

# GUNPOINT EXPLORATION LTD.

## ANNUAL GENERAL MEETING OF SHAREHOLDERS

### INFORMATION CIRCULAR

#### GENERAL INFORMATION

This Information Circular is furnished to the holders (“**shareholders**”) of common shares (“**Common Shares**”) of Gunpoint Exploration Ltd. (the “**Company**”) by management of the Company in connection with the solicitation of proxies to be voted at the annual general meeting (the “**Meeting**”) of the shareholders to be held at 14th Floor, 885 West Georgia Street, Vancouver, British Columbia, at 10:00 a.m. (Pacific Time) on Tuesday, October 26, 2021 and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting.

#### PROXIES

##### Solicitation of Proxies

The enclosed Proxy is solicited by and on behalf of management of the Company. The persons named in the enclosed Proxy form are management-designated proxyholders. A registered shareholder desiring to appoint some other person (who need not be a shareholder) to represent the shareholder at the Meeting may do so either by inserting such other person’s name in the blank space provided in the Proxy form or by completing another form of proxy. To be used at the Meeting, proxies must be received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof, or received by the chairman of the Meeting before the commencement of the Meeting, or any adjournment thereof. Solicitation will be primarily by mail, but some proxies may be solicited personally or by telephone by regular employees or directors of the Company at a nominal cost. The cost of solicitation by management of the Company will be borne by the Company.

##### Non-Registered Holders

Only registered holders of Common Shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, Common Shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- (a) in the name of an Intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans, or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS)) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “**NOBOs**”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “**OBOs**”.

Pursuant to National Instrument 54-101 (“**NI 54-101**”) of the Canadian Securities Administrators, the Company is distributing copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly to Non-Registered Holders.

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

Intermediaries which receive the proxy-related materials are required to forward the proxy-related materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the proxy-related materials to Non-Registered Holders.

The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's Intermediary assumes the costs of delivery.

Generally, Non-Registered Holders who have not waived the right to receive proxy-related materials (including OBOs who have made the necessary arrangements with their Intermediary for the payment of delivery and receipt of such proxy-related materials) will be sent a voting instruction form which must be completed, signed and returned by the Non-Registered Holder in accordance with the Intermediary's directions on the voting instruction form. In some cases, such Non-Registered Holders will instead be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. This form of proxy does not need to be signed by the Non-Registered Holder, but, to be used at the Meeting, needs to be properly completed and deposited with Computershare Investor Services Inc. as described under "Solicitation of Proxies".

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form.

**Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including instructions regarding when and where the voting instruction form or Proxy form is to be delivered.**

#### **Revocability of Proxies**

A registered shareholder who has given a Proxy may revoke it by an instrument in writing that is:

- (a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the Meeting at which the proxy is to be used, or
- (b) provided at the Meeting to the chair of the Meeting,

or in any other manner provided by law.

Non-Registered Holders who wish to revoke a voting instruction form or a waiver of the right to receive proxy-related materials should contact their Intermediaries for instructions.

#### **Voting of Proxies**

Common Shares represented by a shareholder's Proxy form will be voted or withheld from voting in accordance with the shareholder's instructions on any ballot that may be called for at the Meeting and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **In the absence of any instructions, the management-designated proxy agent named on the Proxy form will cast the shareholder's votes in favour of the passage of the resolutions set forth herein and in the Notice of Meeting.**

The enclosed Proxy form confers discretionary authority upon the persons named therein with respect to (a) amendments or variations to matters identified in the Notice of Meeting and (b) other matters which may properly come before the Meeting or any adjournment thereof. At the time of printing of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

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

Only Common Shares carry voting rights at the Meeting, with each Common Share carrying the right to one vote. The board of directors of the Company ("**Board of Directors**" or "**Board**") has fixed September 20, 2021 as the record date ("**Record Date**") for the determination of shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment thereof, and only shareholders of record at the close of business on that date are entitled to such notice and to vote at the Meeting. As of the Record Date, 43,501,600 Common Shares were issued and outstanding as fully paid and non-assessable.

To the knowledge of the directors or executive officers of the Company, as at the Record Date, no person beneficially owned, or controlled or directed, directly or indirectly, shares carrying 10% or more of the voting rights attached to the Company's issued and outstanding Common Shares, except for the following:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Chesapeake Gold Corp.	32,517,899 <sup>(1)</sup>	74.8%

(1) Of these shares, 540,000 Common Shares are held directly by Chesapeake Gold Corp. (“Chesapeake”) and 31,977,899 Common Shares are held indirectly by Chesapeake through its wholly-owned subsidiary, American Gold Capital Corporation. Chesapeake is a company listed on the TSX Venture Exchange. P. Randy Reifel is President, Chairman and a director of Chesapeake; he is President, CEO and a director of the Company; and he is President and a director of American Gold Capital Corporation.

### VOTES NECESSARY TO PASS RESOLUTIONS AT THE MEETING

Under the Company's Articles, the quorum for the transaction of business at the Meeting is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued and outstanding Common Shares. A simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the resolutions referred to in the accompanying Notice of Meeting.

### APPOINTMENT OF AUDITOR

The management-designated proxyholders named in the enclosed Proxy form intend to vote for the appointment of Saturna Group Chartered Professional Accountants LLP (“**Saturna LLP**”) as the auditor of the Company to hold office until the next annual general meeting of shareholders. Saturna LLP has been the auditor of the Company since January 23, 2018.

### ELECTION OF DIRECTORS

The number of directors of the Company is currently fixed at four. At the Meeting, shareholders will be asked to fix the number of directors at six and elect six directors. The persons named below are the six nominees of management for election as directors, two of whom are current directors of the Company. Each director elected will hold office until the next annual general meeting or until the director's successor is elected or appointed unless the director's office is earlier vacated under any of the relevant provisions of the Articles of the Company or the *Business Corporations Act* (British Columbia). It is the intention of the persons named as proxyholders in the enclosed Proxy to vote for the election to the Board of Directors of those persons hereinafter designated as nominees for election as directors. The Board of Directors does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in such shareholder's Proxy that such shareholder's Common Shares are to be withheld from voting in the election of directors.**

The following table sets out the name of each of the persons proposed to be nominated for election as a director; all positions and offices in the Company currently held by the nominee; the nominee's current principal occupation or employment (and, in the case of Anna Tudela, John Perston, Charlie Ronkos and John Mackay, each of whom is being nominated for election as a director of the Company for the first time, also that person's principal occupation and employment for the last five years); the period during which the nominee has served as a director; and the number of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date:

<u>Name, place of residence and positions with the Company</u>	<u>Present principal occupation, business or employment</u>	<u>Period served as a director</u>	<u>Common Shares beneficially owned or controlled</u>
P. RANDY REIFEL <sup>(1)</sup> British Columbia, Canada <i>Director, President and CEO</i>	President, Chesapeake Gold Corp.; President, CEO and a director of the Company	Since November 8, 2010	2,285,168
JOHN MACKAY Alberta, Canada	Executive Chairman, Mosaic Capital Corp from May 2011 until August 2021; President, The Canada West Land & Petroleum Company, Ltd since July 2009	N/A	Nil
JOHN PERSTON Castletown, Isle of Man	President, JWP Consulting (geological consulting firm) since 1985	N/A	100,000
CHARLIE RONKOS Reno, Nevada	Director and COO of TCP1 Corp. from 2018 to present, Executive VP Project Development Americas of Premier Gold Mines Ltd. from 2016 to 2018	N/A	Nil
ANNA TUDELA British Columbia, Canada	Independent Consultant and Corporate Director; Independent Consultant since January 2020; VP, Diversity, Regulatory Affairs and Corporate Secretary of Goldcorp Inc. from 2005 to 2019	N/A	Nil
GERALD L. SNEDDON <sup>(1)</sup> Idaho, USA <i>Director</i>	Mining Engineer, Executive VP Operations and Director of Chesapeake Gold Corp. from 2003 to 2020	Since November 8, 2010	Nil

(1) Member of the Audit Committee.

None of the proposed directors is, as at the date of this Information Circular, or has been, within the ten years preceding the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that

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

No proposed director is, as at the date of this Information Circular, or has been, within the ten years preceding the date of this Information 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.

No proposed director has, within the ten years preceding the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

No proposed director has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other

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

## **CORPORATE GOVERNANCE DISCLOSURE**

The following description of the corporate governance practices of the Company is provided further to National Instrument 58-101 on “Disclosure of Corporate Governance Practices” (“**NI 58-101**”) and the disclosure prescribed for “Venture Issuers” such as the Company.

### **Board of Directors**

The Board currently consists of four directors (two of whom, P. Randy Reifel and Gerald L. Sneddon, will be standing for re-election). NI 58-101 distinguishes independent and non-independent directors. Two of the four current members of the Board are considered independent directors. The independent directors are Daniel Kunz and Gerald L. Sneddon. P. Randy Reifel and Ian Robertson are not independent directors as they are executive officers of the Company. Mr. Robertson is also not independent because he is a partner in a law firm which provides legal services to the Company. If the director nominees are elected as proposed under “Election of Directors”, following the Meeting, the Board will consist of a majority of independent directors with the sole non-independent director being P. Randy Reifel.

The Board considers that management has been effectively supervised by the independent directors on an informal basis, as the independent directors have been actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The Board believes that the knowledge, experience and qualifications of its independent directors are sufficient to ensure that the Board can function independently of management and discharge its responsibilities.

### **Directorships**

The current directors and the proposed directors of the Company who are presently directors of other reporting issuers in Canada or elsewhere are set out below:

<b>Director</b>	<b>Reporting Issuer</b>
Daniel Kunz	Greenbriar Capital Corp. Prime Mining Corp. Raindrop Ventures Inc. Silver Bull Resources Inc.
John Perston	Chesapeake Gold Corp.
P. Randy Reifel	Chesapeake Gold Corp.
Ian Robertson	a2b Fiber Inc.
Anna Tudela	Sabina Gold & Silver Corp. Regulus Resources Inc.

### **Orientation and Continuing Education**

The Board has adopted a Corporate Governance Policy, which provides for organizing, reviewing and recommending education policies relating to the directors and management of the Company.

### **Ethical Business Conduct**

The Board has adopted a Corporate Governance Policy, which includes a Corporate Disclosure Policy, Whistle Blower Policy, Code of Business Conduct and Ethics and Insider Trading Policy which applies to all directors, officers, employees and consultants, and prescribes a high standard ethical conduct in all dealings related to the affairs of the Company.

## Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

## Compensation

The Company has a Compensation Committee which reviews officers' and directors' compensation matters. See "Director and Named Executive Officer Compensation".

## Other Board Committees

The Board currently has no standing committees besides the Audit Committee and the Compensation Committee.

## Assessments

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

## AUDIT COMMITTEE DISCLOSURE

Pursuant to the *Business Corporations Act* (British Columbia) and National Instrument 52-110 on "Audit Committees" ("NI 52-110"), the Company is required to have an audit committee.

### Audit Committee Charter

Pursuant to NI 52-110, the Company's Audit Committee is required to have a charter. A copy of the Company's Audit Committee Charter is set out in Appendix A to this Information Circular.

The Audit Committee assists the Board of Directors in fulfilling its responsibilities relating to the Company's corporate accounting and reporting practices. The Audit Committee is responsible for ensuring that management has established appropriate processes for monitoring the Company's systems and procedures for financial reporting and controls, reviewing all financial information in disclosure documents, monitoring the performance and fees and expenses of the Company's external auditors, and recommending external auditors for appointment by shareholders.

### Composition of the Audit Committee

As at the date of this Information Circular, the following is information on the members of the Company's Audit Committee:

<u>Name</u>	<u>Independent</u>	<u>Financial Literacy</u>
Daniel Kunz	Yes	Yes
P. Randy Reifel	No	Yes
Gerald Sneddon	Yes	Yes

### Relevant Education and Experience

All of the members of the Audit Committee are graduates of post-secondary education, with two members, Daniel Kunz and P. Randy Reifel, holding a Masters of Business Administration degree. Each member of the Audit Committee has assisted several resource industry companies with strategic focus and corporate finance and has many years' experience in the management and administration of publicly owned mining exploration companies. This experience in the mining industry has provided each member of the Audit Committee with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles and analyze or evaluate financial statements, and an understanding of internal controls and procedures for financial reporting.

## Audit Committee Oversight

At no time since January 1, 2020, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company's Board of Directors.

## Reliance on Certain Exemptions

At no time since January 1, 2020, has the Company relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), subsection 6.1.1(4) of NI 52-110 (*Circumstances Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*) of NI 52-110 by a securities regulatory authority or regulator.

## Pre-approval Policies and Procedures for Non-Audit Services

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

## External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditor in each of the last two financial years of the Company for services in each of the categories indicated are as follows:

Financial Year Ended	Audit Fees	Audit Related Fees <sup>(1)</sup>	Tax Fees <sup>(2)</sup>	All Other Fees <sup>(3)</sup>
December 31, 2020	\$15,000	Nil	Nil	Nil
December 31, 2019	\$15,000	Nil	Nil	Nil

(1) Pertains to assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and that are not reported under "Audit Fees".

(2) Pertains to professional services for tax compliance, tax advice and tax planning.

(3) Pertains to products and services other than services reported under the other categories.

## Venture Issuers Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 which exempts "venture issuers" from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The following description of the executive compensation of the Company is provided further to Form 51-102F6V "*Statement of Executive Compensation – Venture Issuers*".

### Director and Named Executive Officer Compensation Excluding Compensation Securities

#### Named Executive Officers

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers" or "NEOs"):

- each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer ("CEO");
- each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer ("CFO");
- in respect of the Company and its subsidiaries, the most highly compensated executive officer (other than the CEO and CFO) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with applicable securities rules, for that financial year; and

- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and not acting in a similar capacity, at the end of that financial year.

For the year ended December 31, 2020, the Company had two Named Executive Officers, namely P. Randy Reifel (CEO), and Sam Wong (CFO).

**Table of Compensation Excluding Compensation Securities**

The following table sets out compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or a subsidiary of the Company, to each NEO and director, in any capacity, for each of the Company's financial years ended December 31, 2020 and 2019.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and principal position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
P. RANDY REIFEL CEO and Director	2020	Nil	Nil	Nil	(3)	Nil	Nil
	2019	Nil	Nil	Nil	(3)	Nil	Nil
SAM WONG <sup>(1)</sup> CFO	2020	17,000 <sup>(2)</sup>	Nil	Nil	(3)	Nil	17,000
	2019	17,000 <sup>(2)</sup>	Nil	Nil	(3)	Nil	17,000
DANIEL KUNZ Director	2020	Nil	Nil	Nil	(3)	Nil	Nil
	2019	Nil	Nil	Nil	(3)	Nil	Nil
IAN ROBERTSON Director	2020	Nil	Nil	Nil	(3)	Nil	Nil
	2019	Nil	Nil	Nil	(3)	Nil	Nil
GERALD SNEDDON Director	2020	Nil	Nil	Nil	(3)	Nil	Nil
	2019	Nil	Nil	Nil	(3)	Nil	Nil

- (1) Mr. Wong ceased to be CFO of the Company on September 1, 2021.  
(2) Amount pertains to compensation paid by the Company to Samina Capital Ltd., a company controlled by Mr. Wong.  
(3) Perquisites that are not generally available to all employees did not exceed \$15,000.

**External Management Companies**

Except as disclosed herein, none of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

**Stock Options and Other Compensation Securities**

No compensation securities were granted or issued to any NEO or director by the Company or one of its subsidiaries in the financial year ended December 31, 2020 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

The following table discloses the total amount of compensation securities held by each NEO and director of the Company as at the Company's financial year end of December 31, 2020.

Name and Position	Total amount of compensation securities held as at December 31, 2020 <sup>(1)</sup>
P. RANDY REIFEL CEO and Director	900,000 <sup>(2)</sup>
SAM WONG <sup>(3)</sup> CFO	75,000 <sup>(2)</sup>
DANIEL KUNZ Director	175,000 <sup>(2)</sup>
IAN ROBERTSON Director	50,000 <sup>(2)</sup>
GERALD L. SNEDDON Director	100,000 <sup>(2)</sup>

- (1) The numbers under this column represent the number of options and the same number of Common Shares underlying the related options.  
(2) As at December 31, 2020, 50% of these options had vested and 25% would vest on each of May 2, 2021 and May 2, 2022.  
(3) Mr. Wong ceased to be CFO of the Company on September 1, 2021.

No compensation security has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.

Except for the vesting schedules noted in the above table, there are no restrictions or conditions for converting, exercising or exchanging the compensation securities.

No NEO or director of the Company exercised any compensation securities during the financial year ended December 31, 2020.

### Stock Option Plans and Other Incentive Plans

The Company has a "rolling 10%" Stock Option Plan (the "**Option Plan**") which was last re-approved by the shareholders of the Company at the 2020 annual general meeting. Certain housekeeping amendments to the Option Plan were made pursuant to an Amendment No. 1 to the Option Plan effected on September 14, 2021 upon approval by the Board. The Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company to acquire Common Shares, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of their affairs.

The Option Plan must be re-approved on an annual basis by the shareholders at each annual general meeting of the Company as required by the policies of the TSX Venture Exchange ("**TSX-V**").

The Board, based on recommendations of the Compensation Committee where appropriate, determines which NEOs (and other persons) are entitled to participate in the Option Plan; determines the number of options granted to such individuals; and determines the date on which each option is granted and the corresponding exercise price.

Previous grants of option-based awards are taken into account when considering new grants.

The Option Plan includes the following applicable provisions:

- The Option Plan is administered by an "Administrator" which means the Board or such committee of the Board that the Board has designated to administer the Option Plan;
- Options may be granted to employees, directors, executive officers and consultants of the Company or of a subsidiary of the Company (and such other persons permitted by the TSX-V to be granted options);

- The maximum number of Common Shares issuable pursuant to options granted under the Option Plan is 10% of the issued and outstanding Common Shares from time to time;
- The aggregate number of optioned Common Shares granted within a 12-month period to any one optionee must not exceed 5% of the issued and outstanding Common Shares;
- The number of optioned Common Shares granted within a 12-month period to any one consultant must not exceed 2% of the issued and outstanding Common Shares;
- The aggregate number of optioned Common Shares granted within a 12-month period to optionees who are employed to provide investor relations activities must not exceed 2% of the issued and outstanding Common Shares of the Company;
- The aggregate number of optioned Common Shares granted within a 12-month period to insiders must not exceed 10% of the issued and outstanding Common Shares;
- The aggregate number of Common Shares reserved for issuance under options granted to insiders (as a group) at any point in time must not exceed 10% of the issued and outstanding Common Shares;
- The exercise price for options granted under the Option Plan will not be less than the market price of the Common Shares less applicable discounts permitted by the TSX-V;
- Options may be exercisable for a term of up to ten years, subject to earlier termination in the event of death or the optionee's cessation of services to the Company or to extension if the expiry date is within a trading blackout period imposed by the Company to that date which is 10 business days after the trading blackout;
- Options granted under the Option Plan are non-assignable and non-transferable, except by will or the laws of descent and distribution;
- Unless determined by the Administrator and subject to the rules of the TSX-V, if an optionee ceases to be a director, officer, employee or consultant, as the case may be, of the Company for any reason (other than disability or death), the optionee may, but only within 30 days next succeeding ceasing to be a director, officer, employee or consultant, exercise options held to the extent that the optionee was entitled to exercise the options at the date of such cessation;
- In the event of the death or disability of an optionee, options previously granted to the optionee will be exercisable only within the 12 months next succeeding such death or cessation of service due to such disability, respectively; and
- The vesting schedule for each option shall be determined by the Administrator at the time the option is granted and shall be specified in the option agreement in respect of the option. If no vesting provisions are specified by the Administrator, options granted under the Option Plan shall vest as to 25% on the grant date and as to a further 25% on each of the first, second and third anniversaries of the grant date.

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

Pursuant to a service agreement dated January 1, 2018 between the Company and Samina Capital Ltd. (“**Samina**”), a company controlled by Sam Wong, the Company engaged Samina for Mr. Wong's services as CFO of the Company and for accounting, administration, management, tax compliance, and internal control consulting services. Further to this agreement, during the year ended December 31, 2020, the Company paid Samina \$17,000. Mr. Wong ceased to be CFO of the Company on September 1, 2021.

There are no provisions in any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control in the Company or a change in the NEO's responsibilities, except as disclosed above.

### **Oversight and Description of Director and Named Executive Officer Compensation**

In 2020, the Board of Directors of the Company determined compensation to be paid by the Company to its directors and executive officers. The Board of Directors reviews annually and approves the total compensation (including direct salary and any annual bonus as well as long term stock-related incentive plans) payable to each executive officer of the Company and payable to directors in their

capacity as directors of the Company. In accordance with TSX-V policies, any compensation paid to a director or executive officer of the Company must be approved by the independent members of the Board of Directors.

In 2020, the directors received no cash compensation for acting in their capacity as directors of the Company and there were no arrangements under which directors were compensated by the Company for their services in their capacity as directors.

The Board of Directors is responsible for reviewing and considering corporate goals and objectives relevant to compensation for all executive officers, evaluating the performance of each executive officer in light of those corporate goals and objectives, and determining the level of compensation for the executive officers based on this evaluation. In 2020, the only NEO who received direct or indirect compensation from the Company was Sam Wong who was compensated through Samina for his services as CFO of the Company further to the Company's agreement with Samina. See "Employment, Consulting and Management Agreements or Arrangements".

The Board of Directors administers the Company's Option Plan and makes decisions regarding option grants, including option terms and amendments, under the Option Plan after taking into account previous stock option grants. In 2020, the Board did not grant stock options to the NEOs or directors.

There is no policy or target regarding cash and non-cash elements of the Company's compensation program. The directors are of the view that all elements should be considered rather than any single element. The Company does not currently provide the executive officers with personal benefits or any other compensation.

The Company does not presently anticipate making any significant changes to its compensation policies and practices in respect of its financial year ending December 31, 2021.

#### Pension Disclosure

The Company does not provide a pension to any director or NEO.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information on the Company's equity compensation plans under which Common Shares are authorized for issuance as at December 31, 2020.

#### EQUITY COMPENSATION PLAN INFORMATION

<b>Plan Category</b>	<b>Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders (Stock Option Plan)	1,450,000	\$0.25	2,900,160 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>1,450,000</b>		<b>2,900,160</b>

(1) Based on the total number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Option Plan being 10% of the issued and outstanding Common Shares from time to time (being 4,350,160 Common Shares as at December 31, 2020).

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, no director or executive officer of the Company, no proposed nominee for election as a director of the Company, no associate of any such director, executive officer or proposed nominee (including companies controlled by them), no employee of the Company or any of its subsidiaries, and no former executive officer, director or employee of the Company or any of its subsidiaries, is indebted to the Company or any of its subsidiaries (other than for “routine indebtedness” as defined under applicable securities legislation) or is indebted to another entity where such indebtedness is 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

No proposed director of the Company, and no associate or affiliate of any informed person or proposed director has had any material interest, direct or indirect, in any transaction since January 1, 2020 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

## MANAGEMENT CONTRACTS

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

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

### Stock Option Plan

Pursuant to the TSX-V’s Policy 4.4 entitled “Incentive Stock Options”, the Company’s Stock Option Plan (the “**Option Plan**” herein) has to be approved by the shareholders of the Company yearly in that it is a “rolling 10%” plan (i.e. up to 10% of the outstanding Common Shares from time to time may be reserved for issuance for options granted under the Plan). A copy of the Option Plan, as amended, may be obtained by sending a written request to the President of the Company at the Company’s head office located at #201 – 1512 Yew Street, Vancouver, British Columbia, Canada V6K 3E4 or by email at [gunpoint@shaw.ca](mailto:gunpoint@shaw.ca). See “Director and Named Executive Officer Compensation – Stock Option Plans and Other Incentive Plans” for a summary of the terms of the Option Plan.

The text of the proposed resolution to approve and confirm the Option Plan (the “**Stock Option Plan Resolution**”) is as follows:

“BE IT RESOLVED THAT the Company’s Stock Option Plan, as amended, is hereby approved and confirmed and that the Board of Directors of the Company be authorized to make any changes thereto as may be required by the TSX Venture Exchange.”

A simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the Stock Option Plan Resolution.

**The Board of Directors recommends a vote “FOR” the approval of the Stock Option Plan Resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the Stock Option Plan Resolution.**

## OTHER MATTERS

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of the Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy form to vote the shares represented thereby in accordance with their best judgment on such matter.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Financial information relating to the Company is provided in the Company's comparative consolidated financial statements and management's discussion and analysis for its financial year ended December 31, 2020, which are available on SEDAR at [www.sedar.com](http://www.sedar.com) and may also be obtained by sending a written request to the President of the Company at the Company's head office located at #201 – 1512 Yew Street, Vancouver, British Columbia, Canada V6K 3E4.

DATED as of the 20th day of September, 2021.

BY ORDER OF THE BOARD

*"P. Randy Reifel"*

P. RANDY REIFEL  
President

## APPENDIX A

### GUNPOINT EXPLORATION LTD. (the “Company”)

#### AUDIT COMMITTEE CHARTER

The audit committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight to the accounting and financial reporting process and financial statement audits.

The audit committee will:

- (a) review and report to the board of directors of the Company on the following before they are published: (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company, and (ii) the auditors’ report, if any, prepared in relation to those financial statements;
- (b) review the Company's annual and interim earnings press releases before the Company publicly discloses this information;
- (c) satisfy itself 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 and periodically assess the adequacy of those procedures;
- (d) recommend to the board of directors: (i) the external 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 external auditor;
- (e) oversee the work of the external 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 external auditor regarding financial reporting;
- (f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established;
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company;
- (h) establish procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor;
- (j) review and approve the Company's hiring policies regarding partners, employees and former. partners and employees of the present and former external auditor of the Company; and
- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial officer and the Chief Financial Officer to comply with National Instrument 52-109.

#### Composition of the Committee

The committee will be composed of 3 directors from the Company's board of directors, a majority of whom will be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum

each committee member will have will have no direct or indirect relationship with the Company which, in the view of the board of directors, could reasonably interfere with the exercise of a member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

### **Authority**

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

### **Reporting**

The reporting obligations of the committee will include: (i) reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors meeting, and (ii) reviewing; and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.

### **Independence**

National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) provides that a member of an Audit Committee is independent if the member has no direct or indirect material relationship with the issuer, which could, in the view of the Issuer's Board of Directors, reasonably interfere with the exercise of the member's independent judgment. Two of the three members of the audit committee of the Company are “independent” as that term is defined.

### **Financial Literacy**

NI 52-110 provides that an individual is “Financially Literate” if he or she has the ability to read and understand a set of Financial Statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Issuers Financial Statements.

All of the Directors of the Company and members of the Audit Committee are Financially Literate, as that term is defined.

### **Exemption**

The Company is a Venture Issuer as defined in NI 52-110 and is relying upon the exemption in Section 6.1 of NI 52-110 relating to Part 3 (Composition of Audit Committee) and 5 (Reporting Obligations).