

**NICKEL NORTH EXPLORATION CORP.**  
Suite 890 – 580 Hornby Street Vancouver, British Columbia V6C 2E7

**MANAGEMENT INFORMATION CIRCULAR**

**INTRODUCTION**

**This information circular (the “Information Circular”) accompanies the notice (the “Notice”) of annual general meeting of shareholders and is furnished to shareholders holding common shares in the capital of Nickel North Exploration Corp. (the “Company”) in connection with the solicitation by the management of the Company of proxies to be voted at the annual general meeting (the “Meeting”) of the shareholders to be held at 10:00 a.m. (Vancouver time) on Thursday, December 5, 2019 at the offices of the Company, located at Suite 890 – 580 Hornby Street, Vancouver, British Columbia V6C 2E7 or at any adjournment or postponement thereof.**

The date of this Information Circular is November 4, 2019. Unless otherwise stated, all amounts herein are in Canadian dollars.

**PROXIES AND VOTING RIGHTS**

**Management Solicitation**

The solicitation of proxies by the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

The Company is not sending proxy-related materials to its shareholders using notice-and-access.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

**Appointment of Proxy**

Registered shareholders are entitled to vote at the Meeting. A shareholder is entitled to one vote for each common share that such shareholder holds on the record date of November 4, 2019 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of the Company.

**A shareholder has the right to appoint a person or company (who need not be a shareholder) to attend and act for or on behalf of that shareholder at the Meeting, other than the Designated Persons named in the enclosed form of proxy.**

**To exercise the right, the shareholder may do so by inserting the name of such other person in the blank space provided in the form of proxy. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instruction to the nominee on how the shareholder's shares should be voted. The nominee should bring personal identification to the Meeting.**

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc. (the "**Transfer Agent**") in accordance with the instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays, and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting or any adjournment or postponement thereof. Alternatively, the completed form of proxy may be delivered to the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder's attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

#### **Revocation of Proxies**

A shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (a) attendance at the Meeting and participation in a poll (ballot) by a shareholder, or (b) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

#### **Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons**

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. **The common shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly. If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the Designated Persons named in the form of proxy. It is intended that the Designated Persons will vote the common shares represented by the proxy in favour of each matter identified in the proxy.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to matters other than those referred to in the Notice which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the common shares on any matter, the common shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

### **BENEFICIAL SHAREHOLDERS**

**The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name.** Shareholders who do not hold their shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon 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 the shareholder’s name on the records of the Company. Such common shares will more likely be registered under the names of the shareholder’s broker or an agent of that broker. 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 depository 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). **Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to names of all of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its 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. The voting instruction form supplied to a Beneficial Shareholder by his, her or its broker (or the agent of the broker) is similar to the form of proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (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**”) in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of common shares to be voted at the Meeting. If Beneficial Shareholders receive the voting instruction forms from Broadridge, they are requested to complete and return the voting instruction forms to Broadridge by mail or facsimile. Alternatively, such Beneficial Shareholders can call a toll-free number and access Broadridge’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the common shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote common shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have his, her or its common shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his, her or its broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his, her or its broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his,

her or its common shares.

Beneficial Shareholders consist of non-objecting beneficial owners and objecting beneficial owners. A non-objecting beneficial owner is a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators. An objecting beneficial owner means a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101.

The Company is sending proxy-related materials directly to non-objecting beneficial owners of common shares of the Company. The Company will not pay for the delivery of proxy-related materials to objecting beneficial owners of common shares of the Company. The objecting beneficial owners of common shares of the Company will not receive the materials unless their intermediary assumes the costs of delivery.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

## FINANCIAL STATEMENTS

The audited financial statements of the Company for the fiscal year ended December 31, 2018 (the “**2018 Financial Statements**”), together with the auditor’s report on those statements and the related Management Discussion and Analysis (“**MD&A**”), will be presented to the shareholders at the Meeting. Receipt at the Meeting of the 2018 Financial Statements and MD&A will not constitute approval or disapproval of any matters referred therein. Copies of the 2018 Financial Statements and the related MD&A are available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As of the record date, determined by the Company’s board of directors (the “**Board of Directors**”) to be the close of business on November 4, 2019, a total of 76,518,747 common shares were issued and outstanding and no preferred shares were issued and outstanding. Each common share carries the right to one vote at the Meeting.

Only registered shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company, other than as set forth below:

Name of Shareholder	Number of Securities Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Class of Outstanding Voting Securities
Sinotech (Hong Kong) Corporation Limited <sup>(1)</sup>	48,071,860	62.82%
Eros Resources Corporation	10,933,708	14.29%

<sup>(1)</sup> Sinotech (Hong Kong) Corporation Limited is a wholly-owned subsidiary of Sinotech Minerals Exploration Co., Ltd. (“Sinotech Minerals Exploration”).

### SETTING NUMBER OF DIRECTORS

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at five (5). The number of directors will be approved if the affirmative vote of at least a majority of shares present or represented by proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at five (5).

