

PUREPOINT URANIUM GROUP INC.

MANAGEMENT INFORMATION CIRCULAR

For the Annual and Special Meeting of Shareholders

To be held at 10:00 am on Thursday, June 20, 2019

MANAGEMENT INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF PUREPOINT URANIUM GROUP INC. (THE “COMPANY”) OF PROXIES TO BE USED AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE COMPANY TO BE HELD ON THURSDAY, JUNE 20, 2019 AT SUITE 2500, 120 ADELAIDE ST. WEST, TORONTO, ONTARIO, M5H 1T1, AT 10:00 A.M. (TORONTO TIME), AND AT ANY ADJOURNMENT OR POSTPONEMENT THEREOF (THE “MEETING”) FOR THE PURPOSES SET OUT HEREIN AND IN THE NOTICE OF MEETING.

The Company has elected to utilize the notice-and-access system under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Ongoing Requirements for Issuers and Insiders* of the Canadian Securities Administrators (the “**Notice and Access System**”) for delivery of the management proxy circular (the “**Management Information Circular**”) to each of the shareholders of the Company whose proxy is solicited for the Meeting. Notwithstanding the use of the Notice and Access System, under the applicable securities and corporate laws, the Company is still required to deliver, and has delivered, paper copies of the notice of meeting (including in which the notice regarding the Company’s election to use the Notice and Access System which directs the Shareholders to the website on which this Management Information Circular is posted) (the “**Notice**”) and a form of proxy (the “**Proxy**”) to its shareholders eligible to attend the Meeting. Detailed information relating to the Notice and Access System is contained below under the heading “Notice and Access” and Shareholders are encouraged to read the information contained therein for an explanation of their rights.

In this Management Information Circular, “**Common Shares**” means common shares of the Company. “**Shareholder**” means Registered Shareholders and Non-Registered Shareholders. “**Registered Shareholders**” means shareholders of the Company who hold Common Shares in their own names and whose names appear on the register of the Company as the registered holders of Common Shares. “**Non-Registered Shareholders**” means shareholders of the Company who do not hold Common Shares in their own names.

SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting. It is expected that the solicitation will be primarily by mail but proxies may also be solicited personally or by telephone by the directors, officers and employees of the Company who will not receive any additional compensation for such services. The cost of solicitation by management will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the Proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** either by inserting such person’s name in the blank space provided in the Proxy or by completing another proper form of proxy and, in either case, delivering the completed Proxy to the Company’s transfer agent, AST Trust Company (Canada) (“**AST**”), PO Box 721, Agincourt, ON M1S 0A1, by fax (1-866-781-3111) or by email at proxyvote@astfinancial.com not

later than 10:00 a.m., Toronto time, on Tuesday, June 18, 2019, being 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) preceding the date of the Meeting or any adjournment or postponement thereof. A Proxy must be signed in writing or, subject to the means of electronic signature permitting a reliable determination that the document was created or communicated by or on behalf of the Registered Shareholder or the attorney, as the case may be, by electronic signature by the Registered Shareholder or an attorney who is authorized by a document that is signed in writing or by electronic signature or, if the Registered Shareholder is a body corporate, by an officer or attorney of the body corporate duly authorized.

Each Registered Shareholder is entitled to appoint a person to represent such shareholder at the Meeting, who need not be one of the persons named in the Proxy.

A Proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the Registered Shareholder or by his or her attorney authorized in writing, and deposited either at the offices of AST or the head office of the Company at 120 Adelaide St. West, Suite 2500, Toronto, Ontario M5H 1T1 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the Proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or adjournment or postponement thereof, or in any other manner permitted by law.

A Registered Shareholder attending the Meeting has the right to vote in person and if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment or postponement thereof.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the Proxy will vote or withhold from voting the Common Shares represented by such Proxy in accordance with instructions of the Registered Shareholder on any ballot that may be called for. If the Registered Shareholder specifies a choice on the Proxy with respect to any matter that may be acted upon, the Common Shares represented by such Proxy will be voted in accordance with the choice so specified. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE ITEMS SET OUT IN THE NOTICE CALLING THE MEETING AND AS STATED ELSEWHERE IN THIS MANAGEMENT INFORMATION CIRCULAR.**

The Proxy also confers discretionary authority upon the persons named therein with respect to any amendments or variations to the matter identified in the notice of meeting, and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his or her judgement may determine. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT PRESENTLY KNOWN TO MANAGEMENT OF THE COMPANY SHOULD PROPERLY COME BEFORE THE MEETING, THE PERSONS NAMED IN THE PROXY WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGEMENT OF THE PERSONS NAMED IN THE PROXY.** As of the date of this Management 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 herein.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only Registered Shareholders of the Company or the persons they appoint as their proxyholders are permitted to vote at the Meeting. However, in many cases, Common Shares of the Company beneficially

owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Shareholder deals in respect of Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Inc.) of which the Intermediary is a participant. The Company is not required to, and does not intend to, deliver the meeting materials directly to its Non-Registered Shareholders. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has distributed copies of the Notice, the Proxy and the voting instructions form (as defined below; together with Notice and Proxy, the “**meeting materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the meeting materials to Non-Registered Shareholders. Notwithstanding the foregoing, the Company is not required to, and does not intend to, pay for an Intermediary to deliver meeting materials to Non-Registered Shareholders who objected to their Intermediary disclosing their ownership information (“**Objecting Beneficial Shareholders**”). As a result, the Objecting Beneficial Shareholders of the Company will not receive the meeting materials unless their Intermediary assumes the cost of delivery.

Non-Registered Shareholders receiving the meeting materials will be given, in substitution for the Proxy, a request for voting instructions (the “**voting instructions form**”) which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should so indicate in the place provided for that purpose in the voting instructions form and a form of legal proxy will be sent to the Non-Registered Shareholder. A Non-Registered Shareholder who has submitted a proxy may revoke it by contacting the Intermediary through which the Common Shares of such Non-Registered Shareholder are held and following the instructions of the Intermediary respecting the revocation of proxies.

