

**NORTHISLE COPPER AND GOLD INC.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON DECEMBER 29, 2020**

This information is given as of **November 24, 2020**

**I. SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the management of **NORTHISLE COPPER AND GOLD INC.** (the "Company") for use at the Annual General Meeting (the "Meeting") of the shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

These securityholder materials are being sent to both registered and non-registered owners of the securities. 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 the request for voting instructions.

**II. PERSONS OR COMPANIES MAKING THE SOLICITATION**

**The enclosed instrument of proxy is solicited by management.** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the instrument of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company has advised management in writing that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

**III. APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the accompanying instrument of proxy are directors or officers of the Company. **A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed instrument of proxy. To exercise this right, a shareholder shall strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided, or complete another instrument of proxy.**

**The completed instrument of proxy must be dated and signed and the duly completed instrument of proxy must be deposited at the Company's transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays.**

The instrument of proxy must be signed by the shareholder or by his duly authorized attorney. If signed by a duly authorized attorney, the instrument of proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the shareholder is a corporation, the instrument of proxy must be signed by a

duly authorized attorney, officer, or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives his power, as the case may be, or a notarially certified copy thereof. The Chairman of the Meeting has discretionary authority to accept proxies which do not strictly conform to the foregoing requirements.

**In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked.**

#### **IV. VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

**In the absence of any direction in the instrument of proxy, it is intended that such shares will be voted in favour of the resolutions placed before the Meeting by management and for the election of the management nominees for directors and auditor, as stated under the headings in this Information Circular.** The instrument of proxy enclosed, when properly completed and deposited, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters which may be properly brought before the Meeting. At the time of printing of this Information Circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any such amendments, variations or other matters should properly come before the Meeting, the proxies hereby solicited will be voted thereon in accordance with the best judgment of the nominee.

#### **V. ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES**

Only registered holders of common shares of the Company or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, common shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

##### *Distribution to NOBOs*

In accordance with the requirements of the Canadian Securities Administrators and National Instrument 54-101, “Communication with Beneficial Owners of Securities of a Reporting Issuer” (“**NI-54-101**”), the Company will have caused its agent to distribute copies of the Notice of Meeting and this Circular (collectively, the “**meeting materials**”) as well as a Voting Instruction Form directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner (“**Non-Objecting Beneficial Owner**” or “**NOBO**”).

*These securityholder materials are being sent to both registered and non-registered owners of the securities. 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 the request for Voting Instruction Form enclosed with mailings to NOBOs.*

The meeting materials distributed by the Company's agent to NOBOs include a Voting Instruction Form. Please carefully review the instructions on the Voting Instruction Form for completion and deposit.

*Distribution to OBOs*

In addition, the Company will have caused its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Shareholders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner ("**Objecting Beneficial Owner**" or "**OBO**").

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use service companies such as Broadridge Proxy Services to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with **Computershare Investor Services Inc.** in the manner set out above in this circular, with respect to the common shares beneficially owned by such OBO; **OR**
- (b) more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a "**proxy authorization form**") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code or other information. In order for the form of proxy to validly constitute a proxy authorization form, the OBO must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit the OBO to direct the voting of the shares he or she beneficially owns.

**Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

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

### **A. Voting Securities**

On **November 24, 2020**, there were **146,419,194** common shares of the Company issued and outstanding, each share carrying the right to one vote. At a general meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each share of which he is the holder.

### **B. Record Date**

Only shareholders of record at the close of business on **November 24, 2020**, who either personally attend the Meeting or who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies", will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

### **C. Principal Holders**

To the knowledge of the directors and executive officers of the Company, only the following beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company:

| <b>Name of Shareholder</b> | <b>Number of Shares Held</b> | <b>Percentage of Issued and Outstanding Shares</b> |
|----------------------------|------------------------------|----------------------------------------------------|
| Dale Corman                | <b>20,093,200</b>            | <b>13.7%</b>                                       |

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

Other than as disclosed elsewhere in this Information Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who has been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

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

For the purposes of this Information Circular, "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and

- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

The Company was a party to the following material transactions with informed persons during the financial year ended **December 31, 2019**:

- remuneration for directors and key management personnel for the period ended December 31, 2019 are as follows:

|                          |   |                      |
|--------------------------|---|----------------------|
| Management fees          | - | <b>\$60,438</b>      |
| Share-based compensation | - | <b><u>54,664</u></b> |
| <b>Total:</b>            | - | <b>\$115,102</b>     |

Other than as disclosed elsewhere in this Information Circular, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

## **IX. STATEMENT OF EXECUTIVE COMPENSATION**

### **A. General Provisions**

For the purposes of this Information Circular:

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

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

"closing market price" means the price at which the Company's security was last sold, on the applicable date:

- (a) in the security's principal marketplace in Canada; or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"company" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"equity incentive plan" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-based Payment*;

"external management company" includes a subsidiary, affiliate or associate of the external management company;

"grant date" means a date determined for financial statement reporting purposes under IFRS 2 *Share-based Payment*;

“incentive plan” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“incentive plan award” means compensation awarded, earned, paid or payable under an incentive plan;