**In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted FOR setting the number of directors at five (5) for the ensuing year.**

### ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed or until such director's earlier death, resignation or removal.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of common shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, Province or State and Country of Residence and Position(s) with the Company	Present Principal Occupation, Business or Employment	Periods during which Nominee has Served as a Director	Number of Voting Securities of the Company Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
Dr. Jingbin Wang <sup>(2)(3)</sup> Beijing, China  <i>Chairman and Director</i>	President of the Beijing Institute of Geology for Mineral Resources since January 2002; Chairman of Sinotech Mineral Exploration Co., Ltd. since March 2004.	Since August 2, 2012	200,000
Andrew Lee Smith <sup>(2)(4)(5)</sup> British Columbia, Canada  <i>Director</i>	Professional Geologist; Chief Executive Officer and Director of East Africa Metals Inc. since 2013; President of Iron Mask Explorations Ltd. a private mining and exploration consulting firm since 1998.	Since July 8, 2014	Nil
Yingting (Tony) Guo <sup>(5)</sup> British Columbia, Canada  <i>President and CEO and Director</i>	Professional Geologist, COO and director of Jaxon Mining Inc. since 2018; Chairman of C2 Mining International Corp since May 2015, a private company	Since July 25, 2016	Nil
Nicholas F. Watters <sup>(4)(5)</sup> British Columbia, Canada  <i>Director</i>	President of Talisman Venture Partners since 1999.	Since June 16, 2017	Nil
Dr. Zhijun He <sup>(2)(4)(5)</sup> Beijing, China  <i>Director</i>	Consultant in CD Capital	Since June 16, 2017	Nil

- (1) The information as to the number of voting securities of the Company beneficially owned, or controlled or directed, directly or indirectly, has been furnished to the Company by the respective nominees individually.
- (2) Member of the Corporate Governance, Nomination and Compensation Committee.
- (3) Member of the Technical Committee.
- (4) Member of the Audit Committee.
- (5) Member of the Corporate Development Committee.

In the absence of instructions to the contrary, the enclosed form of proxy will be voted for the nominees listed in the form of proxy.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

At the Meeting, shareholders will be asked to cast their votes to elect each of Dr. Jingbin Wang, Andrew Lee Smith, Yingting (Tony) Guo, Nicholas F. Watters and Dr. Zhijun He as a director of the Company.

**Management and the Board of Directors recommend the shareholders to vote in favour of electing each of the nominees listed above as a director of the Company.**

#### **Cease Trade Orders**

No proposed director of the Company is, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

#### **Bankruptcies**

No proposed director of the Company is, or has been within 10 years before the date of this Information Circular, a director or an executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in the 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.

No proposed director of the Company has, within 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 proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## Penalties or Sanctions

No proposed director of the Company 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 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 shareholder in deciding whether to vote for the proposed director.

## STATEMENT OF EXECUTIVE COMPENSATION

### General

For the purpose of this Information Circular:

**“compensation securities”** includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

**“NEO”** or **“named executive officer”** means:

- (a) each individual who served as chief executive officer (**“CEO”**) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (**“CFO”**) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) in respect of the Company and its subsidiaries (if any), the most highly compensated executive officer of the Company other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

**“plan”** includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

**“underlying securities”** means any securities issuable on conversion, exchange or exercise of compensation securities.

### Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets forth all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or any subsidiary of the Company, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided,

directly or indirectly, to the Company or any subsidiary of the Company for each of the two most recently completed financial years, other than stock options and other compensation securities:

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Andrew Lee Smith, Interim President and CEO and Director <sup>(1)</sup>	2018	78,000	Nil	Nil	Nil	Nil	78,000
	2017	58,500	Nil	Nil	Nil	Nil	58,500
Cathy Wang, CFO <sup>(2)</sup>	2018	110,000	Nil	Nil	Nil	Nil	110,122
	2017	102,502	Nil	Nil	Nil	Nil	102,502
Dr. Jingbin Wang, Director <sup>(3)</sup>	2018	6,250	Nil	Nil	Nil	Nil	6,250
	2017	6,250	Nil	Nil	Nil	Nil	6,250
Walter Coles, Jr., Former Director <sup>(4)</sup>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	2,260	Nil	Nil	Nil	Nil	2,260
Ge (Anna) Mao, Former Director <sup>(5)</sup>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	2,260	Nil	Nil	Nil	Nil	2,260
Yingting (Tony) Guo, Director <sup>(6)</sup>	2018	5,000	Nil	Nil	Nil	Nil	5,000
	2017	5,000	Nil	Nil	Nil	Nil	5,000
Nicholas F. Watters, Director <sup>(7)</sup>	2018	5,000	Nil	Nil	Nil	Nil	5,000
	2017	2,706	Nil	Nil	Nil	Nil	2,706
Dr. Zhijun He, Director <sup>(8)</sup>	2018	5,000	Nil	Nil	Nil	Nil	Nil
	2017	2,706	Nil	Nil	Nil	Nil	2,706

<sup>(1)</sup> Andrew Lee Smith was appointed as interim President and CEO on June 26, 2014 and appointed a director on July 8, 2014.

<sup>(2)</sup> Cathy Wang was appointed as CFO of the Company effective as of February 18, 2013.

<sup>(3)</sup> Dr. Jingbin Wang was appointed as a director of the Company effective as of August 2, 2012.

<sup>(4)</sup> Walter Coles, Jr. was appointed as an audit committee member and a director of the Company effective as of August 2, 2012. Mr. Coles, Jr. decided not to stand for re-election at the annual general meeting on June 16, 2017.

<sup>(5)</sup> Ge (Anna) Mao was appointed as an audit committee member and a director of the Company effective as of February 22, 2013. Ms. Mao decided not to stand for re-election at the annual general meeting on June 16, 2017.

<sup>(6)</sup> Yingting (Tony) Guo was appointed as a director of the Company and chairman of the audit committee effective July 25, 2016.

<sup>(7)</sup> Nicholas F. Watters was appointed as director of the Company effective as of June 16, 2017.

<sup>(8)</sup> Dr. Zhijun He was appointed as an audit committee member and a director of the Company effective as of June 16, 2017.

#### Stock Options and Other Compensation Securities

The Company or its subsidiaries (if any) did not grant or issue any compensation securities to an NEO or director of the Company in the year ended December 31, 2018 for services provided, or to be provided, directly or indirectly,

to the Company or any of its subsidiaries (if any).

#### **Exercise of Compensation Securities by Directors and NEOs**

No NEO or director of the Company exercised any compensation securities, being solely comprised of stock options, during the year ended December 31, 2018.