In any event, Non-Registered Shareholders should carefully follow the instructions of their Intermediary set out in the voting instructions form.

NOTICE AND ACCESS

The Company has elected to utilize the Notice and Access System for delivery of the Circular to each of the shareholders of the Company whose proxy is solicited for the Meeting.

Under the Notice and Access System, instead of delivering a paper copy of the Circular, the Company is permitted to provide its Shareholders with a notice directing them to a website where they can access an electronic copy of the Circular online and vote their shares using their preferred method either through internet or via paper return. The Company anticipates that the Notice and Access System can directly benefit the Company through a substantial reduction in both postage and printing costs, and also promote environmental sustainability by reducing the large volume of paper documents generated by printing proxy related materials. As a corporation existing under the *Canada Business Corporations Act* (the “**CBCA**”), the Company is required to apply for, and has obtained, the requisite approval from Industry Canada to exempt the Company from the requirement under the CBCA to deliver the prescribed Circular to its Shareholders.

In spite of the use of the Notice and Access System, under the applicable securities and corporate laws, the Company is still required to deliver paper copies of the Notice and the Proxy to its Shareholders eligible to attend the Meeting. In addition, the Company is required to deliver paper copies of the Audited Financial Statements and MD&A to its Registered Shareholders (unless such registered shareholder has informed the Company in writing declining to receive a paper copy of such annual documents) as well as its Non-Registered Shareholders who have submitted a completed supplemental card to the Company or its transfer agent requesting for the delivery of such annual documents.

Website Where the Circular is Posted

Shareholders of the Company can access the Circular for the Meeting on the following website: www.meetingdocuments.com/astca/PTU or by accessing the Company's filings on SEDAR at www.sedar.com.

Requesting Paper Copies of the Circular

Shareholders of the Company may also request paper copies of the Circular to be delivered to them by mail at no cost to them by calling the following toll-free number: 1-888-433-6443 or by emailing to fulfilment@astfinancial.com. In order for the requesting Shareholder to receive the paper copy in advance of the deadline for submission of voting instructions and the date of the Meeting, the request must be made prior to 4:30 pm (EST) on Monday, June 10, 2019. Shareholders of the Company may continue to request a paper copy of the Circular within one year from the date the Circular is filed on SEDAR. In the case of a request received prior to the date of the Meeting, a paper copy of the Circular so requested will be sent free of charge by the Company to the requesting shareholder at the address specified in the request, by first class mail within 3 business days after receiving the request; in the case of a request received on or after the date of the Meeting, and within one year of the Circular being filed, a paper copy of the Circular will be sent free of charge by the Company to the requesting Shareholder within 10 calendar days after receiving the request, by prepaid mail, courier or the equivalent.

REQUIRED SHAREHOLDER APPROVALS

Unless otherwise noted under "PARTICULARS OF MATTERS TO BE ACTED UPON", all resolutions which the Shareholders will be asked to pass must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

In accordance with the provisions of the *Canada Business Corporations Act* (the "CBCA"), the Company has prepared a list of all persons who are Registered Shareholders as of May 6, 2019 (the "Record Date") and the number of Common Shares registered in the name of each person on such date. Each Shareholder is entitled to one vote for each Common Share registered in such Shareholder's name as it appears on the list except to the extent that such Shareholder has transferred any of his or her Common Shares after the Record Date and the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the date of the Meeting, that his or her name be included in the list. In such case the transferee is entitled to vote his or her Common Shares at the Meeting.

The authorized capital of the Company consists of an unlimited number of Common Shares without nominal or par value. As of the Record Date, the Company had issued and outstanding 214,877,850 Common Shares, each carrying one vote per Common Share.

To the knowledge of the Company's directors and executive officers, as at the date hereof, no person or company owns, or controls or directs, directly or indirectly, 10% or more of the Common Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, no proposed nominee for election as a director of the Company, and no associate or affiliate of any such person 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 other than the election of directors of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

I. FINANCIAL STATEMENTS

Shareholders will receive the audited financial statements of the Company for the financial year ended December 31, 2018, together with the accompanying auditors' report, copies of which have been mailed to all persons who are Registered Shareholders as of the Record Date or Non-Registered Shareholders who have completed a supplemental card requesting for such mailing.

II. ELECTION OF DIRECTORS

The term of office of each of the present directors expires at the conclusion of the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Each director elected will hold office until the conclusion of the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles and bylaws of the Company or the provisions of the CBCA.

The following table sets forth the name of each person proposed to be nominated by management of the Company for election as a director, his principal occupation, business or employment, his current position held with the Company, if any, the period of time for which he has been a director of the Company, and the number of Common Shares beneficially owned, directly or indirectly, or subject to control or direction, by such person as of the date hereof.

Name and Municipality Of Residence	Director Since	Number Of Common Shares Beneficially Owned or Controlled⁽²⁾	Principal Occupation
Christopher Frostad ⁽¹⁾ President and CEO Toronto, Ontario, Canada	May 30, 2005	3,991,824	President and CEO of the Company
Allan Beach ⁽¹⁾ Toronto, Ontario, Canada	May 30, 2005	4,613,200	Director, Westney Group Inc.

Name and Municipality Of Residence	Director Since	Number Of Common Shares Beneficially Owned or Controlled ⁽²⁾	Principal Occupation
Scott R. Frostad Saskatoon, Saskatchewan, Canada	December 19, 2006	2,090,700	Vice-President, Exploration of the Company
Borys Chabursky ⁽¹⁾ Toronto, Ontario, Canada	April 27, 2015	666,667	Founder and Chairman, Shift Health

Notes:

- (1) Member of the Audit Committee.
- (2) The information as to shares beneficially owned has been furnished and confirmed by the directors individually.

Each of the above individuals is currently a director of the Company and was elected to the present term of office by a vote of the Shareholders of the Company at the annual general and special shareholders' meeting held on June 21, 2018, the notice of which was accompanied by an information circular.