"NEO" or “named executive officer” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the Company's three most highly compensated executive officers, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

“non-equity incentive plan” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“option-based award” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

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

“replacement grant” means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

“repricing” means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

“share-based award” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

## **B. Compensation Discussion and Analysis**

### **COMPENSATION PROGRAM OBJECTIVES**

The Company’s compensation policies and programs are designed to be competitive with similar junior resource exploration companies and to recognize and reward executive performance consistent with the success of the Company. These policies and programs are intended to attract and retain capable and experienced people. The role and philosophy of the Company's Board of Directors (the "Board") is to ensure that the Company’s goals and objectives, as applied to the actual compensation paid to the Company’s President and Chief Executive Officer and other executive officers, are aligned with the Company’s overall business objectives and with shareholders interests.

In addition to informal industry comparables from publicly available information, the Board considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Company and its shareholders, overall financial and operating performance of the Company, and the Board's assessment of each executive's individual performance and contribution toward meeting corporate objectives. Performance is also recognized through the Company's incentive option plan.

#### **ROLE OF EXECUTIVE OFFICERS IN DETERMINING COMPENSATION**

The Board reviews and recommends compensation policies and programs, as well as salary and benefit levels for the Company's executives. The Board also makes the final determination regarding the Company's compensation programs and practise.

#### **ELEMENTS OF THE COMPENSATION PROGRAM FOR FISCAL YEAR 2019**

The total compensation plan for the NEOs is comprised of two components: base salary or consulting fees and stock options. There is no policy or target regarding cash and non-cash elements of the Company's compensation program. The Board annually reviews the total compensation of the Company's executives against the backdrop of the compensation goals and objectives described above and make recommendations to the Board concerning the individual components of the executives' compensation.

#### **BASE SALARY**

As a junior exploration resource company with no ongoing cash flow or revenues from production, the Company establishes salaries to its executive officers at a minimal level, in keeping with the Company's available resources.

#### **STOCK OPTIONS**

The Company has a Stock Option Plan (the "Plan") in place for the granting of stock options to the directors, officers, employees and consultants of the Company. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating such persons and to closely align the personal interest of such persons to that of the Company's shareholders, having regard to the fact that the Company has no ongoing cash flow or revenue from production and, as a result, there are limited funds available for the payment of salaries or consulting fees. The allocation of options under the Plan is determined by the Board which, in determining such allocations, considers such factors as previous grants to individuals, overall Company performance, share price, the role and performance of the individual in question, the amount of time directed to the Company's affairs and time expended in serving on the Company's committees.

#### **RISK CONSIDERATIONS**

Commencing in 2012, the Board started to review from time to time and at least once annually, the risks, if any, associated with the Company's compensation policies and practices at such time. Such a review occurred at the time of preparation of this Compensation Discussion and Analysis. Implicit in the Board's mandate is that the Company's policies and practises respecting compensation, including those applicable to the Company's executives, be designed in a manner which is in the best interests of the Company and its shareholders, and risk implications is one of many considerations which are taken into account in such design.

It is anticipated that a portion (set at a level consistent with its industry peers) of the Company's executive compensation will consist of options granted under the Plan. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are not realized by the executives until a significant period of time has passed, the ability

of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is extremely limited.

The other element of compensation, salary, represents the remaining portion of an executive's total compensation. While salary is not "long term" or "at risk", as noted above, these components of compensation represent a relatively small part of total compensation, and as a result it is unlikely that an executive would take inappropriate or excessive risks at the expense of the Company and its shareholders that would be beneficial to the executive from the standpoint of the executive's short term compensation when his or her long term compensation might be put at risk from such actions.

Due to the relatively small size of the Company, and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings, during which financial and other information pertaining to the Company will be reviewed, which review will include executive compensation. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

There are no policies in place pursuant to which an NEO or director is permitted to purchase financial instruments including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an NEO or director.

**C. Summary Compensation Table**

John McClintock, the Company's former President and CEO, and David Douglas, the Company's CFO and Corporate Secretary, are the NEOs of the Company for the purposes of the following disclosure. The compensation for the NEOs, directly or indirectly, for the Company's three most recently-completed financial years is as follows:

| Name and Principal Position                                       | Year              | Management fees (\$) <sup>(1)</sup> | Share based awards (\$) | Option-based awards (\$) <sup>(2)</sup> | Non-equity incentive plan compensation (\$) |                           | Pension value (\$) | All other compensation (\$) | Total compensation (\$) |
|-------------------------------------------------------------------|-------------------|-------------------------------------|-------------------------|-----------------------------------------|---------------------------------------------|---------------------------|--------------------|-----------------------------|-------------------------|
|                                                                   |                   |                                     |                         |                                         | Annual incentive plans                      | Long-term incentive plans |                    |                             |                         |
| John McClintock former President, CEO and Director <sup>(3)</sup> | December 31, 2019 | 50,938                              | Nil                     | 44,000                                  | Nil                                         | Nil                       | Nil                | Nil                         | 94,938                  |
|                                                                   | December 31, 2018 | 57,750                              | Nil                     | 42,666                                  | Nil                                         | Nil                       | Nil                | Nil                         | 100,416                 |
|                                                                   | December 31, 2017 | 112,875                             | Nil                     | 29,333                                  | Nil                                         | Nil                       | Nil                | Nil                         | 142,208                 |
| David Douglas CFO, Corporate Secretary and Director               | December 31, 2019 | 9,500                               | Nil                     | 25,833                                  | Nil                                         | Nil                       | Nil                | Nil                         | 35,333                  |
|                                                                   | December 31, 2018 | 9,750                               | Nil                     | 25,500                                  | Nil                                         | Nil                       | Nil                | Nil                         | 35,250                  |
|                                                                   | December 31, 2017 | 19,250                              | Nil                     | 15,500                                  | Nil                                         | Nil                       | Nil                | Nil                         | 34,750                  |

#### D. Incentive Plan Awards

As disclosed under "B. Compensation Discussion and Analysis" of this Item IX ("Statement of Executive Compensation"), the Company has in place a Stock Option Plan (the "Plan") for the purpose of attracting and motivating Directors, Officers, Employees and Consultants of the Company and advancing the interests of the Company by affording such persons the opportunity to acquire an equity interest in the Company through rights granted under the Plan to purchase shares of the Company. See "C. Incentive Stock Option Plan" under "XV. Particulars of Matters to be Acted Upon" below for details of the Plan. (A copy of the Plan will also be available for review at the Meeting.)

<sup>(1)</sup> Salaries include accrued wages payable for 2019. At December 31, 2019, the Company owed \$71,283 (December 31, 2018 - \$91,283) and \$46,750 (December 31, 2018 - \$63,000) to John McClintock and David Douglas, respectively, for unpaid management fees. Amounts due are non-interest bearing with no specific terms of repayment.

<sup>(2)</sup> The weighted average grant date fair value of the incentive stock options granted during the financial year ended December 31, 2019 was \$0.10 per option, the weighted average grant date fair value of the incentive stock options granted during the financial year ended December 31, 2018 was \$0.10 per option and the weighted average grant date fair value of the incentive options granted during the financial year ended December 31, 2017 was \$0.10 per option. The Company calculated the compensation cost by using the Black-Scholes option pricing model as follows: for options granted in 2019 by assuming a risk-free interest rate of 1.15%, a dividend yield of nil, the expected annual volatility of the Company's share price of 80% and an expected life of the options of 5 years; for options granted in 2018 by assuming a risk-free interest rate of 2.04%, a dividend yield of nil, the expected annual volatility of the Company's share price of 80% and an expected life of the options of 5 years; and for options granted in 2017 by assuming a risk-free interest rate of 1.25%, a dividend yield of nil, the expected annual volatility of the Company's share price of 80% and an expected life of the options of 5 years. There was no cash compensation actually paid to any of the NEOs disclosed in the above table in connection with the granting of the incentive stock options in respect of which these "Option-based awards" were calculated.

<sup>(3)</sup> Mr. McClintock resigned as President, CEO on October 5, 2020 and as a Director on November 4, 2020.

Options are granted from time to time under the Plan as determined by the Board of Directors, including options granted to executive officers. Previous grants of options under the Plan are taken into account when the granting of new options is being considered.

The Company does not have any share-based awards in place.

**OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS**

The following table discloses the particulars of all awards for each NEO outstanding at the end of the Company's financial period ended **December 31, 2019**, including awards granted before this most recently completed financial period:

| Name            | Option-based Awards                                     |                            |                        |                                                               | Share-based Awards                                           |                                                                        |                                                                                      |
|-----------------|---------------------------------------------------------|----------------------------|------------------------|---------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
|                 | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) <sup>(4)</sup> | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) | Market or payout value of vested share-based awards not paid out or distributed (\$) |
| John McClintock | 400,000                                                 | 0.05                       | June 25, 2020          | 20,000                                                        | N/A                                                          | N/A                                                                    | N/A                                                                                  |
|                 | 400,000                                                 | 0.05                       | May 4, 2021            | 20,000                                                        |                                                              |                                                                        |                                                                                      |
|                 | 800,000                                                 | 0.17                       | January 9, 2022        | Nil                                                           |                                                              |                                                                        |                                                                                      |
|                 | 400,000                                                 | 0.15                       | February 26, 2023      | Nil                                                           |                                                              |                                                                        |                                                                                      |
|                 | 400,000                                                 | 0.07                       | Sept. 24, 2024         | Nil                                                           |                                                              |                                                                        |                                                                                      |
| David Douglas   | 325,000                                                 | 0.05                       | June 25, 2020          | 16,250                                                        | N/A                                                          | N/A                                                                    | N/A                                                                                  |
|                 | 325,000                                                 | 0.05                       | May 4, 2021            | 16,250                                                        |                                                              |                                                                        |                                                                                      |
|                 | 400,000                                                 | 0.17                       | January 9, 2022        | Nil                                                           |                                                              |                                                                        |                                                                                      |
|                 | 300,000                                                 | 0.15                       | February 26, 2023      | Nil                                                           |                                                              |                                                                        |                                                                                      |
|                 | 250,000                                                 | 0.07                       | Sept. 24, 2024         | Nil                                                           |                                                              |                                                                        |                                                                                      |

**INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR**

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended **December 31, 2019**:

<sup>(4)</sup> "In-the-money options" means the excess of the market value of the Company's shares on December 31, 2019 over the exercise price of the options. The last trading price of the Company's shares on the TSX Venture Exchange on December 30, 2019 (being the last day the shares of the Company traded on the TSX Venture Exchange in 2019) was \$0.06.

| Name            | Option-based awards – Value vested during the year (\$) <sup>(5)</sup> | Share-based awards – Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|-----------------|------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------|
| John McClintock | Nil                                                                    | N/A                                                    | N/A                                                                        |
| David Douglas   | Nil                                                                    | N/A                                                    | N/A                                                                        |

#### REPRICINGS

There were no repricings of Stock Options under the Stock Option Plan or otherwise during the Company's completed financial period ended **December 31, 2019**.

#### E. Pension Plan Benefits

The Company has no defined benefit plans that provide for payments or benefits to any NEO at, following or in connection with retirement.

The Company also does not have any defined contribution or deferred compensation plans relating to any NEO.

#### F. Termination and Change of Control Benefits

No NEO or employee has a termination or change of control benefit.

#### G. Director Compensation

The Company has no pension plan or other arrangement for non-cash compensation for its directors who are not NEOs, except incentive stock options. During the Company's financial year ended **December 31, 2019**, the following options were granted to directors who are not NEOs:

| Name              | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date |
|-------------------|---------------------------------------------------------|----------------------------|------------------------|
| Dale Corman       | 200,000                                                 | 0.07                       | September 24, 2024     |
| Larry Yau         | 200,000                                                 | 0.07                       | September 24, 2024     |
| Martino De Ciccio | 200,000                                                 | 0.07                       | September 24, 2024     |

The following table discloses all amounts of compensation provided by the Company to its directors who are not NEOs for the financial period ended **December 31, 2019**:

<sup>(5)</sup> “Value vested during the year” means the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This amount is calculated by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

| Name              | Fees earned (\$) | Share-based awards (\$) | Option-based awards (\$) <sup>(6)</sup> | Non-equity incentive plan compensation (\$) | Pension value (\$) | All other compensation (\$) | Total (\$) |
|-------------------|------------------|-------------------------|-----------------------------------------|---------------------------------------------|--------------------|-----------------------------|------------|
| Dale Corman       | Nil              | N/A                     | 2,000                                   | N/A                                         | N/A                | Nil                         | 2,000      |
| Larry Yau         | Nil              | N/A                     | 2,000                                   | N/A                                         | N/A                | Nil                         | 2,000      |
| Martino De Ciccio | Nil              | N/A                     | 2,000                                   | N/A                                         | N/A                | Nil                         | 2,000      |

Other than as set forth in the foregoing, no director of the Company who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

**X. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth details of the Company's compensation plans under which equity securities of the Company were authorized for issuance at the end of the Company's most recently completed financial year.

| Plan Category                                             | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Equity compensation plans approved by securityholders     | 8,645,000                                                                                   | \$0.11                                                                      | 3,366,151                                                                                    |
| Equity compensation plans not approved by securityholders | N/A                                                                                         | N/A                                                                         | N/A                                                                                          |
| Total                                                     | 8,645,000                                                                                   |                                                                             | 3,366,151                                                                                    |

<sup>(6)</sup> The weighted average grant date fair value of the incentive stock options granted during the financial year ended December 31, 2019 was \$0.10 per option. The Company calculated the compensation cost by using the Black-Scholes option pricing model as follows: by assuming a risk-free interest rate of 1.15%, a dividend yield of nil, the expected annual volatility of the Company's share price of 80% and an expected life of the options of 5 years. There was no cash compensation actually paid to any of the directors who are not NEOs disclosed in the above table in connection with the granting of the incentive stock options in respect of which these "Option-based awards" were calculated.

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

No executive officer, director, employee, former executive officer, former director, former employee, proposed nominee for election as a director, or associate of any such person has been indebted to the Company or its subsidiaries at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company or its subsidiaries at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

## **XII. MANAGEMENT CONTRACTS**

Pursuant to an agreement dated September 1, 2011, the Company agreed to continue to employ John McClintock as its Chief Executive Officer at an annual salary of \$160,000. This agreement was terminated effective April 1, 2013. Subsequent to April 1, 2013 Mr. McClintock invoiced the Company for services provided at a rate of \$125/hour, until his resignation as President, Chief Executive Officer and as a Director on November 4, 2020.

Pursuant to an agreement dated September 6, 2011, the Company agreed to continue to employ David Douglas as its Chief Financial Officer at an annual salary of \$130,000. This agreement was terminated effective April 1, 2013. Subsequent to April 1, 2013 Mr. Douglas invoices the Company for services provided.

During the Company's most recently completed financial year ended **December 31, 2019**, there were no management functions of the Company which were to any substantial degree performed by a person other than a Director or senior Officer of the Company.

## **XIII. CORPORATE GOVERNANCE**

Pursuant to National Policy 58-101 – Disclosure of Corporate Governance Practices (“**NP 58-101**”) the Company is required to and hereby discloses its corporate governance practices as follows:

### **1. Board of Directors**

The Board of Directors of the Company facilitates its exercising of independent supervision over the Company's management through frequent meetings of the Board, both with and without members of the Company's management (including members of management that are also directors) being in attendance.

Dale Corman, Sam Lee and David Douglas are not considered to be independent, as they are also executive officers of the Company. (Mr. Douglas will not be standing for re-election as a director at the Meeting, although he will remain the Company's Corporate Secretary and Chief Financial Officer.)

Martino De Ciccio, Kevin O'Kane, and Larry Yau are “independent” directors in that each is independent and free from any interest, and any business or other relationship which could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company, other than interests and relationships arising from shareholdings.

The size of the Company is such that all of the Company's operations are expected to be conducted by a small management team which is also represented on the Board of Directors. Management is expected to be effectively supervised by the independent directors on an informal basis as the independent directors are expected to be actively and regularly involved in reviewing and supervising the Company's operations and have regular and full access to management. Further supervision will be performed through the Audit Committee

which is composed of a majority of independent directors who will meet with the Company's auditors without management being in attendance.

## 2. Directorships

Certain of the directors of the Company (or nominees for director) are presently a director in one or more other reporting issuers, as follows:

| <u>Directors</u>  | <u>Other Issuers</u>                                              |
|-------------------|-------------------------------------------------------------------|
| Dale Corman       | Spanish Mountain Gold Ltd.<br>Western Copper and Gold Corporation |
| Martino De Ciccio | N/A                                                               |
| Larry Yau         | N/A                                                               |
| Sam Lee           | N/A                                                               |
| Kevin O'Kane      | SolGold Plc                                                       |

## 3. Orientation and Continuing Education

The Company does not have formal orientation and training programs, but expects to provide new Board members with:

- (a) access to the Company's recent, publicly filed documents, technical reports in respect of the Company's mineral properties and the Company's internal financial information;
- (b) access to management and technical experts and consultants; and
- (c) a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

## 4. Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. The Board has adopted a Code of Conduct and intends to post the Code on its website. The Board intends to instruct its management and employees to abide by the Code.

In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure directors exercise independent judgment in

considering transactions and agreements in respect of which a director or executive officer has a material interest.

**5. Nomination of Directors**

The Board has responsibility for identifying potential Board candidates, although a formal process has not been adopted. The Board intends to assess potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board, management and representatives of the mineral exploration industry are expected to be consulted for possible candidates.

**6. Compensation**

The Company currently considers Martino De Ciccio, Larry Yau and Kevin O’Kane to be independent directors. They have had the responsibility for determining compensation for the directors and senior management.

To determine compensation payable, the independent directors intend to review compensation paid to directors and chief executive officers of companies of similar size and stage of development in the mineral exploration industry and determine an appropriate compensation, reflecting the need to provide incentive and compensation for the time and efforts expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation, the independent directors intend to annually review the performance of the Chief Executive Officer in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives. See also "B. Compensation Discussion and Analysis" under "IX. Statement of Executive Compensation" herein.

**7. Other Board Committees**

As the directors will be actively involved in the operations of the Company and the size of the Company's operations do not warrant a larger Board of Directors, the Board has determined that any committees in addition to the Audit Committee will not be necessary at the initial stage of the Company's development.

**8. Assessments**

The Board does not consider that formal assessments would be useful at the initial stage of the Company's development. The Board intends to conduct informal annual assessments of the effectiveness of each of the Board, the individual directors and the Audit Committee.

**XIV. AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

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

**A. Audit Committee Charter**

The Company’s audit committee is governed by an audit committee charter, the text of which is attached as Schedule “A” to this Information Circular.

**B. Composition of the Audit Committee**

The Company's audit committee currently consists of three directors, Dale Corman, Martino De Ciccio and Larry Yau. As defined in NI 52-110, Dale Corman is not "independent" and Martino De Ciccio and Larry Yau are "independent".

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 of directors, reasonably interfere with the exercise of the member's independent judgment.

**C. Relevant Education and Experience**

NI 52-110 provides that a member of the audit committee is considered to be "financially literate" if he 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 complexities of the issues that can reasonably be expected to be raised by the Company.

All of the members of the Company's audit committee are considered to be "financially literate", as that term is defined in NI 52-110.

Dale Corman has over 30 years' experience as a senior officer of public mining companies. His roles have required that Mr. Corman understand, review and approve financial statements.

Martino De Ciccio has over 13 years' experience as a senior officer of public companies and is a CFA Charter holder. His roles have required that Mr. Ciccio understand, review and approve financial statements.

Larry Yau is a Canadian Chartered Accountant with over 30 years of financial and business experience gained primarily in the mining and resource sectors. He is currently the Chief Executive Officer for Spanish Mountain Gold Ltd., an advanced gold exploration company based in British Columbia. He was previously Manager, Corporate Development, at Placer Dome Inc. until its acquisition by Barrick Gold Corp.

The board of directors believes that the audit committee members have the relevant education and experience to comply with NI 52-110.

Since the commencement of the Company's most recently completed financial year, the Company's Board of Directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 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.

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

**D. External Auditor Service Fees**

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, is as follows:

| <b>Financial Period Ending</b> | <b>Audit Fees<sup>(7)</sup></b> | <b>Audit Related Fees<sup>(8)</sup></b> | <b>Tax Fees<sup>(9)</sup></b> | <b>All Other Fees<sup>(10)</sup></b> |
|--------------------------------|---------------------------------|-----------------------------------------|-------------------------------|--------------------------------------|
| December 31, 2019              | \$18,500                        | Nil                                     | \$3,000                       | Nil                                  |
| December 31, 2018              | \$18,500                        | Nil                                     | \$3,000                       | Nil                                  |

**E. Exemption**

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

**XV. PARTICULARS OF MATTERS TO BE ACTED UPON**

**A. Election of Directors**

Management intends to propose for adoption an ordinary resolution that the number of directors of the Company be fixed at **five (5)**.

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<sup>(7)</sup> “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.

<sup>(8)</sup> “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.

<sup>(9)</sup> “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 include assistance with tax audits and appeals, tax advice related to mergers and acquisitions and requests for rulings or technical advice from tax authorities.

<sup>(10)</sup> “All Other Fees” include all other non-audit services.

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by proxy will, on a poll, be voted for the nominees herein listed. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Information Circular:

| <b>Name of Nominee, Residence and Present Positions Held</b>                                  | <b>Principal Occupation</b> | <b>Director Since</b> | <b>Number of Shares Beneficially Owned or Controlled</b> |
|-----------------------------------------------------------------------------------------------|-----------------------------|-----------------------|----------------------------------------------------------|
| <b>SAM LEE</b><br>British Columbia, Canada<br>President, Chief Executive Officer and Director | See "Management" below.     | November 5, 2020      | 1,230,000                                                |
| <b>DALE CORMAN</b> <sup>(11)</sup><br>British Columbia, Canada<br>Chairman and Director       | See "Management" below.     | August 19, 2011       | 20,093,200                                               |
| <b>MARTINO DE CICCIO</b> <sup>(11)</sup><br>London, England<br>UK<br>Director                 | See "Management" below.     | February 6, 2018      | Nil                                                      |
| <b>LARRY YAU</b> <sup>(11)</sup><br>British Columbia, Canada<br>Director                      | See "Management" below.     | February 11, 2014     | Nil                                                      |
| <b>KEVIN O'KANE</b><br>British Columbia, Canada<br>Director                                   | See "Management" below.     | November 5, 2020      | Nil                                                      |

### **Management**

#### *Sam Lee, President, CEO and Director*

Over the past 20 years Mr. Lee has advised on some of the most prominent M&A, equity, and debt transactions in the international and Canadian global mining industry totaling over \$100 billion in value. During this period, he has worked in major resource markets including Toronto, Sydney, and Vancouver where he led various strategic initiatives for CIBC World Markets. Most recently he was Managing Director and head of CIBC's Vancouver Mining Group. Mr. Lee holds a Bachelor of Applied Science, Faculty of Engineering, from the University of Toronto, was a graduate of the Lassonde Mineral Engineering program, and is a CFA charter holder.

#### *Dale Corman, Director and Chairman*

From 1995 to 2006, he was Chairman of the Board of Directors and Chief Executive Officer of Western Silver Corporation. He has 50 years' experience as a senior corporate officer of publicly listed companies in

<sup>(11)</sup> Denotes member of the Audit Committee.

Canada and the United States, as well as extensive expertise in mineral and geothermal exploration and development, property evaluation and acquisition, project financing, and corporate management. Mr. Corman received a B.S. in geology from Rensselaer Polytechnic Institute in Troy, New York, in 1961 and obtained Professional Engineer status in Ontario in 1972. Since 2006, Mr. Corman has acted as Executive Chairman and Chief Executive Officer of Western Copper and Gold Corporation.

As Chairman of the Board of Directors of the Company, Mr. Corman is responsible for general corporate oversight and strategy.

*David Douglas, CFO and Corporate Secretary*

Mr. Douglas is a Chartered Professional Accountant with over 40 years of experience in the accounting, corporate finance, and mining industries. He has served as Chief Financial Officer or Corporate Secretary to a number of junior mining companies. Mr. Douglas is a graduate of the Commerce Program (Finance) at the University of British Columbia.

As the Chief Financial Officer of the Company, Mr. Douglas is responsible for coordination of the Company's financial operations in conjunction with the President and with outside accounting, tax and auditing firms. As the Corporate Secretary of the Company, Mr. Douglas is responsible for maintaining the Company's corporate records, including meeting minutes.

*Larry Yau, Director*

Mr. Yau is a Canadian Chartered Professional Accountant with over thirty years of financial and business experience gained primarily in the mining and resource sectors. He is currently the Chief Executive Officer for Spanish Mountain Gold Ltd., an advanced gold exploration company based in British Columbia. Mr. Yau was formerly the Chief Financial Officer for two junior mining companies where he was instrumental in the financing, development and construction of mines in North America. He was also Manager, Corporate Development, at Placer Dome Inc. until its acquisition by Barrick Gold Corp., and participated in several high-profile, international acquisitions.

*Martino De Ciccio, Director*

Mr. De Ciccio has worked in the mining industry for the past 11 years and is currently vice-president strategy and investor relations at Endeavour Mining, a position he assumed in 2015. Prior to joining Endeavour Mining, he held the position of strategy and business development manager at La Mancha Resources. Mr. De Ciccio earned a BCom in finance from McGill University. He is a CFA charter holder and a member of the CFA Institute.

*Kevin O'Kane, Director*

Mr. O'Kane has nearly 40 years of experience in the natural resource industry. He spent 37 years at BHP in Canada and South America including roles as President Pampa Norte in Chile, Vice President Health, Safety and Environment for the Copper Business, and Chief Mine Engineer at Island Copper. He was the Chief Operating Officer at SSR Mining from 2018 to 2020. He currently serves as a Director of SolGold Plc. Mr. O'Kane received a B. App. Science in mining engineering from Queen's University in Kingston, Ontario, and is a registered Professional Engineer in British Columbia.

The terms of office of those nominees who are presently Directors will expire as of the date of the Meeting. All of the Directors who are elected at the Meeting will have their term of office expire at the next Annual General Meeting of the Company.

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

- (a) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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 of the Company has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

The above information was provided by management of the Company.

## **B. Appointment of Auditors**

Management proposes that PricewaterhouseCoopers, Chartered Professional Accountants, of Vancouver, British Columbia be appointed Auditors of the Company at the Meeting for the ensuing year at a remuneration to be negotiated between the Auditors and the Directors.

### ***Directors' Recommendation***

Management has determined that the reappointment of PricewaterhouseCoopers as Auditors of the Company for the ensuing year at a remuneration to be negotiated between the Auditor and the Directors is in the best interests of the Company and its shareholders and unanimously recommends that shareholders vote in favour of the ordinary resolution in respect of same.

### ***Shareholder Approval***

As disclosed above, the appointment of Auditors at a remuneration to be negotiated between the Auditors and the Directors is subject to the Company receiving shareholder approval therefor.

The form of resolution to be placed before shareholders at the Meeting is as follows:

#### **“Be it Resolved that, as an Ordinary Resolution, with or without amendment:**

1. the appointment of PricewaterhouseCoopers as Auditors of the Company for the ensuing year, at a remuneration to be negotiated between the Auditors and the Directors, is hereby approved, ratified and confirmed.

2. The board of directors of the Company is authorized to perform such further acts and execute such further documentation as may be required to give effect to the foregoing.”

**The persons named in the form of proxy, if named as proxy, intend to vote such proxy in favour of the resolution to approve the appointment of Auditors at a remuneration to be negotiated between the Auditors and the Directors, unless a shareholder has specified in its proxy that its common shares are to be withheld in respect of such resolution. If no choice is specified by the shareholder to vote for or to withhold in respect of the resolution referred to above, the persons whose names are printed in the enclosed form of proxy intend to vote in favour of the resolution.**

In accordance with section 4.11, “Change of Auditor” of National Instrument 51-102 “Continuous Disclosure Obligations”, the Company will file a Notice of Change of Auditor immediately following the Meeting, advising that the Company has appointed PricewaterhouseCoopers, Chartered Professional Accountants, as its Auditors at the Meeting. The Notice of Change of Auditor will state that there have been no reservations in the auditors’ reports from Hay & Watson, Chartered Professional Accounts, the Company’s current Auditors, for the two most recently-completed fiscal year-ends and that there have been no reportable events. Letters from Hay & Watson, Chartered Professional Accountants, and from PricewaterhouseCoopers, Chartered Professional Accountants, will accompany the Notice of Change of Auditor, confirming their agreement with the Notice of Change of Auditor when those documents are filed on SEDAR immediately following the Meeting, as provided for in National Instrument 51-102.

### **C. Incentive Stock Option Plan**

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution approving the renewal of the Company's Stock Option Plan (the "Plan"). It is a condition of TSX Venture Exchange (the "Exchange") acceptance of the Plan that shareholder approval be obtained annually. The renewal of the Plan was most recently approved by the shareholders of the Company at its 2019 Annual General Meeting held on August 15, 2019. The purpose of the Plan is to assist the Company in attracting, retaining and motivating directors, officers and employees of the Company and to closely align the personal interests of such directors, officers and employees with the interests of the Company and its shareholders. Options granted under the Plan are non-assignable and may be granted for a term not exceeding that permitted by the Exchange (currently ten years). A summary of the material aspects of the Plan is as follows:

1. The directors may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries (collectively, "**Eligible Persons**").
2. The maximum number shares which may be issued pursuant to options previously granted and those granted under the Plan will be a maximum of 10% of the issued and outstanding shares of the Company at the time of the grant.
3. The number of shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, in any 12 month period:
  - a. to any one person, shall not exceed 5% of the total number of issued and outstanding shares of the Company on the date of grant on a non-diluted basis, unless the Company has obtained disinterested shareholder approval to exceed such limit;

- b. to insiders as a group shall not exceed 10% of the total number of issued and outstanding shares of the Company on the date of grant on a non-diluted basis, unless the Company has obtained disinterested shareholder approval to exceed such limit;
  - c. to any one consultant shall not exceed 2% of the total number of issued and outstanding shares of the Company on the date of grant on a non-diluted basis; and
  - d. to all eligible persons who undertake investor relations activities shall not exceed 2% in the aggregate of the total number of issued and outstanding shares of the Company on the date of grant on a non-diluted basis.
4. Options will be exercisable over periods of up to ten years as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the Exchange.
  5. Options are not assignable nor transferable, except other than pursuant to a will or by the laws of descent and distribution.
  6. The Plan contains no vesting requirements, but permits the Board of Directors of the Company to specify a vesting schedule in its discretion.
  7. The Plan provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.
  8. The Plan does not provide for financial assistance by the Company to any optionee.
  9. The Plan does not provide the Company with the ability to transform a stock option into a stock appreciation right.
  10. Where a black-out period is imposed by Company and the specified expiry date of a stock option (i.e., the expiry date determined at the date time of grant) falls within the black-out period or within five trading days after such black-out period, such stock option will expire on the date that is 10 trading days following the end of the black-out period.
  11. If an optionee ceases to be an Eligible Person for cause, any outstanding options held by such optionee on the date of such termination shall be cancelled as of that date. In other circumstances, an option may be exercised by the optionee:
    - a. in the event of termination other than for cause, until the earlier of (i) the expiry date of such option; and (ii) the date that is 90 days (or 30 days if the optionee was engaged in investor relations activities) after the optionee ceases to be an Eligible Person; and
    - b. in the event of death or disability, until the earlier of (i) one year after the date of death or disability; and (ii) the expiry date of such option, and then only to the extent that such optionee was entitled to exercise the option at the date of death or disability of such optionee.

The Board of Directors of the Company may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders, the Exchange or any other regulatory body having authority over

the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any option granted thereunder and the option agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any option previously granted to an optionee under the Plan without the consent of that optionee.

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

### ***Directors' Recommendation***

The Board has determined that the renewal of the Plan is in the best interests of the Company and its shareholders and unanimously recommends that shareholders vote in favour of the ordinary resolution approving the renewal of the Plan.

### ***Shareholder Approval***

As disclosed above, the renewal of the Plan is subject to the Company receiving shareholder approval therefor.

The form of resolution to be placed before shareholders at the Meeting is as follows:

#### **“Be it Resolved that, as an Ordinary Resolution, with or without amendment:**

1. The renewal of the Company's Stock Option Plan as described in the management information circular dated November 24, 2020, prepared in connection with this annual general meeting of shareholders, is hereby approved, ratified and confirmed, with or without amendment.
2. The board of directors of the Company is authorized to perform such further acts and execute such further documentation as may be required to give effect to the foregoing."

**The persons named in the form of proxy, if named as proxy, intend to vote such proxy in favour of the resolution to approve the renewal of the Plan, unless a shareholder has specified in its proxy that its common shares are to be voted against the resolution. If no choice is specified by the shareholder to vote for or against the resolution referred to above, the persons whose names are printed in the enclosed form of proxy intend to vote in favour of the resolution.**

### **XVI. OTHER MATTERS TO BE ACTED UPON**

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. The Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

### **XVII. ADDITIONAL INFORMATION**

Additional information concerning the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Company is provided in the Company's comparative financial statements and Management's Discussion and Analysis for the financial year ended **December 31, 2019**.

Shareholders wishing to obtain a copy of the Company's financial statements and Management's Discussion and Analysis may obtain them free of charge on SEDAR at [www.sedar.com](http://www.sedar.com), or may contact the Company as follows:

**NORTHISLE COPPER AND GOLD INC.**

**15<sup>th</sup> Floor – 1040 West Georgia Street**

**Vancouver, B.C. V6E 4H1**

**Telephone: 604-638-2515**

**Fax: 604-669-2926**

**Website: [www.northisle.ca](http://www.northisle.ca)**

**XVIII. BOARD APPROVAL**

The content and sending of this Information Circular has been approved by the Company's Board of Directors. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED at Vancouver, British Columbia, the 24<sup>th</sup> day of **November, 2020**.

**ON BEHALF OF THE BOARD**

*“Sam Lee”*

**SAM LEE**

President, Chief Executive Officer and Director

**SCHEDULE "A"****NORTHISLE COPPER AND GOLD INC.**  
(the "Company")**AUDIT COMMITTEE CHARTER****Mandate**

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

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

**Composition**

The Committee shall be comprised of three directors as determined by the Board of Directors, each of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

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

**Meetings**

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

## **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

### **Documents/Reports Review**

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

### **External Auditors**

- a) Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the

Company to its external auditors during the fiscal year in which the non-audit services are provided;

- ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
- iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

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

### **Financial Reporting Processes**

- a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- i) Review certification process.
- j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

### **Other**

Review any related-party transactions.