#### **Stock Option Plans and Other Incentive Plans**

The Company has in effect a 10% rolling stock option plan, approved by the shareholders of the Company at its annual general meeting on July 8, 2014 (the “**10% Rolling Option Plan**”), in order to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company’s shareholders. The Company has no equity incentive plans other than the 10% Rolling Option Plan. The size of stock option grants to NEOs 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. In accordance with the terms of the 10% Rolling Option Plan, it is subject to its acceptance for filing by the TSX Venture Exchange and an annual re-approval by the Company’s shareholders. See “Approval of Stock Option Plan” for further information about the material terms of the 10% Rolling Option Plan.

As at November 4, 2019, there are no outstanding options to purchase shares under the 10% Rolling Option Plan.

#### **Employment, Consulting and Management Agreements**

As of the date of this Information Circular, the independent consulting agreement entered into with Iron Mask Explorations Limited, a personal consulting company owned by Andrew Lee Smith, and the Company for the service of Mr. Smith as the Interim Chief Executive Officer, dated for reference July 1, 2014 and revised on January 1, 2016 remains in full force and effect.

As of the date of this Information Circular, the employment agreement entered into Cathy Wang and the Company dated for reference January 17, 2013, revised on June 1, 2013 and January 1, 2016 respectively, remains in full force and effect.

Pursuant to the employment agreement with Cathy Wang, the Chief Financial Officer, the Company may terminate the employment without notice for cause. Otherwise, the Company may terminate the employment without cause and without further obligation, by providing Ms. Wang fees as follows: (i) in the first 12 months of the retainer, two months of salary; and (ii) after 12 months of the retainer, four months of salary.

The table below provides estimates of the incremental amounts that would have been payable to the following NEO assuming termination occurred on December 31, 2018.

<b>Name</b>	<b>Termination Without Cause (\$)</b>
Cathy Wang	36,667

Other than as set forth above, the Company did not have any agreement or arrangement under which compensation was provided during the financial year ended December 31, 2018 or is payable in respect of services provided to the Company or any of its subsidiaries (if any) that were performed by an NEO or director of the Company, or performed by any other party but are services typically provided by an NEO or director of the Company.

The Company has not entered into an understanding, arrangement or agreement with the external management company to provide executive management services to the Company, directly or indirectly.

## **Oversight and Description of Director and NEO Compensation**

### *Compensation Discussion and Analysis and Compensation Governance*

The Company's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company's business objectives of improving overall corporate performance and creating long-term value for the Company's shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the exploration and development goals of the Company. The Company's current compensation program is comprised of base salary or fees, short term incentives such as discretionary bonuses and long term incentives such as stock options.

The Board of Directors has created a Corporate Governance, Nomination and Compensation Committee. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Corporate Governance, Nomination and Compensation Committee. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended by the Corporate Governance, Nomination and Compensation Committee and approved by the Board of Directors without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussion relating to compensation, and disclose their interest in and abstain from voting on compensation decision relating to them, as applicable, in accordance with the applicable corporate legislation.

In making compensation decisions, the Corporate Governance, Nomination and Compensation Committee strive to find a balance between short-term and long-term compensation and cash versus equity incentive compensation. Base salaries or fees and discretionary cash bonuses primarily reward recent performance and incentive stock options encourage NEOs and directors to continue to deliver results over a longer period of time and serve as a retention tool. The annual salary or fee for each NEO, as applicable, is determined by the Corporate Governance, Nomination and Compensation Committee based on the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time. The NEOs' performances and salaries or fees are to be reviewed periodically. Increases in salary or fees are to be evaluated on an individual basis and are performance and market-based. The amount and award of cash bonuses to key executives and senior management is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant.

Given the Company's current stage of development, the implications of the risks associated with the Company's compensation policies and practices have not been considered by the Corporate Governance, Nomination and Compensation Committee. Under the Company's compensation policies and practices, NEOs and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

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

The Company regards the strategic use of incentive stock options as a cornerstone of the Company's compensation plan. The Company is committed to long-term incentive programs that promote the continuity of an excellent management team and, therefore, the long-term success of the Company. The Company established a formal plan under which stock options may be granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. It applies to personnel at all levels and continues to be one of the Company's primary tools for attracting, motivating and retaining qualified personnel which is critical to the Company's success. The Corporate Governance, Nomination and Compensation Committee is responsible for administering the Company's stock option plan and determining the type and

amount of compensation to be paid to directors, officers, employees and consultants of the Company including the awards of any stock options under a stock option plan. Stock options are typically part of the overall compensation package for executive officers.

All grants of stock options to the NEOs are reviewed and approved by the Corporate Governance, Nomination and Compensation Committee. In evaluating option grants to an NEO, the Corporate Governance, Nomination and Compensation Committee evaluates a number of factors including, but not limited to: (i) the number of options already held by such NEO; (ii) a fair balance between the number of options held by the NEO concerned and the other executives of the Company, in light of their responsibilities and objectives; and (iii) the value of the options (generally determined using a Black-Scholes analysis) as a component in the NEO's overall compensation package.

#### **Pension**

The Company does not provide a pension to an NEO or director of the Company.

#### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth details of all the Company's equity compensation plan as of December 31, 2018:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by security holders <sup>(1)</sup>	Nil	Nil	7,651,875
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	Nil	Nil	7,651,875

- <sup>(1)</sup> The Company has adopted a stock option plan, under which the Company may grant stock options to acquire up to 10% of the issued and outstanding common shares of the Company at the time of grant.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former director, executive officer, employee, or proposed nominee for election as a director, or associate of such person is, or at any time during the most recently completed financial year has been, indebted to the Company.

No indebtedness of a current or former director, executive officer, employee, or proposed nominee for election as a director, or associate of such person to another entity is, or at any time during the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no:

- (a) director, proposed director or executive officer of the Company;
- (b) 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 percent of the voting rights attached to all outstanding voting securities of the Company;
- (c) associate or affiliate of any of the foregoing person or company; and
- (d) director or executive officer of the foregoing person or company,

has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except for any interest arising from the ownership of securities of the Company where such person or company receives no extra or special benefit or advantage not shared on a proportionate basis by all holders of the same class of securities.

On November 2, 2016 the board of directors of the Company entered into a loan agreement with SinoTech (the "**Loan Agreement**"). The loan was for the principal amount of \$300,000, bearing a fixed interest rate of 8% per annum with a maturity date of December 31, 2016.

On July 16, 2019, the Company entered into an amendment agreement (the "**Amendment**") with SinoTech to extend the repayment term of the Loan Agreement to December 31, 2019. Pursuant to the Amendment, the principal amount of the loan was increased to \$1,039,849, which comprises the total principal amount of the loan advanced to the Company and accrued interest thereon. The principal amount of the loan will bear interest at a fixed rate of 10% per annum. All other terms and conditions of the Loan Agreement dated November 2, 2016 entered into between the Company and SinoTech remain in force.

### MANAGEMENT CONTRACTS

There are no management functions of the Company, which are, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

### CORPORATE GOVERNANCE

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

#### Board of Directors

The Board of Directors facilitates its independent supervision over management in several ways, including retaining independent consultants where it deems necessary, and by reviewing corporate developments with larger shareholders, analysts and potential industry partners.

The current independent members of the Board of Directors are Yingting (Tony) Guo and Nicholas F. Watters.

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company’s Board, reasonably interfere with the exercise of the member’s independent judgement.

Dr. Jingbin Wang is not independent because Dr. Jingbin Wang is the Chairman of the Board of the Company and is an executive officer of SinoTech Minerals Exploration Co., Ltd., which is an affiliated entity of the Company. If elected at the Meeting, the nominated director, Dr. Zhijun He will not be independent because Dr. He is the vice president of SinoTech Minerals Exploration Co., Ltd., which is an affiliated entity of the Company. Andrew Lee Smith is not independent because Mr. Smith is the Interim President and CEO of the Company.

### Directorships

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

Dr. Jingbin Wang	East Africa Metals Inc. <sup>(1)</sup> Alto Metals Limited <sup>(3)</sup>
Andrew Lee Smith	Yorkton Ventures Inc. <sup>(1)</sup> East Africa Metals Inc. <sup>(1)</sup> True North Gems Inc. <sup>(1)</sup> Ultra Lithium Inc. <sup>(1)</sup>
Yingting (Tony) Guo	Transcontinental gold corporation <sup>(1)</sup> CaNickel Mining Ltd. <sup>(1)</sup> Jaxon mining Inc. <sup>(1)</sup>
Dr. Zhijun He	East Africa Metals Inc. <sup>(1)</sup> Enterprise Metals Limited <sup>(3)</sup>
Nicholas F. Watters	Yorkton Ventures Inc. <sup>(1)</sup> Monster Uranium Corp. <sup>(1)</sup> King Global Ventures Inc. <sup>(1)</sup>

<sup>(1)</sup> TSX Venture Exchange.

<sup>(2)</sup> Frankfurt Stock Exchange.

<sup>(3)</sup> ASX

### Orientation and Continuing Education

The Board of Directors briefs all new directors with respect to the policies of the Board of Directors and other relevant corporate and business information. The Board of Directors does not provide any continuing education.

### Ethical Business Conduct

The Board of Directors has adopted the Code of Business Conduct and Ethics (the “**Code**”) for all directors, officers and employees of the Company and its subsidiaries (each, a “**Company Individual**”). Company Individuals must promptly advise either a supervisor or the Chair of the Board (or other representative appointed by the Board of Directors) (the “**Board Code Representative**”) if a Company Individual believes that he or she has observed a violation of the Code by any Company Individual, or by anyone purporting to be acting on the Company’s behalf.

Any such reports may be made anonymously. Confidentiality will be maintained, to the extent permitted by law. If a Company Individual is not comfortable reporting such behavior to a supervisor or the Board Code Representative, the individual may report to the Company’s external legal counsel.

Only the Board of Directors may waive application of, or amend any provision of, this Code. A request for such a waiver should be submitted in writing to the Board of Directors for its consideration.

### **Nomination of Directors and Compensation**

The Board of Directors has established the Corporate Governance, Nomination and Compensation Committee, presently consisting of Dr. Jingbin Wang, Andrew Lee Smith and Dr. Zhijun He. The duties and responsibilities of the Corporate Governance, Nomination and Compensation Committee include:

- (a) Clearly confirm and communicate the importance of good corporate governance to the Company's directors, officers and employees;
- (b) Require the development and establishment of corporate governance policies and procedures which are consistent with good governance practices and industry standards, having regard to the particular needs of the Company;
- (c) Review the Company's corporate governance policies annually to confirm that they continue to adequately reflect the Company's commitment to good corporate governance and meet existing regulatory requirements, and recommend to the Board of Directors such changes as are required or desirable. The review shall include:
  - (i) the charter of the Board of Directors;
  - (ii) the charters of each committee of the Board of Directors;
  - (iii) the skills, areas of expertise, backgrounds, independence and qualifications of the members of the Board of Directors;
  - (iv) the size and composition of the Board of Directors to ensure that there are a majority of independent directors;
  - (v) the membership, organization and responsibilities of appropriate committees of the Board and Board appointed committees; and
  - (vi) the evaluation process for the Board.
- (d) Review reports on corporate governance issues of current public concern and on emerging public and legal corporate governance issues;
- (e) Adopt guidelines for reporting corporate governance matters to the Board;
- (f) Review and approve officers' directorships in companies other than subsidiary companies and review directors' relationships with other outside entities with regard to potential conflicts of interest;
- (g) Review the corporate governance sections of the management information circular distributed to the Corporation's shareholders, including the statement of corporate governance practices;

- (h) Develop and recommend to the Board of Directors a process for assessing annually the effectiveness of the Board of Directors, as a whole, the committees of the Board of Directors, the Chair of the Board, and individual directors and be responsible for overseeing the execution of the assessment process approved by the Board of Directors;
- (i) Serve as a forum for individual directors to voice any concerns on matters not readily discussed at regular Board of Directors meetings;
- (j) Recommend to the Board of Directors a system which enables an individual director to engage outside advisers at the Corporation's expense in appropriate circumstances and with the approval of the Corporate Governance, Nomination and Compensation Committee;
- (k) Recommend to the Board of Directors structures and procedures to enable the Board of Directors to function independently of management and oversee the development and implementation of any structures and procedures approved by the Board of Directors;
- (l) Review the relationship of the Board of Directors with management and recommend, where appropriate, limits on management's authority to act without the express approval of the Board of Directors;
- (m) Assess shareholder proposals as necessary for inclusion in the management information circular and make appropriate recommendations to the Board of Directors;
- (n) Oversee:
  - (i) the development and implementation of orientation programs for new directors; and
  - (ii) continuing education for all directors;
- (o) Review and approve an overall reward/compensation policy for the Company on an annual basis, including an executive compensation policy for the Company that is consistent with competitive practice and supports organizational objectives and ownership interests;
- (p) Review, modify, as appropriate, and approve annually, or more frequently as it, in its sole discretion, may determine, the elements of the Company's annual and long-term incentive compensation plans and equity-based plans, including plan design, performance targets, administration and total funds/shares reserved for payment;
- (q) Review and approve the CEO's total compensation on an annual basis, in light of the performance assessment conducted by the Corporate Governance, Nomination and Compensation Committee;
- (r) Review and approve annually, any offers of employment, changes to compensation or terms of employment or separation agreements, for all positions that report to the CEO and any Vice President ("VP") positions deemed by the CEO to be "mission critical". The Committee shall report to the Board the factors and criteria on which their approval is based, including the relationship of the Company's performance to total compensation. In addition, the Committee shall review annually the total compensation arrangements for all other VPs;
- (s) Review and submit annually to the Board for approval, the total compensation of the members of the Board, in light of director compensation guidelines and principles established by the Corporate Governance, Nomination and Compensation Committee;

- (t) Review succession planning for all positions that report to the CEO and any other positions deemed by the CEO to be “mission critical”, including development plans and career planning for potential successors to such positions;
- (u) Review and approve any organization changes that affect positions reporting to the CEO or any other positions deemed by the CEO to be “mission critical” as well as any material changes to the Company’s human resource policies;
- (v) Prepare, in conjunction with management, and recommend to the Board for its approval, disclosure relating to executive compensation that is required to be included in the Company’s Management Proxy Circular;
- (w) Review any proposed material amendments to the Company’s pension plans, including plan design and benefit improvements;
- (x) Review, approve and receive regular reports from management with respect to the Company’s insider trading policy;
- (y) Review, approve and receive regular reports from management with respect to the Company’s share ownership policy;
- (z) Perform any other activities consistent with this mandate;
- (aa) Report to the Board of Directors following each meeting of the Corporate Governance, Nomination and Compensation Committee and at such other times as the Board of Directors may consider appropriate; and
- (bb) Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Corporate Governance, Nomination and Compensation Committee by the Board of Directors.

Any director or executive officer that has a material interest in a transaction or agreement that is being considered by the Company is required, in accordance with applicable corporate law, to declare a conflict of interest and is excluded from voting and from the decision making process with respect to that issue.

#### **Other Board Committees**

The Board of Directors has also established a Technical Committee comprised of Dr. Jingbin Wang. The Technical Committee assists the Board of Directors in evaluating, assessing and reviewing the Company’s engineering and geological reports and data or any documentation pertaining to the acquisition, exploration, development or disposition of mineral properties and also reviews the recommendations of management with respect to the acquisition or disposition of mineral properties.

#### **Assessments**

The Board of Directors has no specific procedures for regularly assessing the effectiveness and contribution of the Board of Directors, its committees, if any, or individual directors. As the Board of Directors is relatively small, it is expected that a significant lack of performance on the part of a committee or individual director would become readily apparent, and could be dealt with on a case-by-case basis. With respect to the Board of Directors as a whole, the Board of Directors monitors its performance on an ongoing basis, and as part of that process considers

the overall performance of the Company and input from its shareholders.

## AUDIT COMMITTEE DISCLOSURE

### The Audit Committee Charter

The Company's audit committee (the "Audit Committee") is governed by an audit committee charter, a copy of which is attached hereto as Schedule "A".

### Composition of the Audit Committee

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

Nicholas F. Watters	Independent	Financially literate
Andrew Lee Smith	Independent	Financially literate
Zhijun He	Independent	Financially Literate

### Relevant Education and Experience

The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member is as follows:

Nicholas F. Watters – Mr. Watters is a co-founder of several successful mining enterprises. He has been an integral part of raising nearly \$285 million for various start-up and development opportunities in his career and has been part of a team that have brought several projects from initial discoveries to full development situations. Beginning in the corporate communications field, he has worked with several public and private companies in a wide variety of sectors including mining, high-tech and the biotech industries. Mr. Watters helped create the corporate identities for a number of small start-ups as well as heading up their corporate communications departments. Mr. Watters is currently the Director of Business Development for East Africa Metals Inc. as well as serving as a director to other public companies. He has been the President of his private investment company, Talisman Venture Partners, since 1999.

Yingting (Tony) Guo – Dr. Guo has over 30 years' experience in the mining industries. He has worked on mineral exploration and development companies in Canada, China and the USA. Dr. Guo's business expertise includes the mineral resource exploration, estimation, development, assessment, acquisition and project/business management. Dr. Guo has participated and managed many mineral exploration works internationally for the last 20 years. His credentials include a Bachelor of Science Degree in Geology from the Nanjing University as well as a Doctor Degree in Geology and Exploration from China University of Mining and Technology. He has conducted the mineral research programs in University of British Columbia, Canada, West Virginia University and the Pennsylvania State University. He is a registered Professional Geoscientist in the Province of British Columbia, Canada and QP Committee member of Mining and Metallurgical Society of America. Dr. Guo has worked with mining companies and consulting firms such as Jinshan Gold Mines, China Gold International, Behre Dolbear Group etc. Dr. Guo currently serves as an independent director for several publicly listed companies. Dr. Guo also holds the CEO position for one private mining company from the USA and one mining consulting firm in Canada. Dr. Guo is the founder and Chairman for the Association of Chinese Canadian Mining Professionals in Canada.

Zhijun He – Dr. Zhijun He is a professional geologist with over 20 years of experience in geological research, mineral exploration and geological service. He holds a PhD degree in Petrology and Economic Geology from China University of Geosciences (Beijing) and is a member of AusIMM. Dr. He is the winner of the 11th Silver Hammer Prize in Geological Science awarded by Geological Society of China, and has won several provincial and ministerial Technology Awards for mineral exploration and scientific research, including two First Prizes of the Prospecting Achievement Award from China Nonferrous Metals Industry Association. He used to serve as Deputy General

Manager of Sinotech Minerals Exploration Co., Ltd. ("Sinotech") and holds the positions as director or supervisor for six major subsidiaries of Sinotech. Dr. He has been guiding the exploration and has pioneered the market development of geological service in China, Asia, Canada and Africa, and has led the discoveries of several large-sized multi-metallic deposits for clients of Sinotech in Africa. Dr. He currently serves as consultant in CD Capital.

#### **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.

#### **Reliance on Certain Exemptions**

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

#### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board of Directors, and where applicable by the Audit Committee on a case-by-case basis.

#### **External Auditor Service Fees**

The aggregate fees billed by the Company's external auditor in each of the last two financial years ended December 31, 2018 and 2017 by category, are as follows:

Financial Year Ended December 31, 2018	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2018	\$14,500	Nil	\$2,500	Nil
2017	\$14,000	Nil	\$3,500	Nil

#### **APPOINTMENT OF AUDITOR**

At the Meeting, shareholders will be asked to pass an ordinary resolution to appoint Manning Elliott LLP, Chartered Accountants, as auditor of the Company and to authorize the directors of the Company to fix the auditor's remuneration. An ordinary resolution needs to be passed by a simple majority of the votes cast by the shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Manning Elliott LLP has served as auditor of the Company since June 25, 2010.

**Management and the Board of Directors recommend the shareholders to vote in favour of appointing Manning Elliott LLP as the auditor of the Company to hold office until the next annual general meeting of shareholders, or until a successor is appointed, and authorizing the directors of the Company to fix the auditor's remuneration.**

**UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ENCLOSED PROXY INTEND TO VOTE FOR THE APPOINTMENT OF MANNING ELLIOTT LLP AS THE AUDITOR OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OR UNTIL THEIR SUCCESSOR IS APPOINTED AND AUTHORIZE THE DIRECTORS OR THE CORPORATION TO FIX MANNING ELLIOTT LLP'S REMUNERATION.**

## RE-APPROVAL OF STOCK OPTION PLAN

At the Meeting, the shareholders will be asked to pass an ordinary resolution to re-approve the Company's 10% Rolling Option Plan, a copy of which is attached hereto as Schedule "B". An ordinary resolution needs to be passed by a simple majority of the votes cast by the shareholders present in person or represented by proxy and entitled to vote at the Meeting.

The purpose of the 10% Rolling Option Plan is to provide the directors, officers and key employees of, and certain other persons who provide services to, the Company and its subsidiaries with an opportunity to purchase 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 Company's 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 10% Rolling Option Plan is a "rolling" plan that provides that the aggregate number of shares reserved for issuance under it, and all of the Company's other previously established and outstanding stock option plans or grants, is 10% of the Company's issued common shares at the time of the grant of a stock option under the proposed 10% Rolling Option Plan.

Under the 10% Rolling Option Plan, the option exercise price must not be less than the closing price of the common shares on the TSX Venture Exchange (the "Exchange") on the day immediately preceding the date of grant, less the applicable discount permitted by the policies of the Exchange. An option granted under the 10% Rolling Option Plan must be exercised within a period of ten years from the date of granting. Within this ten-year period, the board of directors of the Company may determine the limitation period during which an option may be exercised and, notwithstanding that none is required by the policies of the Exchange because the 10% Rolling Option Plan is a "rolling" plan, whether a particular grant will have a minimum vesting period. As a "rolling" plan, any amendment to the 10% Rolling Option Plan will require the approval of the Exchange and may require shareholder approval.

No single person may be granted options to purchase a number of common shares equalling more than 5% of the issued common shares of the Company in any twelve-month period unless the Company has obtained "disinterested shareholder approval" in respect of such grant and meets applicable Exchange requirements. Options must not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Company in any twelve-month period to any one consultant of the Company or any of its subsidiaries (if any). Options must not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Company in any twelve month period to persons employed to provide investor relation activities. Options granted to consultants performing investor relations activities must contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the options vesting in any 3 month period.

The exercise of any option will be contingent upon receipt by the Company at its head office of a written notice of exercise, specifying the number of common shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such common shares with respect to which the option is exercised.

Under the policies of the Exchange, if the grants of options under the 10% Rolling Option Plan to "insiders" of the Company, together with all of the Company's outstanding stock options, could result at any time in:

- a) the number of shares reserved for issuance pursuant to stock options granted to insiders of the Company exceeding 10% of the issued common shares of the Company; or
- b) the grant to insiders of the Company, within a 12-month period, of a number of options exceeding 10%

of the issued common shares of the Company;  
such shareholder approval must be “disinterested shareholder approval”.

The policies of the Exchange and the terms of the 10% Rolling Option Plan also provide that “disinterested shareholder approval” will be required for any agreement to decrease the exercise price of options previously granted to insiders of the Company but no such agreements are being brought before the Meeting.

The term “disinterested shareholder approval” means approval by a majority of the votes cast at the Meeting other than votes attaching to shares of the Company beneficially owned by insiders of the Company to whom options may be granted under the 10% Rolling Option Plan and associates of such persons. The term “insiders” is defined in the *Securities Act* (British Columbia) and generally includes directors and senior officers of the Company and its subsidiaries, the five highest paid employees and holders of greater than 10% of the voting securities of the Company. The term “associates” is defined in the *Securities Act* (British Columbia).

In accordance with the terms of the 10% Rolling Option Plan, it is subject to its acceptance for filing by the Exchange and an annual re-approval by the Company’s shareholders.

If shareholder approval of the 10% Rolling Option Plan or a modified version thereof is not obtained, the Company will not continue to implement the 10% Rolling Option Plan nor grant options under it. Even if approved, the directors may determine not to proceed with the 10% Rolling Option Plan.

Accordingly, the shareholders of the Company will be asked at the Meeting to pass an ordinary resolution, the text of which will be in substantially the following form:

“Resolved, as an ordinary resolution, that:

1. the Company’s 10% rolling stock option plan (the “**10% Rolling Option Plan**”) as described in the Information Circular dated November 4, 2019 be and is hereby ratified, approved and confirmed including the reserving for issuance under the 10% Rolling Option Plan at any time of a maximum of 10% of the issued and outstanding shares of the Company, subject to any amendments that may be required by the TSX Venture Exchange;
2. the Company be authorized to abandon or terminate all or any part of the 10% Rolling Option Plan if the board of directors of the Company deems it appropriate and in the best interests of the Company to do so;
3. the Company be and is hereby authorized to grant options pursuant and subject to the terms and conditions of the 10% Rolling Option Plan;
4. the Company be and is hereby, at the discretion of the board of directors, to amend the exercise price of previously granted option agreements, without further approval by the shareholders, all in accordance with the policies of the TSX Venture Exchange; and
5. any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commissions forms, as may be required to give effect to the true intent of this resolution.”

**Management and the Board of Directors recommend the shareholders to vote in favour of approving the 10% Rolling Stock Option Plan.**

**Unless a proxy contains instructions to vote against the re-approval of the 10% Rolling Stock Option Plan, the persons named in the enclosed proxy intend to vote FOR the re-approval and ratification of the Option Plan.**

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

Except as disclosed below and elsewhere 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 Company's last financial year, proposed nominee for election as a director of the Company, or associate or affiliates of any such directors, executive officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of the Company's securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of the auditor.

Directors, executive officers, proposed nominees for election as director of the Company may be interested in the approval of the Company's stock option plan, pursuant to which they may be granted stock options. See "Approval of Stock Option Plan".

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company by mail at its office at Suite 700 – 1055 West Georgia Street, Vancouver, British Columbia V6E 3P3, to request copies of the Company's financial statements and related management's discussion and analysis (the "MD&A"). Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year.

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

The contents of this Information Circular have been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board of Directors.

DATED at Vancouver, British Columbia, this 4<sup>th</sup> day of November, 2019

By Order of the Board of Directors

**NICKEL NORTH EXPLORATION CORP.**

"Jingbin Wang"

Dr. Jingbin Wang  
Chairman of the Board

**SCHEDULE "A"**

**Audit Committee Charter**

*[See Attached]*

## AUDIT COMMITTEE CHARTER

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of **NICKEL NORTH EXPLORATION CORP.** (the "Company"):

### *Mandate*

The primary function of the audit committee (the "Committee") is to assist the Company's 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; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

### *Composition*

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in Multilateral Instrument 52-110), then all of the members of the Committee 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.

If the Company ceases to be a "venture issuer" (as that term is defined in Multilateral Instrument 52-110), then all members 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 Audit Committee 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.

### *Meetings*

The Committee shall meet at 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:

## **1. DOCUMENTS/REPORTS REVIEW**

- 1.1 review and update this Audit Committee Charter annually; and
- 1.2 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.

## **2. EXTERNAL AUDITORS**

- 2.1 review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
- 2.2 obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
- 2.3 review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- 2.4 take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- 2.5 recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- 2.6 recommend to the Company's Board of Directors the compensation to be paid to the external auditors;
- 2.7 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;
- 2.8 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;
- 2.9 review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- 2.10 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:

- (a) 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 fiscal year in which the non-audit services are provided,
- (b) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
- (c) 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.

### **3. FINANCIAL REPORTING PROCESSES**

- 3.1 in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- 3.2 consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- 3.3 consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- 3.4 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;
- 3.5 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;
- 3.6 review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- 3.7 review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- 3.8 review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- 3.9 review certification process;
- 3.10 establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- 3.11 establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**4. OTHER**

- 4.1 review any related-party transactions;
- 4.2 engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- 4.3 to set and pay compensation for any independent counsel and other advisors employed by the Committee.

