



## MANAGEMENT INFORMATION CIRCULAR

(Containing information as at October 22, 2020 unless indicated otherwise)

This Management Information Circular (the “**Circular**”) furnished in connection with the solicitation of proxies by the management of Xander Resources Inc. (the “**Company**”) for use at the annual general and special meeting (the “**Meeting**”) of its shareholders to be held on **Monday, November 23, 2020 at 11:00 am PST** at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.

In this Circular, references to “the Company”, “we” and “our” refer to Xander Resources Inc. “**common shares**” means common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold common shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

In order to comply with measures imposed by the federal and provincial governments related to the COVID-19 pandemic, and to mitigate risks to the health and safety of the Company’s shareholders and the community, unless we advise otherwise by way of a news release, the Meeting will be held in virtual only format, which will be conducted via telephone conference. Registered Shareholders who attend the Meeting will have an opportunity to participate at the Meeting, regardless of their geographic location.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. The Company will bear all costs of this solicitation.

### Appointment of Proxyholders

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

### Voting by Proxyholder

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

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,

- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified, the persons named in the Proxy will vote the common shares represented by the Proxy for the approval of such matter.**

### **Registered Shareholders**

If you are a Registered Shareholder and wish to have your common shares voted at the Meeting, you will be required to submit your vote by proxy. **Due to the COVID-19 pandemic and issues related to the verification of shareholder identity via teleconference, in-person voting will not be permitted at the Meeting.** Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the Proxy and returning it to the Company's transfer agent, Endeavor Trust Corporation ("**Endeavor Trust**"), in accordance with the instructions on the Proxy. Alternatively, Registered Shareholders may vote their common shares via the internet or by telephone as per the instructions provided on the Proxy.

**In all cases you should ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.**

Registered Shareholders electing to submit a Proxy may do so by:

- (a) mail or by hand to Suite 702 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4;
- (b) facsimile to 604.559.8908;
- (c) email to [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com); or
- (d) [www.eproxy.ca](http://www.eproxy.ca)

### **Beneficial Shareholders**

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

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

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).

There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for "**Objecting Beneficial Owners**") and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for "**Non-Objecting Beneficial Owners**").

Pursuant to National Instrument 54-101 of the Canadian Securities Administrators, the Company is sending proxy-related materials directly to NOBOs, which materials will include a scannable Voting Instruction Form (a "**VIF**"). These VIFs are to be completed and returned to Endeavor Trust in the envelope provided or by facsimile. In addition, Endeavor Trust

provides both telephone voting and Internet voting as described on the VIF itself which contain complete instructions. Endeavor Trust will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

Management of the Company does not intend to pay for intermediaries to forward to OBOs under National Instrument 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and, in the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

Every intermediary that mails proxy-related materials to Beneficial Shareholders has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should follow the instructions of their intermediary carefully to ensure that their common shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge mails a voting instruction form (the “**Broadridge VIF**”) which will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. The Broadridge VIF will appoint the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **If you receive a Broadridge VIF, you cannot use it to vote common shares directly at the Meeting – the Broadridge VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the common shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your common shares in that capacity. **If you wish to attend at the Meeting and indirectly vote your common shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.**

Alternatively, you can request in writing that your broker send you a legal Proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your common shares.

### **Voting by Proxy Generally**

Proxyholders other than the individuals named in the accompanying Proxy will be required to identify themselves by notice in writing to the Company by 4:00 p.m. (Vancouver time) on **Thursday, November 19, 2020** so that the Company can confirm their identity prior to the Meeting and facilitate their voting of the Proxies that they hold at the Meeting. Notice may be provided by mail to the Company at 804-750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T7. **Proxies will not be accepted at the Meeting. All Proxies must be submitted to Endeavor Trust by 11:00 a.m. (Vancouver time) on Thursday, November 19, 2020 (the “Proxy Deadline”).**

As there will be no in person attendance or voting at the Meeting, votes received by the Proxy Deadline for each matter set out in the notice of meeting will be tabulated in advance of the Meeting by Endeavor Trust and compiled in a proxy report respecting Proxies held by the individuals named in the accompanying Proxy or voting instruction form and an appointee summary respecting proxies held by non-management proxyholders (collectively, the “**Proxy Report**”). The determination as to whether a particular matter has been approved, a particular individual has been appointed or a particular resolution has been passed will be made solely on the basis of the voting results set out in the Proxy Report. Since no in person voting will be permitted due to the COVID-19 pandemic and voting results respecting matters set out in the notice of meeting will be determined solely on the basis of the voting results set out in the Proxy Report, no ballots will be permitted at the Meeting. All results will be determined by reference to the Proxy Report. Management will advise at the Meeting, the voting results for each matter set out in the Proxy Report and shareholders will be entitled to request a copy of the Proxy Report from management after the Meeting.

## **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Endeavor Trust at Suite 702 - 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, or to the address of the registered and records office of the Company at Suite 804, 750 West Pender Street, Vancouver, British Columbia V6C 2T7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof.

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

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The board of directors (the "**Board**") of the Company has fixed October 22, 2020 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their common shares voted at the Meeting.

As at the Record Date, there were 21,260,202 common shares issued and outstanding, each carrying the right to one vote.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person or corporation beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Company.

## **SETTING NUMBER OF DIRECTORS**

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at four (4). The Board proposes that the number of directors be fixed at four (4). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at four (4).

## **ELECTION OF DIRECTORS**

The term of office of each of the current directors expires at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as a director (a "proposed director"), the province and country in which he is ordinarily resident, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name of Nominee, Province and Country of Ordinary Residence and Positions Held with the Company	Occupation, Business or Employment <sup>(1)</sup>	Director Since	Common Shares Beneficially Owned or Controlled <sup>(1)</sup>
<b>James H. Hirst</b> British Columbia, Canada <i>CEO and Director</i>	Self-employed business executive, former officer & director of several junior resource and non-resource public companies.	September 25, 2020	Nil
<b>Dwayne Yaretz</b> <sup>(2)</sup> British Columbia, Canada <i>Director and Corporate Secretary</i>	Self-employed management consultant.	October 25, 2017	236,842
<b>Marsha Panar</b> <sup>(2)</sup> British Columbia, Canada <i>Director</i>	Retired businessperson; District Supervisor, Income Assistance Department, Government of British Columbia (1993-2007); director of various TSX Venture Exchange listed companies.	October 22, 2013	511,071
<b>Benoit Chotard</b> <sup>(3)</sup> British Columbia, Canada <i>Nominee Director</i>	Managing Partner for Capital Force United. President, CEO and director of Orletto Capital II Inc.	N/A	Nil

- (1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) Member of Audit Committee.
- (3) Proposed member of the Audit Committee.

None of the proposed directors of the Company is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and officers of the Company acting solely in such capacity.

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

As at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Company was a director, CEO or CFO of any company (including the Company) that:

- (a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (c) is as at the date of this Circular or has been within 10 years before the date of this Circular, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### APPOINTMENT OF AUDITOR

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants (“DMCL”), of Suites 1500 and 1700, 1140 West Pender Street, Vancouver, British Columbia V6E 4G1, will be nominated at the Meeting for re-appointment as auditor of the Company at a remuneration to be fixed by the Board. DMCL was first appointed the auditor of the Company on May 2, 2012.

### AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

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

#### The Audit Committee’s Charter

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto as Schedule “A”.

#### Composition of the Audit Committee

The members of the Audit Committee are Dwayne Yaretz and Marsha Panar. Mr. Yaretz is the Corporate Secretary of the Company and is not considered independent. Ms. Panar is not an executive officer of the Company and is, therefore, considered independent. Following conclusion of the Meeting, the Company will reconstitute its Audit Committee and will appoint Mr. Chotard as the chair and independent member of the Company’s Audit Committee.

All members are considered to be financially literate and are independent directors as all members are not executive officers of the Company.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a member’s independent judgment.

None of the members of the Audit Committee were, during the most recently completed financial year, an officer or employee of the Company or any of its subsidiaries, except for Dwayne Yaretz, who serves as an executive officer of the Company. None of the members of the Audit Committee are or have been indebted to the Company or any of their respective subsidiaries nor had any interest in any material transaction involving the Company or its subsidiaries or was an executive officer of the Company and also served as a director or member of the compensation committee of another issuer, one of whose executive officers served as a director of the Company, except for Dwayne Yaretz who is an executive officer of the Company.

The mandate of the Audit Committee is to review and make recommendations to the Board concerning the appointment of executive officers of the Company and the hiring, compensation, benefit and termination of senior executive officers and all other key employees of the Company.

#### Relevant Education and Experience

**Dwayne Yaretz** is a seasoned entrepreneur with more than 25 years experience in corporate leadership. Mr. Yaretz has acted for several private and publicly traded companies in various capacities including President, CEO and Corporate Secretary and is experienced in mergers and acquisitions as well as the financing of numerous ventures, both private and public. Mr. Yaretz has structured Initial Public Offerings and Reverse Takeovers in various business sectors, including mining exploration, technology and manufacturing. Mr. Yaretz has also served on various Boards of Directors, including technology companies involved in clean-tech, agri-business, sustainable packaging technologies, consumer electronics and state-of-the-art thermal and infrared imaging cameras deployed in the security and industrial sectors.

**Marsha Panar** was formerly a District Supervisor in the Income Assistant Department with the Government of British Columbia and has been a director of various TSX Venture Exchange listed companies. Ms. Panar is currently retired.

**Benoit Chotard** has over 25 years of international corporate finance, management and public market expertise. Mr. Chotard is a Member of “Ordre des ingénieurs du Québec” since 1989. He obtained a bachelor’s degree in Chemical Engineering in 1989 and a MBA in 1993, both from the University of Sherbrooke. Since December 2013, Mr. Chotard is Managing Partner for Capital Force United, a corporate finance advisory corporation that delivers focused advice and transaction expertise, and he was a Partner at Capital Force from January 2011 to November 2013. Since February 2018, Mr. Chotard as also acted as President & CEO and Director of Orletto Capital II Inc., a listed company on the TSX-V. From December 2013 to May 2017, Mr. Chotard acted as President & CEO, and Director of Orletto Capital Inc., a company listed on the TSX-V. Also, he was Director of Nouveau Monde Mining Enterprises Inc., from April 2012 to November 2012 and of Tetra Bio Pharma Inc., from September 2016 to July 2017, and from June 2018 to June 2019. During his career, Mr. Chotard spent eight years as Head of the Technology Investment Group of National Bank Financial Inc.

Each member of the Audit Committee has adequate education and experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

#### **Audit Committee Oversight**

At no time since the commencement of the Company’s most recently completed financial year has the Audit Committee made any recommendations to the Board to nominate or compensate its auditor which were not adopted by the Board.

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

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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

All services to be performed by the independent auditor of the Company must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provisions of services other than audit services is compatible with maintaining the auditor’s independence and has adopted a policy governing the provision of these services. This policy requires that pre-approval by the Audit Committee of all audit and non-audit services provide by any external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

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

The Audit Committee has reviewed the nature and amount of the non-audited services provided by DMCL for the financial year ended March 31, 2020 to the Company to ensure auditor independence. Fees billed for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

<b>Nature of Services</b>	<b>Fees Billed by Auditor for the Financial Year Ended March 31, 2020</b>	<b>Fees Billed by Auditor for the Financial Year Ended March 31, 2019</b>
Audit Fees <sup>(1)</sup>	\$10,096.70	\$9,000.00
Audit-Related Fees <sup>(2)</sup>	\$Nil	\$Nil
Tax Fees <sup>(3)</sup>	\$Nil	\$565.00

Nature of Services	Fees Billed by Auditor for the Financial Year Ended March 31, 2020	Fees Billed by Auditor for the Financial Year Ended March 31, 2019
All Other Fees <sup>(4)</sup>	\$Nil	\$Nil
<b>TOTAL:</b>	<b>\$10,096.70</b>	<b>\$9,565.00</b>

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

### Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the financial year ended March 31, 2020. This exemption exempts a “venture issuer” from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument, as would otherwise be required by NI 52-110.

## CORPORATE GOVERNANCE

### General

Corporate governance refers to the policies and structure of the Board 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 from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board 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.

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

### Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Company’s Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Company’s Board requires management to provide complete and accurate information with respect to the Company’s activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Company’s Board is responsible for monitoring the Company’s officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The independent members of the Board are Marsha Panar and Benoit Chotard, who is slated as a nominee director for election at the Meeting. The non-independent members of the Board are James H. Hirst, the CEO of the Company, and Dwayne Yartz, the Corporate Secretary of the Company.

### Directorships

As at the date of this Circular, no directors of the Company are directors of other reporting issuers.

## **Orientation and Continuing Education**

Due to the Company's small size and the fact that the Company recruits only directors with public company experience, the Company does not currently have a formal orientation program. However, existing members of the Board will provide any new director with a review of a director's fiduciary duties and the Company's expectations of its directors in terms of time and effort, as well as the Company's business, strategic plans, management issues, and corporate governance policies.

In terms of continuing education, directors are encouraged to keep themselves current with industry trends and changes in legislation by liaising with management and the Company's counsel, attending industry-related events and other educational seminars. The cost of continuing education activities will be borne by the Company.

## **Ethical Business Conduct**

The Board has adopted and maintains a code of ethics which is applicable to the Company's directors, officers and employees. The purpose of the code is to provide guidance and to prohibit unethical behaviour with respect to issues such as conflicts of interest, confidentiality, whistleblowing, protection of corporate assets and opportunities, and compliance with laws and regulations. Furthermore, directors are frequently reminded to consider whether they are in a conflict of interest by virtue of serving as directors or officers in other companies or holding an interest in a transaction or agreement. A director in such circumstances is advised to disclose his or her interest in a transaction or agreement, and if the Board considers the interest to be material, such director must abstain from discussing and voting on the matter.

## **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

## **Other Board Committees**

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

## **Assessments**

Members of the Board are expected to continually evaluate the effectiveness of the Board, its committees and fellow directors by considering the accomplishment, or lack thereof, of the Company's goals.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The Board has not appointed a compensation committee so the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. The Board receives independent competitive market information on compensation levels for executives.

The compensation for executives includes four components: base consulting fees, bonus (if applicable), stock options and perquisites. As a package, the compensation components are intended to satisfy the objectives of the compensation program (that is, to attract, retain and motivate qualified executives). There are no predefined or standard termination payments, change of control arrangements or employment contracts.

## Philosophy and Objectives

The Company's compensation policies and programs are designed to be competitive with similar mining exploration companies and to recognize and reward executive performance consistent with the success of the Company's business. The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including (a) attracting and retaining talented, qualified and effective executives, (b) motivating the short and long-term performance of these executives; and (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has encouraged equity participation and in furtherance thereof employs its stock option plan.

## Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation has been accomplished through the issuance of founder's shares and the Company's stock option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base consulting fees and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board.

Given the evolving nature of the Company's business, the Board continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above.

## Option-Based Awards

At the annual general and special meeting of the Company held on December 24, 2019, the shareholders of the Company approved the Company's 10% rolling stock option plan (the "**Plan**") as previously approved by the Board on October 15, 2013.

The Plan provides incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All stock option grants require approval of the Board.

The stock option plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

*See Particulars of Matters to be Acted Upon – Re-Approval of 10% Rolling Stock Option Plan* for further information on the Company's stock option plan.

## Summary Compensation Table

In this section, a "Named Executive Officer" ("**NEO**") includes (i) the CEO, (ii) the CFO, (iii) each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers as at the end of the most recently completed financial year of March 31, 2020, and whose total compensation was more than \$150,000; and (iv) any additional individuals for whom disclosure would have been required except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year.

During the financial year-ended March 31, 2020, the most recently completed financial year of the Company, the Company had the following NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

The compensation for the NEOs for the Company's three most recently completed financial years is as set out below:

Name and principal position	Year <sup>(1)</sup>	Salary (\$) <sup>(2)</sup>	Share-based awards (\$)	Option-based awards (\$) <sup>(3)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$) <sup>(2)</sup>
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
<b>Dwayne Yaretz</b> <sup>(4)</sup> Corporate Secretary and Director (former CEO, CFO)	2020	42,000	Nil	Nil	Nil	Nil	Nil	Nil	42,000
	2019	17,500 <sup>(5)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	17,500
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Bryce Clark</b> <sup>(6)</sup> Former CEO, CFO, Director	2020	42,000	Nil	Nil	Nil	Nil	Nil	Nil	42,000
	2019	21,000 <sup>(7)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	21,000
	2018	30,000 <sup>(7)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	30,000
<b>Zahara Kanji-Aquino</b> <sup>(8)</sup> Former CFO, Corporate Secretary, Director	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2019	13,500 <sup>(9)</sup>	Nil	Nil	Nil	Nil	Nil	12,804 <sup>(10)</sup>	26,304
	2018	18,000 <sup>(9)</sup>	Nil	Nil	Nil	Nil	Nil	9,500 <sup>(10)</sup>	27,500

- (1) Financial years ended March 31.
- (2) These amounts include annual non-equity incentive plan compensation, such as bonuses and discretionary amounts for the year end.
- (3) These amounts include all compensation relating to defined benefit or contribution plans and include all service costs and other compensatory items.
- (4) Dwayne Yaretz served as CEO from Oct 17, 2018 to May 19, 2020. He has served as Corporate Secretary since April 13, 2020.
- (5) Management fees paid and accrued to Dwayne Yaretz as compensation for Mr. Yaretz's role as CEO.
- (6) Bryce Clark served as CEO from December 9, 2010 to Oct 17, 2018, as CFO from Feb 15, 2019 to February 25, 2020, and as a director of the Company from December 9, 2010 to February 25, 2020.
- (7) Management fees paid and accrued to a company controlled by Bryce Clark as compensation for Bryce Clark's role as CEO.
- (8) Zahara Kanji-Aquino served as CFO and Corporate Secretary from December 9, 2010 to January 1, 2019, and as a director of the Company from February 11, 2011 to January 1, 2019.
- (9) Management fees paid and accrued to a company controlled by Zahara Kanji-Aquino as compensation for Zahara Kanji-Aquino's role as CFO and Secretary.
- (10) Accounting fees paid and accrued to a company controlled by Zahara Kanji-Aquino as compensation for Zahara Kanji-Aquino's role as CFO and Secretary.

## INCENTIVE PLAN AWARDS

### Outstanding Option-Based Awards

The Company currently has in place a 10% Plan that was adopted by the Board on October 15, 2013 and approved by the shareholders of the Company at the annual general and special meeting held on December 24, 2019. The purpose of granting stock options is to assist the Company in compensating, attracting, retaining and motivating its NEOs and to closely align the personal interests of such persons to that of the shareholders. In determining the number of options to be granted to the NEOs, the Board will take into account the number of options, if any, previously granted to each NEO and the exercise price of any outstanding options to ensure that such grants are in accordance with the TSX Venture Exchange (the "TSXV").

The following table sets out all option-based awards outstanding as at March 31, 2020 for each NEO. There were no share-based awards granted to any of the NEOs:

Option-based Awards				
Name and Principal Position	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
<b>Bryce Clark</b> <sup>(1)</sup> Former CEO, CFO and Director	Nil	N/A	N/A	N/A
<b>Zahara Kanji-Aquino</b> <sup>(2)</sup> Former CFO, Corporate Secretary and Director	Nil	N/A	N/A	N/A

- (1) Bryce Clark served as CEO from December 9, 2010 to Oct 17, 2018, as CFO from Feb 15, 2019 to February 25, 2020, and as a director of the Company from December 9, 2010 to February 25, 2020.
- (2) Zahara Kanji-Aquino served as CFO and Corporate Secretary from December 9, 2010 to January 1, 2019, and as a director of the Company from February 11, 2011 to January 1, 2019.

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

The following table sets forth details of the value of option-based awards that vested or were earned during the most recently completed financial year ended March 31, 2020:

Name	Option-based awards - Value vested during the year (\$) <sup>(1)</sup>	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Marsha Panar <sup>(1)</sup> Director	Nil	N/A	N/A
John Ostler <sup>(2)</sup> Director	Nil	N/A	N/A

(1) Ms. Panar has served as a director of the Company since October 22, 2013.

(2) Mr. Ostler served as a director of the Company from May 1, 2012 to June 5, 2020.

### Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

### Termination and Change of Control Benefits

There are employment contracts in place between the Company and each of the NEOs. The employment contracts were entered into on various dates and are revolving. The notice provision should the Company decide not to continue to engage the executives is not less than 60 days' written notice. The employment of the NEOs can be terminated with cause, and no notice is required to be given, in the event of certain acts of dishonesty or material breach. If the employment is terminated without cause, the Company is obligated to pay the NEO one year's salary and all accrued and unpaid vacation leave. There are no change of control provisions in the NEOs' employment contracts.

## DIRECTOR COMPENSATION

### Director Compensation Table

The following table sets forth for each director, other than those who are also NEOs of the Company, all awards outstanding at the end of the most recently completed financial year ended March 31, 2020, including awards granted before the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Marsha Panar	Nil	N/A	N/A	N/A
John Ostler	Nil	N/A	N/A	N/A

### Narrative Discussion

The Company has no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services as directors, for committee participation, for involvement in special assignments during the most recently completed financial year.

The Company has a Plan for the granting of incentive stock options to the directors, officers, employees and consultants. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors, officers, employees and consultants and to closely align the personal interests of such persons to that of the shareholders.

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

The following table sets forth, for each director, other than those who are also NEOs of the Company, the value of all incentive plan awards vested during the financial year ended March 31, 2020:

<b>Name</b>	<b>Option-based awards - Value vested during the year (\$)</b>	<b>Share-based awards - Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation - Value earned during the year (\$)</b>
Marsha Panar	Nil	N/A	N/A
John Ostler	Nil	N/A	N/A

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

The only equity compensation plan which the Company has in place is the stock option plan (the “**Plan**”) which was previously approved by the Board and the shareholders of the Company. The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board. The Plan provides that options may be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

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

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options<sup>(1)</sup></b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</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 securityholders - (the Share Option Plan)	Nil	N/A	1,134,254
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>TOTAL:</b>	<b>Nil</b>		<b>1,134,254</b>

#### **Stock Option Plan**

The Company currently has a 10% rolling stock option plan, previously defined as the Plan. A maximum of 10% of the issued and outstanding common shares of the Company at the time an option is granted, less common shares reserved for issuance on exercise of options then outstanding under the Plan, are reserved for options to be granted at the discretion of the Board to eligible optionees (an “**Optionee**”). As at the date of this Circular, there were no incentive stock options (the “**Options**”) outstanding.

The Plan was established to provide incentive to directors, officers and employees and consultants. The purpose of the Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of common shares of the Company. Options are granted at the discretion of the Board to eligible Optionees.

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

At no time during the Company’s last completed financial year or as at the date of this Circular, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

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

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the common shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries since April 1, 2019 (being the commencement of the Company’s last completed financial year), or has any interest in any material transaction in the current year other than as set out herein.

## MANAGEMENT CONTRACTS

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

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### Re-Approval of Stock Option Plan

The TSXV policy requires all of its listed companies to have a stock option plan if a company intends to grant Options. Pursuant to the policies of the TSXV, the Plan requires shareholder approval for continuation at every annual meeting of the Company by ordinary resolution. The Board approved the Plan on October 15, 2013, and the shareholders of the Company re-approved the Plan at the annual general and special meeting of the Company held on December 24, 2019.

The Plan is a rolling plan, and a maximum of 10% of the issued and outstanding common shares of the Company at the time an Option is granted, less common shares reserved for issuance on exercise of Options then outstanding under the Plan, are reserved for options to be granted at the discretion of the Board to eligible Optionees. As at the date of this Circular, there were 1,550,000 Options outstanding.

A copy of the Plan will be available for inspection at the Meeting.

#### Shareholder Approval

At the Meeting, Shareholders will be asked to consider and vote on the ordinary resolution to approve the Plan, with or without variation, as follows:

**“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. The Stock Option Plan (the “**Plan**”), as approved by the Company’s board of directors on October 15, 2013, as more particularly described in the information circular of the Company dated October 22, 2020, be ratified and approved.
2. To the extent permitted by law, the Company be authorized to abandon all or any part of the Plan if the board of directors deems it appropriate and in the best interests of the Company to do so.
3. Any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents as may be required to give effect to these resolutions.”

#### **The Board recommends that shareholders vote in favour of the Plan.**

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by Proxy.

**Management of the Company recommends that shareholders vote in favour of the foregoing ordinary resolution. The persons named in the enclosed form of proxy intend to vote for the approval of the foregoing ordinary resolution at the Meeting unless otherwise directed by the shareholders appointing them.**

#### Adoption of New Articles

The Company is seeking shareholder approval to replace its articles (the “**Current Articles**”) with a new form of articles (the “**New Articles**”), with a view to incorporating the latest changes in laws and procedures and to providing the Company with greater flexibility in certain circumstances. The Board believes that adopting the New Articles will enable the Company to be more efficient and cost-effective, will provide the Company with greater flexibility in communicating with shareholders and in holding meetings and will provide shareholders with certain rights not provided for in the Current Articles. The Board approved the New Articles on September 30, 2020.

The resolution approving the New Articles must be passed by not less than two-thirds of the votes cast by the Company’s shareholders present in person or by proxy at the Meeting.

### *Summary of the New Articles*

The provisions of the New Articles are substantially similar to those of the Current Articles. The substantive changes from the Current Articles are as follows:

- (a) The Company may use the uncertificated shares and electronic records keeping systems currently in use worldwide and that are being increasingly adopted in Canada. The system, now known as the “Direct Registration” system, will provide a cost benefit to the Company as well as make share transactions more expedient and efficient.
- (b) The Company may communicate by mail, fax or email with other persons including directors, officers and shareholders, and delivery of notices to such persons shall be deemed to have occurred if the notice is mailed, faxed or emailed to the address or number, as applicable, provided by such person to the Company.
- (c) In the event of a redemption of some but not all of the shares of any class, the directors may, subject to any special rights and restrictions attached to such shares, determine the manner of selecting the shares to be redeemed.
- (d) The Company may, by directors’ resolution, alter its articles and share structure to (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares, (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established, (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares, (d) if the Company is authorized to issue shares of a class of shares with par value (i) decrease the par value of those shares; or (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares; (e) change all or any of its unissued shares, or fully paid issued, shares with par value into shares without par value or any of its unissued shares share without par value into shares with par value; and (f) alter the identifying name of any of its shares; and by ordinary resolution otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act* (British Columbia).
- (e) The quorum for shareholders’ meetings is changed from two shareholders, present in person or represented by proxy, who hold at least 5% of the issued and outstanding shares, to one shareholder present in person or represented by proxy.
- (f) Shareholder meetings may, if authorized by directors’ resolution, be held in jurisdictions outside British Columbia.

### **Shareholder Approval**

At the Meeting, shareholders will be asked to consider and vote on the ordinary resolution to approve the adoption of the New Articles, with or without variation, as follows:

**“UPON MOTION DULY MADE, IT WAS RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. Subject to the acceptance by the TSX Venture Exchange, the Company create and adopt the form of new Articles in substitution for and cancellation of the existing Articles.
2. Any director or officer of the Company is authorized to execute and file such documents and take such further action, including any filings with the Registrar of Companies that may be necessary to effect the adoption of the new Articles.”

The New Articles will have to be accepted by the Exchange pursuant its Policies. The New Articles shall have effect immediately on the date and time the New Articles are deposited for filing in the Company’s records office.

A copy of the proposed New Articles will be available for inspection at the Company's registered and records offices at Suite 804 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, and will also be available for viewing at the Meeting.

**Management of the Company recommends that shareholders vote in favour of the foregoing ordinary resolution. The persons named in the enclosed form of proxy intend to vote for the approval of the foregoing ordinary resolution at the Meeting unless otherwise directed by the shareholders appointing them.**

**ADDITIONAL INFORMATION**

The financial statements for the year ended March 31, 2020, report of the auditor were filed on [www.sedar.com](http://www.sedar.com) on July 23, 2020 with the securities commissions or similar regulatory authority in British Columbia, Alberta and Ontario and are specifically incorporated by reference into, and form an integral part of, this Circular.

A copy of the financial statements incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company at Suite 804, 750 West Pender Street, Vancouver, British Columbia, V6C 2T7, telephone: (604) 682-2928, or are available through the internet at [www.sedar.com](http://www.sedar.com).

**OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of this Circular.

## SCHEDULE "A"

### Audit Committee Charter

#### I. Mandate and Purpose of the Committee

The Audit Committee (the "**Committee**") of the board of directors (the "**Board**") of Xander Resources Inc. (the "**Company**") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the qualifications, independence and performance of the Company's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company's internal audit function; and
- (f) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

#### II. Authority

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

#### III. Composition and Expertise

The Committee shall be composed of a minimum of three members, each whom is a director of the Company. The Committee shall be comprised of members, a majority of whom are not officers, employees or Control Persons (as such term is defined in the policies of the TSX Venture Exchange) of the Company. Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

#### IV. Meetings

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the

Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor. A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee. The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

## **V. Committee and Charter Review**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the TSX Venture Exchange and shall recommend changes to the Board thereon.

## **VI. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

## **VII. Duties and Responsibilities**

### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.

---

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) if deemed appropriate by the Committee, engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability thereof;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) **Auditor**

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) **Relationship with the Auditor**

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
-

- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) **Accounting Policies**

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) **Risk and Uncertainty**

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board and, once approved by the Board, overseeing the implementation and ongoing monitoring of such policies.

---

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) **Controls and Control Deviations**

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) **Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

### **VIII. Non-Audit Services**

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

### **IX. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Company has adopted a Code of Business Conduct and Ethics (the "Code") and a Whistle Blower Policy (the "Policy") (a copy of the Policy is attached as Appendix A to this Charter), which provides for the reporting and treatment of complaints and concerns. The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chair of the Audit Committee in accordance with the provisions of the

---

Code and the Policy and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

**X. Hiring Policies**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.



## Code Of Business Conduct And Ethics

### XI. Purpose and Application

The board of directors (the “**Board**”) of Xander Resources Inc. (the “**Company**”) has adopted this Code of Business Conduct and Ethics (the “**Code**”), which is designed to provide guidance on the conduct of the Company’s business in accordance with high ethical standards. As a public company, the Company must not only conduct, but must also be seen to conduct, its business in accordance with such high ethical standards.

The Code constitutes written standards that are reasonably designed to promote integrity and to deter wrongdoing. The provisions of this Code are mandatory.

The Code applies to every director, officer and employee of the Company and its direct or indirect subsidiaries (collectively “**Company Personnel**”). For the purposes of this Code, the term “**employee**” includes contractors and consultants who provide services to the Company or who act as the Company’s representative in dealings with third parties.

Company Personnel are expected to:

- ▶ Understand the requirements of his or her position, including Company expectations and applicable governmental rules and regulations.
- ▶ Comply with this Code and all applicable laws, rules and regulations.
- ▶ Report any violation of this Code of which he or she becomes aware.
- ▶ Be accountable for complying with this Code.

### XII. Compliance

The Company expects all Company Personnel to adhere to high standards of personal and professional integrity and to avoid any conduct that might reflect unfavourably upon himself or herself, other Company Personnel or upon the Company. The Company’s business goals are important and demanding, but these goals must be achieved honestly and ethically. Action or failure of action in contravention of the Code may be considered as unauthorized and outside the course of employment, and the Company may not indemnify Company Personnel for their costs that arise out of such conduct. Company Personnel who have executive or managerial responsibilities are expected to ensure that the provisions of this Code are communicated to Company Personnel reporting to him or her.

Company Personnel are expected to comply with all aspects of this Code and to support others in doing so. In the event that Company Personnel violate this Code, other policies and procedures or any of the laws and regulations that govern the Company’s business, the Company will take immediate and appropriate action up to and including termination of employment or contract, claims for reimbursement of losses or damages, and reference to authorities.

The Board is responsible for monitoring compliance with the Code. A waiver of this Code will be granted only in exceptional circumstances and will be granted by the Board only.

### **XIII. Compliance with Laws**

The Company and Company Personnel are expected to comply with all legal requirements applicable to the Company's business. Ignorance of the law is not a defense. Moreover, agreements or arrangements need not necessarily be in writing for contravention to be inferred from the conduct of the parties. If this Code does not cover a particular situation or if the application or interpretation of a local law is uncertain, or in circumstances where the proper course of ethical conduct is unclear, Company Personnel should seek the assistance of their supervisor who, if necessary, should seek competent local legal advice or, if necessary, the advice of the Company's counsel. If there is insufficient time to obtain such advice, Company Personnel should conduct themselves in a manner they would not hesitate to have fully publicly disclosed. Supervisors, on learning of any contravention of this Code, shall take appropriate corrective action.

### **XIV. Conflicts of Interest**

A "conflict of interest" exists whenever an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company. Company Personnel must act honestly and in good faith, with a view to the best interests of the Company. Company Personnel must avoid all situations in which their personal interests conflict with or might appear to conflict with their duties to the Company.

The Company's basic policy is that, though Company Personnel are entitled to privacy in their personal affairs, Company Personnel have a duty to be free of those outside interests, activities and influences which might impair the exercise of their independent judgment, fiduciary responsibility, initiative or efficiency in acting for the Company, or expose Company Personnel to legal liability or public criticism.

If a director or officer of the Company has a material interest, either directly or indirectly, in any transaction or agreement that the Company proposes to enter into, such director or officer shall comply with the applicable laws, rules and policies which govern "conflicts of interest" in connection with such transaction or agreement. In addition, such director or officer shall disclose in writing the nature and extent of such interest in advance of any related Board or committee meeting and shall recuse himself or herself from any meeting at which the matter is discussed.

A director or officer will be deemed to have a material interest in any transaction or agreement which the Company proposes to enter into if such transaction or agreement is with an entity in which the director or officer has a material financial interest (as defined below) or with which the director or officer has a "material relationship". A material relationship is a relationship which could be reasonably expected to interfere with the exercise of an individual's independent judgement and will be presumed to exist in the situations described in Section 1.4 of NI 52-110 – *Audit Committees* as they relate to the other entity, including where the individual is an employee or executive officer of the other entity with which the Company proposes to transact.

Other potential conflicts of interest are so varied that it is impracticable to establish universal criteria in this Code as to what constitutes a prohibited conflict of interest. Set forth below are examples of the types of situations which could indicate a conflict of interest:

---

- ▶ **Financial Interest:** Company Personnel and their families (including spouse, children or spouse equivalent residing together) shall not own, control or hold a material financial interest in any business entity that does or seeks to do business with, or is in competition with the Company, unless prior written approval has been obtained from the Board of Directors in the case of directors or officers of the Company, or from the President and CEO in the case of all other Company Personnel, which approval shall only be given if it will not result in a detriment to the Company. A material financial interest will be presumed where ownership is in excess of 5% of the entity.
- ▶ **Outside Activities:** Company Personnel must ensure that any outside business or activity does not present a real or perceived conflict with the interests of the Company.
- ▶ **Outside Directorships:** Outside directorships are permitted with the approval of the Board in the case of officers, and with the approval of the President and CEO in the case of other employees. Any officer or employee accepting an approved outside directorship must ensure that such activity does not deprive the Company of the time and attention required of such officer or employee to perform his or her duties properly, and must be aware of any potential for conflicts with the interests of the Company.

## **XV. Fair Dealing**

All customers, suppliers and independent contractors purchasing or furnishing goods and services must be dealt with fairly. Decisions to hire a subcontractor or source materials from a particular vendor must be made on the basis of objective criteria such as quality, reliability, technical experience, price, delivery, service and maintenance of adequate sources of supply.

Company Personnel shall not take unfair advantage of anyone, including the Company's security holders, customers, suppliers, competitors and employees, through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

## **XVI. Gifts and Entertainment**

Company Personnel must be prudent in offering or accepting gifts (including tickets to sporting, recreational or other events) to or from a person or entity with which the Company does or seeks to do business.

Modest gifts, reasonable entertainment and other courtesies may be extended by appropriate Company Personnel to persons or entities doing business or otherwise having dealings with the Company if such activity can be justified to further the Company's best interests. No gift or entertainment should be of such value as to constitute a real personal enrichment of the recipient. Public scrutiny of the gift, entertainment or courtesy should not be embarrassing to or reflect unfavourably upon the Company or the recipient.

Company Personnel are prohibited from soliciting or receiving any gift, loan, reward or benefit from a supplier or other individual or entity that does or seeks to do business with, or is a competitor of, the Company. This prohibition does not extend to accepting modest gifts, favours or entertainment provided that no such gift, favour or entertainment

---

is of such nature as might affect, or reasonably be thought by others to affect, the person's judgment or conduct in matters involving the Company.

## **XVII. Dealings with Officials**

All dealings between Company Personnel and public or private officials must be conducted in a manner that will not compromise the integrity, or place in question, the reputation of the Company or such officials. No unlawful or otherwise improper payment or gift is to be made or offered with a view to assisting the Company in obtaining or retaining business, affecting the enactment or enforcement of any laws, or otherwise to obtain favours.

No employee or officer may offer improper payments when acting on behalf of the Company. Company funds must not be used to make payment or provide anything of value, directly or indirectly (through agents or otherwise), in money, property, services or any other form to a government official, political party or candidate for political office in consideration for the recipient agreeing to:

- ▶ exert influence to assist the Company in obtaining or retaining business or securing any advantage; or
- ▶ commit any act in violation of a lawful duty or otherwise influence an official act.

If Company Personnel are in doubt about the legitimacy of a payment, such situations should be immediately referred to the Chair of the Audit Committee.

## **XVIII. Community and Local Public Relations**

Community and local public relations shall always be conducted with integrity and sensitivity to others with the intent to build an image that will facilitate the Company's ability to achieve its goals while providing cooperation and support to its neighbours and host governments, as appropriate. Where appropriate, the Company may provide physical and/or financial assistance, on a local basis, to develop a cooperative relationship with its neighbours by active involvement in public works, education, medical and health services and other non-political matters where the Company's resources can compliment local operations and activities.

## **XIX. Confidential Information**

Confidential information is information that is not known to the general public and includes technical, commercial and financial information and all intellectual property of the Company.

Company Personnel must protect the confidentiality of information concerning the Company and its business activities, as well as that of companies having business dealings with the Company. Confidential information may not be given or released without proper authority and appropriate protection to anyone not employed by the Company or to Company Personnel who have no need for such information.

Company Personnel are prohibited from trading or encouraging others to trade in the securities of the Company where the person trading is in possession of material non-public information.

---

## **XX. Use of Corporate Assets and Opportunities**

All Company Personnel are responsible for protecting the Company's assets against loss from unauthorized or improper use or disposition:

- ▶ **Use of Resources:** Resources, including Company time, materials, supplies, equipment, information, electronic mail and computer systems, are generally only to be used for Company purposes.
- ▶ **Use of Internet and Email:** Company computer resources and networks are provided for Company-related business purposes. Excessive personal use is inappropriate. Use of Company computer resources to view, retrieve or send sexually-related or pornographic messages or material, violent or hate-related messages or material, bigoted, racist or other offensive messages or other messages or material related to illegal activities is strictly prohibited.
- ▶ **Use of Company Name:** Company Personnel must not use their employment status to obtain personal gain from those doing or seeking to do business with the Company. Company Personnel may not use the Company's name or purchasing power to obtain personal discounts or rebates unless the discounts are made available to all Company Personnel.
- ▶ **Patents and Inventions:** Inventions, discoveries and patented or copyright material, made or developed by Company Personnel in the course of, and relating to, their employment with the Company are the property of the Company unless a written release is obtained or covered by contract.
- ▶ **Corporate Opportunities:** Company Personnel may not appropriate for themselves Company property or a business opportunity that has arisen through the use of Company property, information or by virtue of their position with the Company.

## **XXI. Health, Safety and Environment**

The Company is committed to providing a safe and healthy working environment and protecting the public interest with standards and programs that meet or exceed industry standards and applicable government codes, standards and regulations in all jurisdictions in which it does business. All Company operations are to be conducted in a manner that protects the health and safety of Company Personnel and people in the communities where the Company operates. Employees must be aware of the safety issues and policies that affect their job, other employees and the community in general. Managers, upon learning of any circumstance affecting the health and safety of the workplace or the community, must act immediately to address the situation. Employees must immediately advise their managers of any workplace injury or any circumstance presenting a dangerous situation to them, other co-workers or the community in general, so that timely corrective action can be taken.

The Company is committed to sound environmental management. It is the intent of the Company to conduct itself in partnership with the environment and community at large as a responsible and caring corporate citizen. The Company is committed to managing all phases of its business in a manner that minimizes any adverse effects of its operations on the environment.

## **XXII. Employment Practices**

The Company is committed to a workplace environment where Company Personnel are treated with dignity, fairness and respect. All Company Personnel have the right to work

---

in an atmosphere that provides equal employment opportunities and is free of discriminatory practices and illegal harassment. The Company is committed to actions and policies to assure fair employment, including equal treatment in hiring, promotion, training, compensation, termination and corrective action and will not tolerate discrimination by its employees and agents.

The Company will not tolerate harassment of its employees, customers or suppliers in any form.

### **XXIII. Books and Records**

The Company's books, records and accounts are to reflect accurately, fairly and in reasonable detail, all transactions in accordance with the highest standards of integrity and applicable accounting standards.

Appropriate records must be kept of all transactions and there are to be no cash funds, bank accounts, investments or other assets, which are either not recorded or inadequately recorded on the books. No payment is to be approved without adequate supporting documentation.

Business documents and records (voice, paper and electronic) are to be retained in accordance with applicable law and the Company's record retention practices.

Individuals and entities with whom the Company deals may request that commissions, service fees and other amounts be remitted to third persons or bank accounts in third countries. Such payments may only be made if: (i) the amount payable does not arise from artificial additions to normal pricing; (ii) payment is authorized in writing by the individual or entity earning the commission, fee or other amounts; (iii) payment is made to the same individual or entity to which it is owed or to an affiliate under common ownership, and (iv) payment will not violate applicable law.

Frank disclosure is to be made to all reasonable enquiries of the Company's auditors and legal advisors.

### **XXIV. Reporting Contraventions of the Code**

Company Personnel are responsible for being aware of, understanding and complying with this Code. Company Personnel must promptly report any problems or concerns and any actual or potential violation of this Code. To do otherwise, will be viewed as condoning a violation of this Code.

There shall be no reprisal or other action taken against any Company Personnel who, in good faith, bring forward concerns about actual or potential violations of laws or the Code. Anyone engaging in any form of retaliatory conduct will be subject to disciplinary action, which may include termination.

Problems and concerns, including any actual or potential violation of this Code, should be reported immediately in accordance with the Company's Whistleblower Policy. Reports may be made anonymously.

### **XXV. Consequences of Violating this Code**

Failure to comply with this Code will be considered by this Company to be a very serious matter. Depending on the nature and severity of the violation, disciplinary action may be taken by the Company, up to and including termination. In addition, the Company may make claims for reimbursement of losses or damages and may refer this matter to the authorities. Anyone who fails to report a violation upon discovery or otherwise condones the violation of this Code may also be subject to disciplinary action.

---