Unless a Proxy specifies that the Common Shares it represents are to be withheld from voting for the candidates proposed above, the persons named in Proxy intend to vote for the candidates proposed above. Management of the Company does not contemplate that any of the nominees will be unable to serve as a director of the Company for the ensuing year. However, if that should occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the Proxy have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee at their discretion.

Corporate Cease Trade Orders, Bankruptcies or Penalties

No proposed director, is as at the date hereof, or has been within the 10 years prior to the date of this Management Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

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

No proposed director is, as at the date hereof, or has been within the past ten years prior to the date of this Management 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 the assets of that person.

No proposed director has, within the past ten years before the date of this Management 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.

III. RE-APPOINTMENT OF AUDITORS

Shareholders will be asked to approve the re-appointment of MNP LLP as the auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorize the board of directors of the Company (the “**Board of Directors**”) to fix the remuneration of the auditors for the ensuing year.

Unless a Proxy specifies that the Common Shares it represents are to be withheld from voting for the re-appointment of MNP LLP as the auditors of the Company to hold office until the close of the next annual general meeting of the Company and authorizing the Board of Directors to fix the remuneration of the auditors of the Company for the ensuing year, the persons named in the Proxy intend to vote for such re-appointment and authorization.

IV. ANNUAL APPROVAL OF STOCK OPTION PLAN

The Shareholders will be asked to consider and, if thought appropriate, pass a resolution approving the continuation of the stock option plan (the “**Stock Option Plan**”) of the Company. Pursuant to the policies of the TSX Venture Exchange (“**TSXV**”), the Company is required to obtain shareholder approval of the Stock Option Plan each year because the Stock Option Plan is a rolling-maximum option plan whereby the maximum number of Common Shares that may be reserved for issuance and which can be purchased upon the exercise of all options granted under the Stock Option Plan is fixed at 10% of the issued and outstanding Common Shares from time to time. The Stock Option Plan was first adopted by the Company on May 30, 2005 and its continuation has been approved by the Shareholders of the Company at the annual meeting of Shareholders in each of the subsequent years.

A summary of the Stock Option Plan is set out under “SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS”. A copy of the Stock Option Plan is available under the Company’s profile on SEDAR (www.sedar.com) or on written request to the Company at 120 Adelaide St. West, Suite 2500, Toronto, Ontario M5H 1T1, Fax: (416) 603-8368.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation, and adoption, with or without modification is set out in Schedule “A” to this Management

Information Circular. In order to be effective, this resolution requires the approval of a majority of the votes cast by Shareholders who vote in respect of the resolution.

Unless a Proxy specifies that the Common Shares it represents are to be voted against the approval of the Stock Option Plan, the persons named in the Proxy intend to vote for such approval.

INFORMATION CONCERNING THE COMPANY

EXECUTIVE COMPENSATION

Summary Compensation Table of Named Executive Officers

The purpose of this section is to describe the compensation of certain Named Executive Officers of the Company in accordance with Form 51-102F6 – *Statement of Executive Compensation* published by the Canadian Securities Administrators. When used in this Management Information Circular, “Named Executive Officer” means: (i) each person who acted as the Chief Executive Officer or the Chief Financial Officer of the Company (or in similar capacities thereof) during the most recently completed financial year of the Company; and (ii) the other three most highly compensated executive officers of the Company whose compensation exceeded \$150,000 during the most recently completed financial year of the Company.

As of December 31, 2018, the last day of the most recently completed financial year of the Company, the Company has two Named Executive Officers: Christopher Frostad, President and Chief Executive Officer, and Ram Ramachandran, Chief Financial Officer of the Company. The following table provides information for the three most recently completed financial years ended December 31, 2018 regarding compensation paid to or earned by each of the Named Executive Officers.

Name and Principal Position	Fiscal Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All Other Compensation (\$) ⁽³⁾	Total Compensation (\$)
					Annual Incentive Plans ⁽²⁾	Long-term Incentive Plans			
Christopher Frostad ⁽⁴⁾ President & CEO	2018	120,000	-	34,425	-	-	-	-	154,425
	2017	120,000	-	56,700	-	-	-	-	176,700
	2016	120,000	-	117,600	-	-	-	-	237,600
Ram Ramachandran Chief Financial Officer	2018	33,000	-	7,650	-	-	-	-	40,650
	2017	33,000	-	12,150	-	-	-	-	45,150
	2016	33,000	-	16,800	-	-	-	-	49,800

Notes:

- (1) Grant date fair values for 2018, 2017 and 2016 were determined as 2018 - \$0.051, 2017 - \$0.081 and 2016 - \$0.084 per Option, using the Black-Sholes method and following assumptions:

	December 31, 2018	December 31, 2017	December 31, 2016
Risk free interest rate	2.34%	1.15%	0.61%
Expected dividend yield	0%	0%	0%
Expected volatility	128%	137%	140%
Expected life	5 years	5 years	5 years

The Company chose the Black-Scholes method because it is recognized as the most common methodology for valuing options and doing value comparisons.

- (2) Represents bonuses paid in respect of each financial year.
- (3) The aggregate value of all perquisites for each Named Executive Officer does not exceed the lesser of \$50,000 and 10% of his total salary and bonus.
- (4) Christopher Frostad is also a director of the Company. He received the aforementioned salary payments and option-based awards in his capacity as President and Chief Executive Officer of the Company and did not receive any additional compensation for serving as a director of the Company in each of the three most recently completed financial years.

Compensation Discussion and Analysis

The compensation of the directors and officers of the Company is set by the Board of Directors. The Board of Directors reviews on an annual basis the cash compensation, performance and overall compensation package for each Named Executive Officer.

Executive Compensation Program Objectives

The objectives of the Company's executive compensation program are:

- (a) to attract and retain qualified and experienced executives in order to drive the continued development of the Company and its current and future uranium exploration assets;
- (b) to align the interests of the Company's executives with the interests of the Company's shareholders;
- (c) to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances; and
- (d) to provide to the Company's executives the compensation packages that are competitive with those received by executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics.

Elements of Executive Compensation

Compensation for the Company's Named Executive Officers consists of the following elements:

1. fixed compensation in the form of base salary;
2. short-term incentive in the form of annual performance bonus; and
3. long-term equity-based incentive in the form of incentive stock options.

Purpose of Each Compensation Element

Base salary is designed to attract and retain executives by providing reasonable income certainty at a level that is competitive with the base salaries for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics.

Annual performance bonuses are intended to provide short-term incentives to executives by rewarding them for their yearly individual contribution and achievement of the Company's performance objectives in the context of overall annual corporate performance.

Equity incentive awards are designed to, among other things, motivate executives to achieve longer-term sustainable business results and align their interests with those of the Shareholders, since grantees of equity incentive awards benefit only if the market value of the common shares at the time of stock option exercise is greater than the exercise price of the stock options determined with reference to the market price of the common shares at the time of grant. Consistent with most other junior mining companies who do not have a source of revenues (other than interest from funds on deposit), the Board of Directors believes that security-based compensation arrangements are a critical component of the Company's compensation arrangements and are necessary and vital to attracting and retaining key individuals.

Determination of the Amount of Each Compensation Element

Base Salary – Base salaries of the Named Executive Officers are generally negotiated at the time of engagement and set forth in their respective employment or consulting agreements entered into with the Company. Upon engagement, the Named Executive Officers' base salaries are subject to annual review by the Board of Directors. The determination of base salaries of Named Executive Officers is based on the assessment of a number of factors such as current competitive market conditions, experience of the Named Executive Officers with other issuers in the industry and factors particular to the Named Executive Officers, including individual performance in the context of the Company's overall performance, the scope of the Named Executive Officer's role with the Company and retention considerations.

Annual Performance Bonus – The granting of annual performance bonuses to the Named Executive Officers will only be made under extraordinary circumstances and is at the discretion of the Board of Directors of the Company. The decision of the Board of Directors to grant annual performance bonuses is based on the evaluation by the Board of Directors of each Named Executive Officer's yearly individual contribution to the achievement of the Company's performance objectives and in the context of the overall annual performance of the Company. The Company is a junior mining company involved in exploration and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Board of Directors to be appropriate in the evaluation of the performance of the Named Executive Officers. Instead, effective completion of the Company's exploration work programs within pre-determined budgets, significant exploration discoveries, mineral resource and reserve upgrades, fulfillment of option agreement conditions, successful acquisitions and/or financings required for meeting the Company's objectives and its sustainability and growth are among the key factors for the Board of Directors' evaluation of the Named Executive Officers' yearly performance. Other considerations such as working capital level, cash position of the Company and overall market environment are also taken into consideration by the Board of Directors in the determination of annual performance bonuses. In respect of the Company's financial year ended December 31, 2018, no bonus was granted to the Named Executive Officers.

Option-based awards – The Company has established the Stock Option Plan under which incentive stock options are granted to directors, officers, employees and consultants of the Company as an incentive to serve the Company in attaining its goal of improving Shareholder value. Incentive stock options are

generally awarded to the Named Executive Officers on an annual basis. The determination of incentive option awards is based on a variety of factors, such as the need to attract or retain key individuals, competitive market conditions and internal equity. The amounts and terms of historical and outstanding awards are taken into account from time to time in the determination of option awards. Options are awarded by the Board of Directors in a manner that ensures that the total number of options granted to any particular individual, including previous grants of options, is commensurate with the individual's level of ongoing responsibility and contribution to the Company. All options under the Stock Option Plan vest immediately upon granting. The Board of Directors determines at the date of grant of the option the exercise price for each option, in accordance with the policies of the TSXV. A summary of the Stock Option Plan is set out under "SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS".

The allocation of an executive's compensation to the foregoing elements of the executive compensation packages is not based on a formula or comparison to a defined benchmark group, but rather is intended generally to reflect market practices and realities as well as the discretionary assessment by the Board of Directors of each Named Executive Officer's past contribution and ability to contribute to future short-term and long-term business results.

Outstanding Option-Based Awards for Named Executive Officers

The following table sets forth all option-based awards of the Company granted to the Named Executive Officers that were granted before, and remain outstanding as of the end of, the financial year ended December 31, 2018. As of the date hereof, the Company has not granted any share-based awards.

Named Executive Officer	Option-Based Awards			
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$) ⁽¹⁾	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ⁽²⁾
Christopher Frostad, President & CEO	675,000	\$0.06	May 16, 2023	\$6,750
	700,000	\$0.065	July 11, 2022	\$3,500
	1,400,000	\$0.10	Sept. 27, 2021	\$0
	1,400,000	\$0.06	April 27, 2020	\$14,000
Ram Ramachandran, CFO	150,000	\$0.06	May 16, 2023	\$1,500
	150,000	\$0.065	July 11, 2022	\$750
	200,000	\$0.10	Sept. 27, 2021	\$0
	150,000	\$0.06	April 27, 2020	\$1,500

Notes:

- (1) Options are exercisable for the purchase of Common Shares. The exercise price of all options granted is equal to or greater than the closing price of the Common Shares on the TSXV on the trading day immediately preceding the date of grant in accordance with the terms of the Stock Option Plan.
- (2) The in-the-money value is equal to the number of options multiplied by the difference between the exercise price of the options and \$0.07, the closing trading price of the Common Shares on the TSXV on December 31, 2018.

Value Vested or Earned During the Year for Named Executive Officers

The following table sets forth, in respect of the share-based and option-based awards of the Company granted to the Named Executive Officers that vested during the most recently completed financial year, the aggregate dollar value that would have been realized if the options under the option-based awards had been exercised on the vesting date and the aggregate dollar value realized upon vesting of share-based awards.

Named Executive Officer	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Christopher Frostad, President & CEO	Nil	Nil	Nil
Ram Ramachandran, CFO	Nil	Nil	Nil

Note:

- (1) Based on the difference between the exercise price of the options and the closing trading price of the Common Shares on the TSXV as of the date of vesting.

Significant Terms of Executive Consulting Agreements

The Company has a consulting agreement with Christopher Frostad, President and Chief Executive Officer of the Company. The agreement provides for a monthly fee of \$10,000 and option awards to be granted at the discretion of the Board of Directors. The compensation package is subject to review by the Board of Directors on an annual basis and the compensation of Mr. Frostad provided under the agreement may be adjusted at the discretion of the Board of Directors. The monthly fee was adjusted from \$10,000 to \$8,875 by the Board of Directors for the financial years ended December 31, 2014 and 2015, and has been adjusted back to \$10,000 in 2016 and remains the same as of the date hereof. Pursuant to the terms of the consulting agreement, the Company may immediately terminate the agreement for cause by written notice. The Company also has the right to terminate the agreement without cause by providing Mr. Forstad with a six-month notice or six-month cash compensation in lieu of such notice. Mr. Frostad has the right to terminate the agreement for any reason by providing the Company with a two-month notice. Upon termination, stock options owned by Mr. Frostad that would vest during the notice period would vest on the vesting date and stock options that would vest after the notice period would be terminated.

The Company has a consulting agreement with Ram Ramachandran, Chief Financial Officer of the Company, which provides for a base fee of \$39,000 per annum and option awards to be granted at the discretion of the Board of Directors. The base fee was adjusted to \$33,000 by the Board of Directors in 2014 and remains the same as of the date hereof.

The management functions of the Company are performed by the executive officers and directors of the Company. As of the date hereof, the Company has not entered into any management contracts with any third parties.

Termination and Change of Control Benefits

In the financial year ended December 31, 2018, the Company did not provide any compensation, monetary or otherwise, to any person who now or previously acted as an Named Executive Officer of the

Company, in connection with or related to the retirement, termination or resignation of such person, or as a result of a change of control of the Company.

The Company currently has no contracts, agreements, plans or arrangements that provide for payments to an Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an a Named Executive Officer’s responsibilities, other than the six-month severance arrangement for termination without cause provided under the consulting agreement between the Company and Christopher Frostad (See EXECUTIVE COMPENSATION – Significant Terms of Executive Consulting Agreements). For illustrative purposes, if such consulting agreement had been terminated without cause on December 31, 2018, an aggregate amount up to \$60,000 would have been payable to Mr. Frostad depending on the length of the notice period given.

Compensation of Directors

The following table provides details of the compensation for the most recently completed financial year provided to the directors of the Company, other than Christopher Frostad, who is a Named Executive Officer by virtue of being the President and Chief Executive Officer of the Company. The details of the compensation for Mr. Frostad has been provided under “EXECUTIVE COMPENSATION – Summary Compensation Table for Named Executive Officers”.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Allan Beach	\$10,000	Nil	\$34,425	Nil	Nil	Nil	\$44,425
Scott R. Frostad ⁽²⁾	\$140,000	Nil	\$34,425	Nil	Nil	Nil	\$174,425
Borys Chabursky	\$10,000	Nil	\$34,425	Nil	Nil	Nil	\$44,425

Note:

- (1) Please refer to the “EXECUTIVE COMPENSATION – Summary Compensation Table for Named Executive Officers” for a discussion on the determination of grant date fair values.
- (2) Mr. Scott Frostad receives the aforementioned compensation in his capacity as VP, Exploration of the Company and did not receive any additional compensation in his capacity as a director of the Company.

The Company has not paid any additional compensation to its directors during the financial year ended December 31, 2018. No compensation is paid to the directors of the Company for attendance at board or committee meetings although the Company reimburses all reasonable expenses incurred by directors in respect of their duties.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all option-based awards of the Company granted to the directors (other than Christopher Frostad, who is a Named Executive Officer) that were granted before, and remain outstanding as of the end of the most recently completed financial year. The relevant information for Mr. Frostad has been provided under “EXECUTIVE COMPENSATION - Outstanding Option Based Awards for Named Executive Officers”. As of the date hereof, the Company has not granted any share-based awards to any of its directors.

Name	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$) ⁽¹⁾	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ⁽²⁾
Allan Beach	675,000	\$0.06	May 16, 2023	\$6,750
	700,000	\$0.065	July 11, 2022	\$3,500
	1,400,000	\$0.10	Sept. 27, 2021	\$0
	1,400,000	\$0.06	April 27, 2020	\$14,000
Scott R. Frostad	675,000	\$0.06	May 16, 2023	\$6,750
	700,000	\$0.065	July 11, 2022	\$3,500
	1,400,000	\$0.10	Sept. 27, 2021	\$0
	1,400,000	\$0.06	April 27, 2020	\$14,000
Borys Chabursky	675,000	\$0.06	May 16, 2023	\$6,750
	700,000	\$0.065	July 11, 2022	\$3,500
	1,400,000	\$0.10	Sept. 27, 2021	\$0
	1,400,000	\$0.06	April 27, 2020	\$14,000

Notes:

- (1) Options are exercisable for the purchase of Common Shares. The exercise price of all options granted is equal to or greater than the closing price of the Common Shares listed on the TSXV on the trading day immediately preceding the date of grant in accordance with the terms of the Stock Option Plan.
- (2) The in-the-money value is equal to the number of options multiplied by the difference between the exercise price of the options and \$0.07, the closing trading price of the Common Shares on the TSXV on December 31, 2018.

Value Vested or Earned During the Year

The following table sets forth, in respect of the share-based and option-based awards of the Company granted to the directors of the Company (other than Christopher Frostad, who is a Named Executive Officer) that vested during the most recently completed financial year, the aggregate dollar value that would have been realized if the options under the option-based awards had been exercised on the vesting date and the aggregate dollar value realized upon vesting of share-based awards. The relevant information for Mr. Frostad has been provided under “EXECUTIVE COMPENSATION – Value Vested or Earned During the Year for Named Executive Officers”.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Allan Beach	Nil	Nil	Nil

Scott R. Frostad	Nil	Nil	Nil
Borys Chabursky	Nil	Nil	Nil

Note:

- (1) Based on the difference between the exercise price of the options and the closing trading price on the TSXV as of the date of vesting.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

On May 30, 2005, the Company adopted the Stock Option Plan, which provides that Board of Directors may from time to time, in its discretion, and in accordance with the requirements of the TSXV, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance, together with any options issued to Eligible Charitable Organizations, will not exceed 10% of the issued and outstanding Common Shares. Such options will be exercisable for a period of up to 5 years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares, the number of Common Shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding Common Shares, and the number of Common Shares reserved for issuance to persons employed to provide investor relations services will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised no later than 60 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. "**Eligible Charitable Organization**" means: (a) any "Charitable Organization" or "Public Foundation" which is a "Registered Charity", but is not a "Private Foundation" (as such terms are defined in the *Income Tax Act* (Canada)), or (b) a "Registered National Arts Service Organization" (as such term is defined in the *Income Tax Act* (Canada)). The Company has no equity compensation plans other than its Stock Option Plan.

The following table sets out the number of Common Shares reserved for issuance, the weighted average exercise price, and the number of Common Shares remaining for future issuance under the Company's equity compensation plans as of December 31, 2018:

Stock Option Plan Information			
Plan Category	Number of Common Shares to be Issued on the Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance under the Stock Option Plan⁽¹⁾
Plans Approved by Shareholders	20,080,000	\$0.07	1,375,785
Plans Not Approved by Shareholders	Nil	N/A	Nil
Total	20,080,000	\$0.07	1,375,785

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the present or former directors, proposed nominees or senior officers of the Corporation or their respective associates or affiliates are, were or have been indebted to the Corporation or subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, at any time since the beginning of the last completed financial year of the Corporation and as at the date hereof.

CORPORATE GOVERNANCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) adopted by the Canadian securities regulatory authorities requires that, if management of any issuer solicits proxies from its security holders for the purpose of electing directors, certain disclosure of its corporate governance practices must be included in its management information circular.

National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines. However, the Board of Directors considers that some of the guidelines are not suitable for the Corporation at its current stage of development. Therefore, certain guidelines under NP 58-201 have not been adopted. The Company will continue to review and implement the corporate governance guidelines set out in NP 58-201 as the business of the Company progresses.

The Board of Directors

Independence of the Board of Directors

Two of the four current members of the Board of Directors, Allan Beach and Borys Chabursky are independent within the meaning of NI 58-101. Christopher Frostad and Scott Frostad are considered to be not independent because they are officers of the Company.

To help ensure the functioning of the Board of Directors independently of management, the independent directors hold informal meetings at which members of management are not present. In addition, the compensation of the officers of the Company is considered in their absence by the independent members of the Board of Directors at least once a year.

Directorships with Other Reporting Issuers

Name of Director	Name of other Reporting Issuers
Chris Frostad	Victory Capital Corp. Enthusiast Gaming Holdings Inc.
Borys Chabursky	Devonian Health Group Inc. and Acerus Pharmaceuticals Corp.

Orientation and Continuing Education

The Board of Directors does not have a formal program for the orientation and education of new members. New members are briefed on their responsibilities by other directors of the Company. When a person joins the Board of Directors, he or she will be given the opportunity to become familiar with the

Company by meeting with the other directors of the Company and with the officers and representatives of the Company. As each director has a different skill set and professional background, orientation and training activities will be tailored to the particular needs and experience of the individual director.

Ethical Business Conduct

The Board of Directors encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. While both the management of the Company and the Board of Directors are committed to ensuring the ethical operation of the Company's business, the Company does not at present have a formal code of ethics.

Nomination of Directors

The Board of Directors does not at present have a formal policy for the nomination of new directors. The recruitment of new directors, when required, will be based on recommendations made by incumbent members of the Board of Directors and Shareholders of the Company. Prior to standing for election, new nominees to the Board will be reviewed by the incumbent Board of Directors to ensure that they have adequate knowledge of corporate governance and experience in acting as director of reporting issuers in the junior mining sector.

Compensation

The Board of Directors sets compensation for the directors and officers of the Company. See "EXECUTIVE COMPENSATION – Compensation Discussion and Analysis".

Committees of the Board of Directors

The Board of Directors currently has one standing committee, namely the Audit Committee. The Audit Committee is composed of a majority of members who are independent of the Company within the meaning of NI 58-101 (see "AUDIT COMMITTEE"). The Company does not have an Executive Committee or Corporate Governance Committee. Such functions are carried out by the Board of Directors.

Assessments

Due to the small size of the Board of Directors, there is no formal process for evaluating the effectiveness of the Board of Directors, its committee and management. Management reports to the Board of Directors and evaluation of management's performance takes place informally at the meetings of the Board of Directors or in informal meetings by the independent directors.

AUDIT COMMITTEE

Audit Committee Charter

The full text of the Company's Audit Committee Charter is set out in Schedule "B" hereto.

Composition of the Audit Committee

The Audit Committee of the Company is currently comprised of Christopher Frostad, Allan Beach and Borys Chabursky. Mr. Chabursky is the Chairman of the Audit Committee. Each of the members of the Audit Committee is considered to be financially literate.

Allan Beach and Borys Chabursky are considered to be independent members of the Audit Committee. This determination was made by the Board of Directors upon inquiry of their activities and relationship with the Company.

Relevant Education and Experience

Borys Chabursky is the founder and Chairman of Shift Health, a consultancy in the life sciences sector. Mr. Chabursky is also the Chairman of SHI Capital, an advisory company, and President of SHI Ventures, a vehicle through which he has invested as an angel in healthcare and life sciences, mining and food and beverage companies. He specializes in strategic planning, capital sourcing and business development. He has acquired the requisite financial literacy and experience to adequately carry out his duties as a member of the Audit Committee through his career founding, investing, managing and advising various start-up companies.

Christopher Frostad has spent over 30 years working with and building a variety of high growth, early stage companies (both private and public). Prior to co-founding the Company's predecessor Purepoint Uranium Corporation, Mr. Frostad was the CEO-in-Residence of a Toronto-based Venture Capital firm where he led or worked with portfolio companies focusing on a variety of responsibilities including corporate finance, mergers & acquisitions, sales strategy, product development and marketing. He holds an Honors Bachelor of Business Administration Degree from Wilfrid Laurier University and is a member of the Ontario Institute of Chartered Accountants.

Allan Beach currently serves as a director of Westney Group Inc., a private equity firm. Prior to joining Westney Group Inc., Mr. Beach was counsel at one of Canada's largest national law firms, specializing in the equity and debt financing of corporations, partnerships, limited partnerships, co-ventures and other projects and entities, by way of both private placement and public offering, with particular experience in venture capital corporations, flow-through share offerings and other government incentive financing.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there have been no recommendations of the Audit Committee that the Board of Directors of the Company has not adopted.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial period has the Company relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) of National Instrument 52-110 – *Audit Committees* ("NI 52-110"), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

External Auditor Services Fees

The following table sets out the aggregate fees billed by the Company's external auditors in each of the last two financial years.

Category of Fees	Year Ended December 31, 2018	Year Ended December 31, 2017
Audit Fees ⁽¹⁾	\$25,000	\$25,000
Audit-Related Fees ⁽²⁾	\$1,750	\$1,750
Tax Fees ⁽³⁾	\$2,750	\$2,750
All Other Fees ⁽⁴⁾	-	-
Total	\$29,500	\$29,500

Notes:

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

Reliance on Exemption for Venture Issuers

The Company is a "venture issuer" as the Common Shares are listed for trading on the TSXV. As such, the Company is not required to comply with Part 3 of NI 52-110 (Composition of the Audit Committee) and Part 5 of NI 52-110 (Reporting Obligations) based on the exemption for venture issuers contained in section 6.1 of NI 52-110.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditor is MNP LLP. The Company's transfer agent and registrar is AST Trust Company (Canada).

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who, generally speaking, is a director or executive officer or a 10% Shareholder. To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the

Company or any of its subsidiaries during the financial year ended December 31, 2018, or has any interest in any material transaction in the current year other than as set out herein.

ADDITIONAL INFORMATION

Additional information relating to the Company is filed on the System for Electronic Data Analysis and Retrieval (“**SEDAR**”) and can be accessed on the internet at www.sedar.com.

Financial information is provided in the Company’s comparative financial statements and management discussion and analysis (“**MD&A**”) for its most recently completed financial year. Shareholders may request copies of such financial statements and MD&A by mailing a request to Purepoint Uranium Group Inc. at 120 Adelaide St. West, Suite 2500, Toronto, Ontario M5H 1T1.

DIRECTORS’ APPROVAL

The contents and sending of this Management Information Circular have been approved by the directors of the Company.

DATED the 9th day of May, 2019.

(Signed) “Christopher Frostad”

Christopher Frostad
President and Chief Executive Officer

SCHEDULE "A"

RESOLUTION TO APPROVE THE COMPANY'S STOCK OPTION PLAN

RESOLVED as an ordinary resolution of Shareholders that:

1. the incentive stock option plan for the directors, officers, employees and consultants of the Company dated May 30, 2005 (the "**Stock Option Plan**") be and it is hereby approved;
2. any grants of stock options under the Stock Option Plan made during the financial year ended December 31, 2018 be and they are hereby approved, confirmed and ratified;
3. the Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities of the TSX Venture Exchange without requiring further approval of the shareholders of the Company; and
4. any director or officer is hereby authorized to execute and deliver all such deeds, documents and other writings and perform such acts as may be necessary in order to give effect to foregoing resolution and the board of directors of the Company from time to time, is hereby authorized to grant options in the capital stock of the Company in accordance with the provisions of the Stock Option Plan and the policies of the TSX Venture Exchange.

SCHEDULE “B”

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

PURPOSE

There shall be a committee of the board of directors (the “**Board**”) of the Company known as the Audit Committee. The Audit Committee shall assist the Board in fulfilling its oversight responsibilities with respect to the following principal areas:

- (i) the Company’s external audit function, including the qualifications, independence, appointment and oversight of the work of the external auditors;
- (ii) the Company’s accounting and financial reporting requirements;
- (iii) the Company’s reporting of financial information to the public;
- (iv) the Company’s compliance with law and regulatory requirements;
- (v) the Company’s risks and risk management policies;
- (vi) the Company’s system of internal controls and management information systems; and
- (vii) such other functions as are delegated to it by the Board.

Specifically, with respect to the Company’s external audit function, the Audit Committee assists the Board in fulfilling its oversight responsibilities relating to the quality and integrity of the Company’s financial statements, the independent auditors’ qualifications, and the performance of the Company’s independent auditors.

MEMBERSHIP

The Audit Committee shall consist of as many members as the Board shall determine but, in any event not fewer than three directors appointed by the Board as provided for in the By-laws of the Company. Each member of the Audit Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director of the Company. The Board may fill a vacancy which occurs in the Audit Committee at any time. No member of the Audit Committee should be a holder of more than 20% of the Company’s outstanding shares.

Members of the Audit Committee shall be selected based upon the following and in accordance with applicable laws, rules and regulations:

- (viii) Independence. At least 50% of the members shall be independent in accordance with applicable legal and regulatory requirements and in such regard shall have no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment.

- (ix) Financially Literate. Each member shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Audit Committee. For these purposes, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Committee Procedure

(b) Chair And Secretary

The Chair of the Audit Committee shall be designated by the Board. If the Chair is not present at a meeting of the Audit Committee, the members of the Audit Committee may designate an interim Chair for the meeting by majority vote of the members present. The Secretary of the Company shall be the Secretary of the Audit Committee, provided that if the Secretary is not present, the Chair of the meeting may appoint a secretary for the meeting with the consent of the Audit Committee members who are present. A member of the Audit Committee may be designated as the liaison member to report on the deliberations of the Audit Committees of affiliated companies (if applicable).

(c) Meetings

The Chair of the Audit Committee, in consultation with the Audit Committee members, shall determine the schedule and frequency of the Audit Committee meetings provided that the Audit Committee will meet at least once in each fiscal year. The Audit Committee shall have the authority to convene additional meetings as circumstances require.

Meetings shall also be convened whenever requested by the external auditors or any member of the Audit Committee in accordance with applicable law. The Audit Committee shall meet separately and periodically with management, legal counsel and the external auditors. The Audit Committee shall meet separately with the external auditors at every meeting of the Audit Committee at which external auditors are present.

A majority of the Audit Committee members, present in person or by conference telephone, shall constitute quorum for the transaction of business.

The Audit Committee may request that any directors, officers or employees of the Company, or any other person from whom the Audit Committee would like advice or counsel, attend any meeting to provide such information or guidance.

An Audit Committee member or the Company's Secretary shall keep written minutes of the Audit Committee meetings. The minutes are to be maintained with the books and records of the Company. The Chair of the Audit Committee will regularly report the Audit Committee's findings and recommendations to the Board.

(d) Meeting Agendas

Agendas for meetings of the Audit Committee shall be developed by the Chair of the Audit Committee in consultation with management and the corporate secretary, and shall be circulated to Audit Committee members as far in advance of each Audit Committee meeting as is reasonable.

(e) Resources And Authority

The Audit Committee shall have the resources and the authority to discharge its responsibilities, including the authority, in its sole discretion, to engage, at the expense of the Company, outside consultants, independent legal counsel and other advisors and experts as it determines necessary to carry out its duties, without seeking approval of the Board or management.

The Audit Committee shall have the authority to conduct any investigation necessary and appropriate to fulfilling its responsibilities, and has direct access to and the authority to communicate directly with the internal and external auditors, the general counsel of the Company and other officers and employees of the Company.

The members of the Audit Committee shall have the right for the purpose of performing their duties to inspect all the books and records of the Company and its subsidiaries and to discuss such accounts and records and any matters relating to the financial position, risk management and internal controls of the Company with the officers and external and internal auditors of the Company and its subsidiaries. Any member of the Audit Committee may require the external or internal auditors to attend any or every meeting of the Audit Committee.

Mandate of the committee

The Company's management is responsible for preparing the Company's financial statements and the external auditors are responsible for auditing those financial statements. The Audit Committee is responsible for overseeing the conduct of those activities by the Company's management and external auditors, and overseeing the activities of the internal auditors.

The specific responsibilities of the Audit Committee shall include those listed below. The enumerated responsibilities are not meant to restrict the Audit Committee from examining any matters related to its purpose.

(f) Financial Reporting Process and Financial Statements

The Audit Committee shall:

- (i) in consultation with the external auditors and the internal auditors, review the integrity of the Company's financial reporting process, both internal and external, and any major issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies;
- (ii) review all material transactions and material contracts entered into between (i) the Company or any subsidiary of the Company, and (ii) any subsidiary, director, officer, insider or related party of the Company, other than officer or employee compensation arrangements or director remuneration approved or recommended by the Compensation Committee, or transactions in the ordinary course of business;
- (iii) review and discuss with management and the external auditors: (i) the preparation of the Company's annual audited consolidated financial statements and its interim unaudited consolidated financial statements; (ii) whether the financial statements present fairly (in accordance with Canadian generally accepted accounting principles) in all material respects the financial condition,

results of operations and cash flows of the Company as of and for the periods presented; (iii) any matters required to be discussed with the external auditors according to Canadian generally accepted auditing standards; (iv) an annual report by the external auditors describing: (A) all critical accounting policies and practices used by the Company; (B) all material alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, including the ramifications of the use such alternative treatments and disclosures and the treatment preferred by the external auditors; and (C) other material written communications between the external auditors and management;

- (iv) following completion of the annual audit, review with each of: (i) management; (ii) the external auditors; and (iii) the internal auditors, any significant issues, concerns or difficulties encountered during the course of the audit;
- (v) resolve disagreements between management and the external auditors regarding financial reporting;
- (vi) review the interim quarterly and annual financial statements and annual and interim press releases prior to the release of earnings information; and
- (vii) review and be satisfied that adequate procedures are in place for the review of the public disclosure of financial information by the Company extracted or derived from the Company's financial statements, other than the disclosure referred to in (f), and periodically assess the adequacy of those procedures.

(g) External auditors

The Audit Committee shall:

- (i) require the external auditors to report directly to the Audit Committee;
- (ii) be directly responsible for the selection, nomination, compensation, retention, termination and oversight of the work of the Company's external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and in such regard recommend to the Board the external auditors to be nominated for approval by the shareholders;
- (iii) approve all audit engagements and pre-approve the provision by the external auditors of all non-audit services, including fees and terms for all audit engagements and non-audit engagements, and in such regard the Audit Committee may establish the types of non-audit services the external auditors shall be prohibited from providing and shall establish the types of audit, audit related and non-audit services for which the Audit Committee will retain the external auditors. The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services, provided that any such delegated pre-approval shall be exercised in accordance with the types of particular non-audit services authorized by the Audit Committee to be provided by the external auditor and the exercise of such delegated pre-approvals shall be

presented to the full Audit Committee at its next scheduled meeting following such pre-approval.

(h) Accounting Systems and Internal Controls

The Audit Committee shall oversee management's establishment and maintenance of disclosure controls and procedures and internal controls. The Audit Committee shall also receive and review reports from management, the internal auditors and the external auditors on an annual basis with regard to the reliability and effective operation of the Company's accounting system and internal controls;

(i) Legal and Regulatory Requirements

The Audit Committee shall:

- (i) receive and review timely analysis by management of significant issues relating to public disclosure and reporting;
- (ii) review, prior to finalization, periodic public disclosure documents containing financial information, including the Management's Discussion and Analysis;
- (iii) review with the Company's legal counsel compliance matters, significant litigation and other legal matters that could have a significant impact on the Company's financial statements; and
- (iv) assist the Board in the oversight of compliance with legal and regulatory requirements and review with legal counsel the adequacy and effectiveness of the Company's procedures to ensure compliance with legal and regulatory responsibilities.

(j) Limitation on the Oversight Role of the Audit Committee

Nothing in this Charter is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Audit Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives financial and other information, and the accuracy of the information provided to the Company by such persons or organizations.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles in Canada and applicable rules and regulations. These are the responsibility of management and the external auditor.