**SCHEDULE "B"**

**STOCK OPTION PLAN**

*[See Attached]*

**STOCK OPTION PLAN OF  
NICKEL NORTH EXPLORATION CORP.**

**1. Purpose**

The purpose of the Stock Option Plan (the “**Plan**”) of **NICKEL NORTH EXPLORATION CORP.**, a corporation incorporated under the *Business Corporations Act* (British Columbia) (the “**Corporation**”) is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries, if any, to acquire common shares in the share capital of the Corporation (the “**Shares**”), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

**2. Administration**

2.1 The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the “**Board**”). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

2.2 Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

2.3 Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in substantially the form as attached as Schedule A.

**3. Stock Exchange Rules**

All options granted pursuant to this Plan (the “**Options**”) shall be subject to rules and policies of any stock exchange or exchanges on which the Shares are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the “**Exchange**”).

**4. Shares Subject to Plan**

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of the Shares of the Corporation’s authorized but unissued Shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding Shares at the time of grant. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

**5. Maintenance of Sufficient Capital**

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

## **6. Eligibility and Participation**

- 6.1 Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries (“**Management Company Employees**”) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.
- 6.2 Subject to the terms hereof, the Board shall determine to whom Options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the Corporation represents that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.
- 6.3 A Participant who has been granted an Option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional Option or Options if the Board shall so determine.

## **7. Exercise Price**

- 7.1 The exercise price of the Options (the “**Exercise Price**”) shall be determined by the Board, subject to applicable Exchange approval, at the time any Option is granted. In no event shall such Exercise Price be lower than the Exercise Price permitted by the Exchange.
- 7.2 Once the Exercise Price has been determined by the Board, accepted by the Exchange and the Option has been granted, the Exercise Price of an Option may only be reduced if at least 6 months have elapsed since the later of the date of:
- (a) the commencement of the term;
  - (b) the date the Corporation’s shares commenced trading; or
  - (c) the date the Exercise Price was reduced.

In the case of Options held by insiders of the Corporation (as defined in the policies of the Exchange), the Exercise Price of an Option may be reduced only if disinterested shareholder approval is obtained.

## **8. Number of Optioned Shares**

- 8.1 The number of Shares subject to an Option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an Option which exceeds the maximum number permitted by the Exchange.

- 8.2 No single Participant may be granted Options to purchase a number of Shares equalling more than 5% of the issued Shares in any twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- 8.3 Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries).
- 8.4 Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares in any twelve month period to persons employed to provide investor relation activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the Options vesting in any 3 month period.

## **9. Duration of Option**

Each Option and all rights thereunder shall be expressed to expire on the date set out in the option agreement (the “**Expiry Date**”) and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an Option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange (“**TSX Venture**”), the maximum term may not exceed 10 years.

## **10. Option Period, Consideration and Payment**

- 10.1 The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange and ending on the Expiry Date, provided that the option period shall be reduced with respect to any Option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- 10.2 Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist.
- 10.3 Subject to any vesting restrictions imposed by the Board, Options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no Options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- 10.4 Except as set forth in Sections 11 and 12, no Option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- 10.5 The exercise of any Option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the Option is exercised. No Participant or legal representatives, legatees or distributees of a Participant will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates the Shares issuable pursuant to Options under the Plan are issued to him or them under the terms of the Plan.

10.6 The Corporation may, during the term of any Option, give 30 days notice in writing to all of the holders of Options that all Options outstanding under the Plan that have not vested as at the time of the notice are immediately deemed vested, and all Options outstanding under the Plan that have not been exercised shall cease and terminate and be of no further force and effect unless the holders of Options exercise such Options before their termination on the 30th day after delivery of the notice.

**11. Ceasing To Be a Director, Officer, Consultant or Employee**

11.1 If a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his Option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.

11.2 Nothing contained in the Plan, nor in any Option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

**12. Death of Participant**

Notwithstanding section 11, in the event of the death of a Participant, the Option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

**13. Rights of Optionee**

No person entitled to exercise any Option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until certificates representing such Shares have been issued and delivered.

**14. Proceeds from Sale of Shares**

The proceeds from the sale of Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

**15. Adjustment of Exercise Price and Number of Option Shares**

15.1 **Share Reorganization.** Whenever the Corporation issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Exercise Price will be adjusted to a price per Share which is the product of:

- (i) the Exercise Price in effect immediately before that effective date or record date; and
  - (ii) a fraction the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Shares which have been allotted for issuance upon the exercise of an Option but which have not been issued (the “**Unissued Option Shares**”) will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by
- (ii) a fraction which is the reciprocal of the fraction described in subsection 15.1(a)(ii).

15.2 **Special Distribution.** Subject to the prior approval of the Exchange, whenever the Corporation issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares:

- (a) shares of the Corporation, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants,

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a “**Special Distribution**”), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Exercise Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Shares as a result of such Special Distribution.

15.3 **Corporate Reorganization.**

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Corporation, other than as described in sections 15.1 or 15.2 of this Plan;
- (b) a consolidation, merger or amalgamation of the Corporation with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Corporation’s undertaking and assets become the property of another corporation; (any such event being herein called a “**Corporate Reorganization**”)

the Optionee will have an option to purchase (at the times, for the consideration, and subject to the

terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares.

15.4 **No Fractional Shares.** No fractional Shares shall be issued upon the exercise of the Options and accordingly, if as a result of a Share Reorganization or Corporate Reorganization, an Optionee would become entitled to a fractional Share, such Optionee shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with the fractional interest so disregarded. Additionally, no lots of Shares in an amount less than 100 Shares shall be issued upon the exercise of the Option unless such amount of Shares represents the balance left to be exercised under the Option.

**16. Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

**17. Amendment and Termination of Plan**

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

**18. Necessary Approvals**

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option Exercise Price paid to the Corporation will be returned to the Participant.

**19. Effective Date of Plan**

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

**20. Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia.