is accomplished through the use of options whose value over time is dependent on market value.

The Plan incorporates the following terms and conditions:

1. The aggregate number of Common Shares which may be issued pursuant to options granted under the Plan, unless otherwise approved by shareholders, may not exceed that number which is equal to 10% of the Common Shares of the Company issued and outstanding at the time of the grant.
2. The number of Common Shares subject to each option will be determined by the Board, provided that the aggregate number of Common Shares reserved for issuance pursuant to options granted to:
  - (a) insiders during any 12-month period may not exceed 10% of the issued Common Shares of the Company unless the grant is approved by a majority of the votes cast by “disinterested shareholders”;
  - (b) any one individual during any 12-month period may not exceed 5% of the issued Common Shares of the Company unless the Company is listed on Tier 1 of the TSXV and has obtained the approval of the disinterested shareholders;
  - (c) any one consultant during any 12-month period may not exceed 2% of the issued Common Shares of the Company;
  - (d) all persons employed to provide investor relations activities (as a group) may not exceed 2% of the issued Common Shares of the Company during any 12-month period;

in each case calculated as at the date of grant of the option, including all other Common Shares under option to such person at that time.

3. Options may be exercisable for a period of ten years from the date of grant. The options are non-assignable and non-transferable. The options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Plan or within 90 days after ceasing to be an eligible optionee, (30 days in the case of a person engaged in investor relations activities), immediately in the case for dismissal from employment or service for cause, or, if the optionee dies, the earlier of the expiry date and the date which is six months after the date of death, provided that the Board, in its discretion may extend the date of exercise to the earlier of the expiry date and one year from the date of the optionee’s death.
4. If the normal expiry date of any option falls within any blackout period or within 10 business days following the end of any blackout period, then the expiry date of such options shall, without any further action, be extended to the date that is 10 business days following the end of such blackout period.
5. The Company can demand the payment of cash (or sell Common Shares issued upon exercise of an option), as may be necessary to satisfy the Company’s tax withholding obligations on behalf of any person exercising options.
6. To make such other “house-keeping” changes as may be requested by the TSXV.

The foregoing is only a summary of the salient features of the Plan. A copy of the Plan may be inspected at the offices of the Company at Suite 1020 – 625 Howe Street, Vancouver, British Columbia during normal business hours and at the Meeting. In addition, a copy of the Plan will be mailed, free of charge, to any holder of Common Shares who requests a copy, in writing, from the Corporate Secretary of the Company. Any such requests should be mailed to the Company, at its head office, to the attention of the Corporate Secretary.

Accordingly, shareholders will be asked to pass an ordinary resolution, in substantially the following form, to re-approve the Plan:

“RESOLVED, as an ordinary resolution, that:

1. the stock option plan (the “**Plan**”) as described in the Information Circular dated September 25, 2019 be and is hereby approved, subject to the acceptance for filing thereof by the TSX Venture Exchange and the grant of options thereunder in accordance therewith, be approved;
2. the number of Common Shares reserved for issuance under the Plan shall be no more than 10% of the Company’s issued and outstanding share capital at the time of any stock option grant;
3. the Board of the Company be authorized to make any changes to the Plan as may be required or permitted by the TSX Venture Exchange;
4. any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing; and
5. notwithstanding that this resolution has been duly passed by the shareholders of the Company, the Plan is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors.”

If named as proxy, the Management Nominees intend to vote the Common Shares represented by such Proxy at the Meeting for the approval of the Plan, unless otherwise directed in the instrument of Proxy.

An ordinary resolution must be passed by a simple majority of 50% plus one of the votes cast at the Meeting by the shareholders entitled to vote who are represented in person or by proxy at the Meeting.

#### **ANY OTHER MATTERS**

Management of the Company knows of no matters to come before the meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

#### **ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com) “Company Profiles – Canterra Minerals Corporation”. The Company’s financial information is provided in the Company’s audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website. Shareholders may contact the Company at its head office, to request copies of the Company’s financial statements and related management discussion and analysis.

#### **APPROVAL OF THE DIRECTORS**

The directors of the Company have approved the content and the sending of this information circular.

DATED at Vancouver, British Columbia, this 25<sup>th</sup> day of September 2019.

#### **CANTERRA MINERALS CORPORATION**

*Signed “Randy Turner”*

Randy Turner  
President, Chief Executive Officer  
and a Director of the Company

## **SCHEDULE "A"**

### **AUDIT COMMITTEE CHARTER**

#### **ITEM 1: THE AUDIT COMMITTEE'S CHARTER**

##### **PURPOSE**

The overall purpose of the Audit Committee (the "Committee") of Canterra Minerals Corporation (the "Company") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

##### **COMPOSITION, PROCEDURES AND ORGANIZATION**

1. The Committee shall consist of at least three members of the Board of Directors (the "Board").
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
  - a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - b) the external auditors shall have the right to attend all meetings of the Committee; and

- c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

#### **ROLES AND RESPONSIBILITIES**

1. The overall duties and responsibilities of the Committee shall be as follows:
  - a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;
  - b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
  - a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - c) review the audit plan of the external auditors prior to the commencement of the audit;
  - d) to review with the external auditors, upon completion of their audit:
    - i) contents of their report;
    - ii) scope and quality of the audit work performed;
    - iii) adequacy of the Company's financial and auditing personnel;
    - iv) co-operation received from the Company's personnel during the audit;
    - v) internal resources used;
    - vi) significant transactions outside of the normal business of the Company;
    - vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - viii) the non-audit services provided by the external auditors;
  - e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
  - a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

- b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
- c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
- d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

4. The Committee is also charged with the responsibility to:

- a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
- b) review and approve the financial sections of:
  - i) the annual report to Shareholders;
  - ii) the annual information form, if required;
  - iii) annual and interim MD&A;
  - iv) prospectuses;
  - v) news releases discussing financial results of the Company; and
  - vi) other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
- c) review regulatory filings and decisions as they relate to the Company's financial statements;
- d) review the appropriateness of the policies and procedures used in the preparation of the Company's financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- e) review and report on the integrity of the Company's financial statements;
- f) review the minutes of any audit committee meeting of subsidiary companies;
- g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the financial statements;
- h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

5. The Committee shall have the authority:

- a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- b) to set and pay the compensation for any advisors employed by the Committee; and
- c) to communicate directly with the internal and external auditors.

**ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE**

The current members of the Committee are John McDonald, Gary Lindsay and James Eccott. John McDonald has been appointed as chair of the audit committee. All of the members are considered independent. All of the members are financially literate. "Independent" and "financially literate" have the meaning used in National Instrument 52-110 (the "Instrument") of the Canadian Securities Administrators.

**ITEM 3: RELEVANT EDUCATION AND EXPERIENCE**

All members of the Company's audit committee have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. In addition to each member's relevant general business experience and education, each Committee member has an understanding of the accounting principles used by the Company to prepare its financial statements and has an understanding of its internal controls and procedures for financial reporting.

**ITEM 4: AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Davidson & Company LLP, Chartered Accountants) not adopted by the Board.

**ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS**

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

**ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the Instrument, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

**ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)**

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2018	\$18,725	Nil	\$3,000	Nil
2017	\$15,300	Nil	\$3,000	Nil

**ITEM 8: EXEMPTION**

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

## SCHEDULE "B"

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* Canterra Minerals Corporation (the "Company") is required to and hereby discloses its corporate governance practices as follows.

#### ITEM 1: BOARD OF DIRECTORS

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

John McDonald, James Eccott, Gary Lindsay, and Andrew Farncomb, directors of the Company, are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising from shareholdings. Randy Turner is the President and Chief Executive Officer of the Company and is therefore not independent.

#### ITEM 2: DIRECTORSHIPS

The directors of the Company are currently directors of the following other reporting issuers:

Name	Name of Reporting Issuer
Randy Turner	Independence Gold Corp., Aurelius Minerals Inc., Rockhaven Resources Ltd., Kutcho Copper Corp. and Mariana Resources Limited
John McDonald	FPX Nickel Corp., Independence Gold Corp., Calibre Mining Corp. and Hudson Resources Inc.
James Eccott	Bearclaw Capital Corp., Prism Resources Inc. and Sun-Rype Products Ltd.
Gary Lindsay	None
Andrew Farncomb	IDM Mining Ltd., Contact Gold Corp, Excellon Resources Inc. and Northern Superior Resources Inc.

#### ITEM 3: ORIENTATION AND CONTINUING EDUCATION

The Board of Directors of the Company briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

#### ITEM 4: ETHICAL BUSINESS CONDUCT

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract

or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

**ITEM 5: NOMINATION OF DIRECTORS**

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

**ITEM 6: COMPENSATION**

The Board of Directors conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

**ITEM 7: OTHER BOARD COMMITTEES**

At the present time, the standing committees are the Audit Committee, the Compensation Committee and the Corporate Governance Committee.

**ITEM 8: ASSESSMENTS**

The Board of Directors monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees.