



**GOLDEN TAG RESOURCES INC.**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO**

**THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON**

**TUESDAY, AUGUST 4, 2020 AT 10:00 A.M. (TORONTO TIME)**

**AT**

**22 ADELAIDE STREET WEST, SUITE 2020**

**TORONTO, ONTARIO M5H 4E3**

Dated July 8, 2020



## GOLDEN TAG RESOURCES LTD.

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual general and special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Golden Tag Resources Ltd. (the “**Corporation**”) will be held at the offices of the Corporation, 22 Adelaide Street West, Suite 2020, Toronto, ON M5H 4E3 on August 4, 2020 at 10:00 a.m. (Toronto time), for the following purposes, all as more particularly described in the enclosed management information circular (the “**Circular**”):

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2019 and the report of the auditors thereon;
2. to appoint MNP SENCRL srl (formerly Meyers Norris Penny LLP), the auditors of the Corporation, for the ensuing year and to authorize the board of directors of the Corporation (the “**Board**”) to fix their remuneration.
3. to elect five (5) directors of the Corporation for the ensuing year;
4. to consider, and if deemed appropriate, to pass, with or without variation, an ordinary resolution, to adopt a new 10% rolling stock option plan, attached as Schedule “A” to the Circular;
5. to consider and, if deemed advisable, to pass, with or without variation, a special resolution, confirming and approving an amendment to the articles of continuance of the Corporation dated July 11, 1995 (the “**Articles**”), changing the Province of the Corporation’s registered office from Quebec to Ontario;
6. to consider and, if deemed appropriate, to pass, with or without variation, a special resolution, ratifying, confirming and approving the amendment and restatement of the Articles, in order to permit the directors to increase the size of the Board by up to one-third (1/3) of the number of directors elected at the last previous shareholders meeting;
7. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution, ratifying, confirming and approving the By-Law No. 2020-1 of the Corporation to become effective upon the amendment to the articles of the Corporation changing the location of the registered office of the Corporation from the Province of Quebec to the Province of Ontario, and authorizing at such time the repealing and replacing of By-Law No.1 of the Corporation adopted on July 12, 1995, which sets out the general rules that govern the business and affairs of the Corporation, a draft of which is attached as Schedule “B” to the Circular; and
8. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is June 22, 2020 (the “**Record Date**”). Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

**In an effort to mitigate the risks associated with COVID-19, and to preserve the health and safety of our communities, Shareholders, employees and other stakeholders, we are inviting Shareholders to participate in the Meeting by dialing in to our conference line at: (+1) (800) 747-5150 (North America – Toll Free), followed by the Conference ID 3840022. Participants should dial in at least ten (10) minutes prior to the scheduled start time and ask to join the call. Shareholders will have an equal opportunity to participate at the Meeting through**

**to attend and vote at the Meeting. Shareholders cannot vote their common shares at the Meeting if attending via teleconference and must either vote prior to the Meeting or attend the Meeting in person in order to have their vote cast.**

**Voting**

**A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof.** To be effective, the enclosed form of proxy must be mailed or faxed so as to reach or be deposited with Computershare Investor Services Inc. at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Attn: Proxy Department, Fax: 1.866.249.7775, prior to the proxy deadline, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof. Registered Shareholders shall also have the option to vote by telephone or via the internet, as more particularly described in the Circular. Information on how non-registered (or beneficial) Shareholders may cast their vote is also described in greater detail in the Circular.

DATED this 8<sup>th</sup> day of July, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Greg McKenzie”*

Greg McKenzie  
President, Chief Executive Officer and Director

## GENERAL INFORMATION RESPECTING THE MEETING

### Solicitation of Proxies

This management information circular (this “Circular”) is furnished in connection with the solicitation of proxies by the management of Golden Tag Resources Ltd. (the “Corporation”) for use at the annual general and special meeting (the “Meeting”) of the shareholders (the “Shareholders”) of the Corporation to be held at the offices of the Corporation, 22 Adelaide Street West, Suite 2020, Toronto, ON M5H 4E3 on August 4, 2020 at 10:00 a.m. (Toronto time) for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Shareholders. References in the Circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Corporation by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Corporation.

The board of directors of the Corporation (the “Board”) has fixed the close of business on June 22, 2020 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting (the “Record Date”). All duly completed and executed proxies must be received by the Corporation’s registrar and transfer agent, Computershare Investor Services Inc. (“Computershare”), Attn: Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Fax: 1.866.249.7775 or Tel: 1.866.732.8683 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

**In light of the global pandemic caused by COVID-19, the Corporation is inviting Shareholders to participate in the Meeting by dialing in to our conference line at: (+1) (800) 747-5150 (North America – Toll Free), followed by the Conference ID 3840022. Participants should dial in at least ten (10) minutes prior to the scheduled start time and ask to join the call. Shareholders will have an equal opportunity to participate at the Meeting through this method regardless of their geographic location. We encourage Shareholders to not attend the Meeting in person due to risks related to COVID-19. We highly recommend Shareholders vote their common shares prior to the Meeting as Shareholders who attend via teleconference will be unable to vote their common shares over the phone.**

In this Circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Unless otherwise stated, the information contained in this Circular is as of July 8, 2020.

### Voting of Proxies

The common shares in the capital stock of the Corporation (“Common Shares”) represented by the accompanying form of proxy (if same is properly executed and is received at the offices of Computershare at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. **In the absence of such specification, proxies in favour of management will be voted in favour of all resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual General and Special Meeting of Shareholders and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

## ***How to Vote – Registered Shareholders***

### *By Proxy*

1. By telephone • 1.866.732.VOTE(8683)
2. On the internet • [www.investorvote.com](http://www.investorvote.com)
3. By mail • Computershare Investor Services Inc., 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1
4. By fax • 1.866.249.7775
5. You may appoint another person or company as your proxyholder to go to the Meeting and vote your Common Shares for you. This person does not have to be a Shareholder but must attend the Meeting.

The in-person vote at the Meeting may be conducted by show of hands or by ballot.

### **Appointment of Proxies**

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of Computershare, at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.**

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

### **Revocation of Proxies**

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (i) completing and signing a proxy bearing a later date and depositing it at the offices of Computershare, 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1;
- (ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Computershare at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (iii) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

### **Voting by Non-Registered Shareholders**

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are “non-registered” Shareholders (“**Non-Registered Shareholders**”) because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (“**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice of Annual General and Special Meeting of Shareholders, this Circular, the form of proxy and a request card for interim and annual materials (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders. The Corporation intends to pay for the delivery of the Meeting Materials to objecting Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder 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. **A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting;** or
- (ii) 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 Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare at the address provided herein.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person’s name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the

right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting.

### ***How to Vote – Beneficial Shareholders***

#### *By voting instruction form*

1. Your nominee is required to ask for your voting instructions before the Meeting, and you should contact your nominee if you did not receive a request for voting instructions or a proxy form with this Circular.
2. As noted above, in most cases, you will receive a voting instruction form from your nominee, and you should provide your voting instructions in accordance with the directions on the form.
3. Less frequently, you will receive a proxy form signed by the nominee that is restricted as to the number of Common Shares beneficially owned by you but is otherwise incomplete. If you receive a proxy form, you should complete and return it in accordance with the directions on the proxy form to the Corporation, c/o Computershare Investor Services Inc., 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Fax: 1.866.249.7775.
4. To be valid for use at the Meeting, voting instruction forms and proxies must be received before 10:00 a.m. (Toronto time), July 31, 2020.

#### *In person at the Meeting*

1. The Corporation does not have access to the names or holdings of “objecting beneficial” owners of Common Shares.
2. Beneficial Shareholders can only vote their Common Shares in person at the Meeting if appointed as the proxyholder (you can do this by printing your name in the space provided on the voting instruction form provided by your nominee and submitting and returning it as directed on the form).
3. If appointed as proxyholder, a beneficial Shareholder will be asked to register his or her attendance at the Meeting and may vote at the Meeting on votes conducted by show of hands or by ballot.

**We encourage Shareholders to not attend the Meeting in person due to risks related to COVID-19. We highly recommend Shareholders vote their Common Shares prior to the Meeting. Shareholders will be unable to vote their Common Shares at the Meeting if attending via telephone.**

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

Other than as disclosed herein, no director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation’s last financial year, each proposed nominee for election as a director of the Corporation, and associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

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

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares, non-voting, redeemable for the amount paid thereon, all rights and privileges to be determined by the Board. As at the date hereof, there are 129,806,558 Common Shares issued and outstanding and nil preferred shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. All such holders of record of Common Shares on the Record Date are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation’s transfer agent, Computershare, within the time specified in the attached Notice of Annual General and Special Meeting of Shareholders, to attend and to vote thereat by proxy the Common Shares held by them.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Corporation, other than as set out below:

Name of Shareholder	Number of Common Shares <sup>(1)(2)</sup>	Percentage of Common Shares <sup>(1)(2)</sup>
Eric Sprott. <sup>(3)</sup>	18,625,932	14.3%

Notes:

- (1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been obtained by the Corporation from publicly disclosed information and/or furnished by the relevant shareholder.
- (2) On a non-diluted basis.
- (3) Mr. Sprott holds 16,555,600 Common Shares in 2176423 Ontario Ltd., of which Mr. Sprott is the sole beneficial shareholder.

## EXECUTIVE COMPENSATION

This statement of executive compensation is made pursuant to National Instrument 51-102 “*Continuous Disclosure*” of the Canadian Securities Administrators (“**NI 51-102**”) and reflects the requirements set forth in Form 51-102F6V thereof.

### Named Executive Officers

For the purposes of this Circular, a Named Executive Officer (“**NEO**”) of the Corporation means each of the following individuals:

- (a) a chief executive officer (“**CEO**”) of the Corporation;
- (b) a chief financial officer (“**CFO**”) of the Corporation; and
- (c) in respect of the Corporation and its subsidiaries, the most highly compensation executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000; and
- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

In respect of the Corporation’s financial year ended December 31, 2019 (the “**Last Financial Year**”), the Corporation had two NEOs: J. Bruce Robbins, the former Chief Executive Officer and Director of the Corporation and Marc Carrier, the former President, Chief Executive Officer and Director of the Corporation.

### Summary Compensation Table

The following tables provides information for the Last Financial Year and the years ended December 31, 2018 and December 31, 2017 regarding compensation earned by each of the following NEOs:

Name and principal position	Year Ended December 31	Salary, consulting fee, retainer or commission (\$) <sup>(1)</sup>	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Bruce Robbins <i>Former CEO and Director</i> <sup>(2)</sup>	2019	37,520 <sup>(3)</sup>	Nil	Nil	Nil	Nil	37,524
	2018	36,500 <sup>(3)</sup>	Nil	Nil	Nil	Nil	36,500
Marc Carrier <i>Former President, CFO and Director</i> <sup>(4)</sup>	2019	145,000	Nil	Nil	Nil	Nil	145,000
	2018	145,000	Nil	Nil	Nil	Nil	145,000
Talal Chehab <i>Director</i>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Chad Williams <i>Director</i> <sup>(5)</sup>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Jamie Levy <sup>(6)</sup> <i>Director</i>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
David Rigg <sup>(6)</sup> <i>Director</i>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Compensation payable includes consulting fees received by private companies controlled by Mr. Carrier and Mr. Robbins.
- (2) Mr. Robbins resigned as CEO and Director of the Corporation on May 28, 2020. Mr. Greg McKenzie was appointed as President, CEO and director of the Corporation on May 28, 2020 to replace Mr. Robbins.
- (3) Mr. Robbins provided management services to the Company through Exploration JBR Enr, a corporation incorporated in the Province of Quebec.
- (4) Mr. Carrier resigned as President, CFO and Director of the Corporation on May 28, 2020. Mr. Carmelo Marrelli was appointed as CFO of the Corporation on May 28, 2020 to replace Mr. Carrier.
- (5) Mr. Chad Williams was appointed as director of the Corporation on September 11, 2019.
- (6) Mr. Levy and Mr. Rigg will not stand for re-election at the Meeting.

**External Management Companies**

To the best knowledge of the directors and officers of the Corporation, management functions of the Corporation are not, to any substantial degree, performed by a person other than the directors and executives officers of the Corporation.

**Stock Options and Other Compensation Securities**

No stock options or other compensation securities were issued to, or exercised by, directors or NEOs during the Last Financial Year.

The following tables provide information regarding the outstanding compensation securities held by each director and NEO as at December 31, 2019.

## Outstanding Compensation Securities as at December 31, 2019

Name	Option-based Awards			Share-based Awards		
	Number of Common Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)
Bruce Robbins	500,000 <sup>(2)</sup>	0.05	December 1, 2022	20,000	Nil	Nil
Marc Carrier	500,000 <sup>(2)</sup>	0.05	December 1, 2022	20,000	Nil	Nil
David M. Rigg	500,000 <sup>(2)</sup>	0.05	December 1, 2022	20,000	Nil	Nil
Jamie Levy	500,000 <sup>(2)</sup>	0.05	December 1, 2022	20,000	Nil	Nil
Talal Chehab	500,000 <sup>(2)</sup>	0.05	December 1, 2022	20,000	Nil	Nil

**Note:**

- (1) The closing price for the Common Shares trading on the TSX-V as at December 31, 2019 was \$0.09.
- (2) The incentive stock options vested 1/3 on the vesting date; 1/3 on the one year anniversary of the option grant; and the remaining 1/3 on the 18-month anniversary of the option grant.

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

The Corporation maintained a fixed number share incentive plan that together with all of the Corporation's previously established stock option grants could not exceed 10% of the issued and outstanding Common Shares as at June 17, 2004, the date implementation (the "**Old Plan**"). The Corporation amended the Old Plan on June 30, 2008 and fixed the total amount of securities available thereunder at 7,834,191 Common Shares. The Old Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continued association with the Corporation. The Old Plan provided that incentive stock options ("**Options**") will be issued pursuant to option agreements with directors, officers, employees or consultants of the Corporation or a subsidiary thereof. All Options are administered by the Board and expire on a date not later than five years after the issuance of such option. As of the date of this Circular, there are 5,200,000 Options outstanding under the Old Plan to purchase an aggregate of 5,200,000 Common Shares.

At the Meeting, Shareholders will be asked to approve a new share incentive plan (the "**Stock Option Plan**"). The Stock Option Plan is a rolling incentive stock option plan that sets the number of Common Shares issuable thereunder at a maximum of 10% of the Common Shares issued and outstanding at the time of any grant. See "*Matters to be Acted Upon – 4. Approval of the Stock Option Plan*" for a description of the material terms of the Stock Option Plan, which is qualified in its entirety by the full text of the Stock Option Plan attached as Schedule "A" to this Circular.

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

#### ***Marc Carrier, President, CFO and Director***

Marc Carrier served as the Corporation's President and CFO under an executive consulting agreement dated October 1, 2013 ("**Executive Consulting Agreement**") which provided for \$145,000 in annual compensation. In 2014, Mr. Carrier agreed to a base fee reduction of \$80,000 only in financial years where the Corporation did not have a minimum of \$100,000 in unallocated working capital. Mr. Carrier did not accrue the \$80,000 conditional portion of his compensation during any period when the minimum working capital threshold was not met; however, if the Executive Consulting Agreement was terminated without cause, Mr. Carrier would be entitled to the accrued \$80,000 conditional portion of his compensation for each year he served as President and CFO.

During the year-ended December 31, 2017, Mr. Carrier received only \$90,000 in annual compensation despite the Corporation having more than \$100,000 in unallocated working capital during the financial year. To preserve working capital, Mr. Carrier agreed to defer his entitlement to the remaining \$55,000 of his annual salary for the year ended December 31, 2017. Mr. Carrier's entitlement to the \$55,000 would become payable in the following circumstances: (a) Mr. Carrier's contract was not renewed beyond October 1, 2020; (b) Mr. Carrier resigned; or (c) the Corporation entered into a merger or takeover transaction.

Under his Executive Consulting Agreement, during the first three (3) years thereof, Mr. Carrier was entitled to a 24-months of pay in lieu of notice upon termination by the Corporation without cause. After the third year of the Executive Consulting Agreement, Mr. Carrier was entitled to 12 months of pay in lieu of notice for termination by the Corporation without cause. The Executive Consulting Agreement also provided Mr. Carrier a 36-month change of control severance payment if the Corporation experienced a change of control (as defined under the Executive Consulting Agreement) during the term of the agreement. Upon an entitlement to a severance payment, Mr. Carrier could elect to receive such outstanding amounts in Common Shares at the prevailing 5-day volume weighted average price (VWAP) subject to TSX-V acceptance.

On May 28, 2020, Mr. Carrier resigned from his position as President and CFO and released the Corporation from its obligation to pay the \$55,000 deferred during the year ended December 31, 2017 as well as from any other termination payments available to Mr. Carrier under the Executive Consulting Agreement.

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

The Corporation's compensation policy is intended to be competitive with other junior mining companies and to recognize and reward executive performance consistent with the success of the Corporation's business. The Corporation relies primarily on the discussions of the Board, without any specifically quantified objectives for determining executive compensation. Compensation payments reflect the development stage status of the Corporation and difficult markets for junior mining issuers.

The Board believes that the Corporation's executive compensation is in aggregate at or below market rates for executives doing similar functions in other junior resource companies. While the Corporation did not retain any compensation consultants, it was privy to a compensation survey done by a major accounting firm and their involvement in the resource industry makes them generally aware of industry compensation practices.

Mr. Robbins, the former CEO, holds formal geological credentials and shared his time as a consulting geologist. Mr. Carrier is a financial and administration executive who served the Corporation on a substantially full-time basis.

The Board has assessed the Corporation's compensation plans and programs for its two executive officers to ensure alignment with the Corporation's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any unusual risks that are reasonably likely to have a material adverse effect on the Corporation as a result of a misalignment of compensation criteria and corporate goals. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Corporation has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Corporation, none of the executive officers or directors has purchased such financial instruments and none are likely to be available given the modest share price and the current market for junior mining company shares.

### ***Philosophy and Objectives***

The Corporation is a small, junior natural resource company with limited resources. The compensation program for the senior management of the Corporation is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Shareholders.

In compensating its senior management, the Corporation has employed a combination of base salary and equity participation through its stock option plan. Recommendations for senior management compensation are presented to the Board for review.

### ***Base Salary***

In the Board’s view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Corporation operates is a first step to attracting and retaining qualified and effective executives.

***Bonus Incentive Compensation***

The Corporation’s objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Corporation meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Corporation’s operations.

***Equity Participation***

The Corporation believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Corporation’s stock option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the CEO. Due to the Corporation’s limited financial resources, the Corporation emphasises the provisions of option grants to maintain executive motivation.

**Pension Plan Benefits**

As at the date of this Circular, the Corporation does not have any pension plans.

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

**Equity Compensation Plan Information**

The following table sets forth information in respect of the Corporation’s equity compensation plans under which equity securities of the Corporation are authorized for issuance, aggregated in accordance with all equity plans previously approved by the Shareholders and all equity plans not approved by Shareholders as at December 31, 2019:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<sup>(1)</sup></b>
Equity compensation plans approved by securityholders	2,700,000	\$0.05	3,081,191
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	2,700,000 <sup>(2)(3)</sup>	\$0.05	3,081,191

**Notes:**

- (1) The Corporation’s only equity compensation plan is currently the Old Plan, a “fixed” stock option plan. The number of Common Shares reserved for issuance under the Old Plan is 7,834,191. At the Meeting, Shareholders will be asked to ratify and approve a resolution to replace the Old Plan with a 10% “rolling” incentive plan. The number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan is limited to 10% of the issued and outstanding Common Shares on the date of any grant of options thereunder.
- (2) Representing approximately 2.1% of the issued and outstanding Common Shares as at the date of this Circular.
- (3) On May 28, 2020, the Corporation granted 1,500,000 stock options to certain directors and officers of the Corporation. On June 30, 2020, the Corporation granted 1,000,000 stock options to certain directors of the Corporation.

## MATTERS TO BE ACTED UPON

### 1. Financial Statements

The Corporation's audited annual financial statements for the Last Financial Year and the report of the auditors thereon will be placed before shareholders at the Meeting, but no vote thereon is required. These documents are available upon request from the Corporation and they can also be found under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### 2. Appointment of Auditors

MNP SENCRL srl (formerly Meyers Norris Penny LLP) ("MNP") of Suite 2010, 1150 René-Lévesque Boulevard West, Montreal, Quebec H3B 2J8 are the independent registered certified auditors of the Corporation. MNP was first appointed as auditors of the Corporation in 2011. Management of the Corporation intends to nominate MNP for re-appointment as auditors of the Corporation.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution to re-appoint MNP to serve as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix their remuneration as such. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

**Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the appointment of MNP as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board to fix the remuneration of the auditors.**

### 3. Election of Directors

At the Meeting, the following five (5) persons named hereunder will be proposed for election as directors of the Corporation. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of Shareholders, or until his successor is duly elected unless prior thereto he resigns or his office becomes vacant by reason of death or other cause.

Shareholders have the option to (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the election of each of the proposed nominees set forth below as directors of the Corporation.**

The following table, among other things, sets forth the name of all persons proposed to be nominated for election as directors, their place of residence, position held, and periods of service with, the Corporation, or any of its affiliates, their principal occupations and the approximate number of Common Shares of the Corporation beneficially owned, controlled or directed, directly or indirectly, by them.

Name, Province or State and Country of Residence	Date First Became a Director	Present Principal Occupation and/or Positions Held During the Preceding Five Years	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(1)</sup>
Greg McKenzie <sup>(2)</sup> <i>Ontario, Canada</i>	May 28, 2020	Chairman and CEO of Maritime Iron Inc. (January 2016 to present); director of Chilean Metals Inc. (November 2016 to present); Business Executive; Lawyer	5,333,500
Talal Chehab <sup>(2)</sup> <i>Ontario, Canada</i>	June 14, 2005 - June 28, 2010; December 1, 2017	Lawyer; President, CEO and General Counsel of AYA Financial (2010 to present).	52,500

Name, Province or State and Country of Residence	Date First Became a Director	Present Principal Occupation and/or Positions Held During the Preceding Five Years	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(1)</sup>
Chad Williams <i>Ontario, Canada</i>	September 11, 2019	Director of Blue Thunder Mining Inc. (February 2020 to present); director of Karora Resources Inc. (January 2020 to present); Director of Seven Aces Limited (July 2017 – present); Chairman and Founder of Red Cloud Securities Inc. (Sept 2011 to present); Professional Engineer and Business Executive	1,500,000
Tom English <sup>(2)</sup> <i>Ontario, Canada</i>	June 8, 2020	Director of BC Craft Supply Co. Ltd. (April 2020 to present); director of Cryptologic Corp. (April 2016 to present); Corporate consultant	1,777,800
Dwayne Melrose <i>British Columbia, Canada</i>	N/A	Director of Progressive Planet Solutions Inc. (August 2018 to present); Professional geologist	N/A

**Notes:**

- (1) The information with respect to the Common Shares beneficially owned, controlled or directed is not within the direct knowledge of the Corporation and has been furnished by the respective individuals.
- (2) Member of the Audit Committee. Thomas English is the Chairman.

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 7,163,800 Common Shares, representing approximately 5.5% of the issued and outstanding Common Shares as of the date hereof.

***Greg McKenzie (President, CEO and director)***

Mr. McKenzie (JD, MBA) is a former senior investment banker with more than 20 years of experience in financing, M&A, financial advisory, valuation, and strategic advice to mid-cap companies. Mr. McKenzie has held positions with Morgan Stanley, CIBC World Markets and Haywood Securities, and has been involved in transactions valued in excess of \$18 billion. In addition to his capital market experience Mr. McKenzie previously practiced corporate law with a leading Canadian securities and M&A law firm.

***Talal Chehab (director)***

Mr. Chehab is an Ontario lawyer and operates a law firm in Toronto specializing in corporate-commercial law. He holds a B.A. in economics from the University of Toronto and obtained his Bachelor of Laws degree (LL.B) from Osgoode Law School, York University.

***Chad Williams (Chairman)***

Mr. Williams is Chairman and founder of Red Cloud Securities Inc. He has extensive experience in mining finance and management having previously held the position of CEO of Victoria Gold Corp., Head of Mining Investment Banking at Blackmont Capital Inc., and a highly ranked mining analyst at TD Bank and other Canadian brokerage firms. Mr. Williams holds both a P.Eng in Mining and an MBA from McGill University.

***Tom English (director)***

Mr. Thomas English has over 20 years of experience in the financial industry and has held numerous senior roles at investment banks including CIBC and Saloman Partners. Mr. English has provided financial solutions for both small and large cap companies across all business sectors. During his career he has been involved in transactions across the entire capital structure, including financings (debt, equity, IPO) and mergers and acquisition advisory assignments.

***Dwayne Melrose (director)***

Mr. Melrose has over 30 years of international experience ranging from senior management, mine finance and permitting, mine development and exploration in Central Asia, China, Africa, and North and South America. He was former President and CEO of True Gold Mining where the company progressed from pre-PEA and Bankable

Feasibility Study thru to a completely financed and permitted project that went into construction in under 4 years. As former President and CEO of Gold Reach Resources he took the company thru to completion of a positive PEA on the company's copper project. He joined Minco Silver as VP of Exploration in China, pre-PEA thru Bankable Feasibility Study and was part of the team which was awarded the China Mining Explorer of the Year. He was the Exploration Manager at the Kumtor Gold Mine in Kyrgyzstan, he was instrumental in the discovery of the high grade SB Zone and as the mine increased the reserves by +7 M oz.

### **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Other than as disclosed below, to the knowledge of the Corporation, no director or executive officer of the Corporation, is, as at the date hereof, or has been, within the ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

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

Mr. Greg McKenzie serves as director of Chilean Metals Inc. ("CMI"). On June 17, 2020, CMI was named in a management cease trade order issued by the British Columbia Securities Commission against the CEO and CFO of CMI (the "Order"). The Order was issued in connection with CMI's failure to file its annual audited financial statements and management's discussion and analysis for the year ended December 31, 2019 and corresponding certifications as required by National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*. As of the date of this Circular, the Order has not been revoked.

No director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is, as at the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten years before the date hereof, 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 director, executive officer or shareholder.

No director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, 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 investor in making an investment decision.

#### **4. Approval of the Stock Option Plan**

At the Meeting, Shareholders will be asked to approve and ratify the Stock Option Plan, which will supersede the Old Plan. The Stock Option Plan sets the number of Common Shares issuable thereunder at a maximum of 10% of the Common Shares issued and outstanding at the time of any grant. Implementation of the Stock Option Plan is subject to acceptance by the TSX-V and Shareholder approval.

The Stock Option Plan provides that the Board may, from time to time, in its sole discretion, grant incentive stock options to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation. The Stock Option Plan provides for a floating maximum limit of 10% of the outstanding Common Shares as permitted by the policies of the TSX-V. As at the date hereof, this represents 12,980,655 options to purchase Common Shares available under the Stock Option Plan.

As of the date hereof, 5,200,000 stock options have been granted under the Old Plan to certain directors, officers and consultants of the Corporation. Accordingly, under the Stock Option Plan, the number of incentive stock options available for issuance equals 7,780,655.

The following is a summary of the material terms of the Stock Option Plan (any terms not defined herein have the meaning defined in the Stock Option Plan):

- i. The aggregate maximum number of Common Shares available for issuance from treasury under the Stock Option Plan at any given time is 10% of the outstanding Common Shares as at the date of grant of an Option under the Stock Option Plan.
- ii. No Options shall be granted to any Participant if such grant could result, at any time, in:
  1. the issuance of any one individual, within a one-year period, of a number of Common Shares exceeding 5% of the issued and outstanding Common Shares;
  2. the issuance to any one consultant, within any 12-month period, of a number of Common Shares exceeding 2% of the issued and outstanding Common Shares; and
  3. the issuance to employees conducting investor relations activities, within any 12 month period, of an aggregate number of Common Shares exceeding 2% of the issued and outstanding Common Shares;unless permitted otherwise by any applicable stock exchange.
- iii. Disinterested Shareholder Approval is required for the following:
  1. any individual stock option grant that would result in the grant to Insiders (as a group), within a 12-month period, of an aggregate number of options exceeding 10% of the issued Common Shares, calculated on the date an option is granted to any Insider; and
  2. any individual stock option grant that would result in the number of Common Shares issued to any individual in any 12-month period under this Plan exceeding 5% of the issued Common Shares, less the aggregate number of shares reserved for issuance or issuable under any other Share Compensation Arrangement of the Corporation.
- iv. The term of an Option shall not exceed 10 years from the date of grant of the option.
- v. An Option shall vest and may be exercised in whole or in part at any time during the term of such Option after the date of the grant as determined by the Board, subject to extension where the expiry date falls within a Blackout Period.

- vi. Options may be granted by the Corporation pursuant to the recommendations of the Board or a committee appointed to administer the Stock Option Plan from time to time provided and to the extent that such decisions are approved by the Board.
- vii. Options shall not be transferable or assignable by the Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative.
- viii. If a Participant who is a non-executive director of the Corporation ceases to be an Eligible Person as a result of his or her retirement from the Board, each unvested Option held by such Participant shall automatically vest on the date of his or her retirement from the Board, and thereafter each vested Option held by such Participant will cease to be exercisable on the earlier of the original Expiry Date of the Option and one year after the date of his or her retirement from the Board
- ix. If a Participant ceases to be an Eligible Person for any reason whatsoever, other than under an exception under the Stock Option Plan, each vested Option held by the Participant will cease to be exercisable on the earlier of the original expiry date of the Option and 90 days after the Termination Date; provided that all unvested Options held by such Participant shall automatically terminate and become void on the Termination Date of such Participant.
- x. If a Participant dies, the legal representative of the Participant may exercise the Participant's vested Options for a period until the earlier of the original Expiry Date of the Option and 12 months after the date of the Participant's death, but only to the extent the Options were by their terms exercisable on the date of death.

The foregoing summary of the material terms of the Stock Option Plan is qualified in its entirety by the full text of the Stock Option Plan attached as Schedule "A" to this Circular.

***Shareholder Approval for the Stock Option Plan***

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution, in the form set out below, authorizing the Stock Option Plan (the "**2020 Stock Option Plan Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting. In order for the 2020 Stock Option Plan Resolution to pass, the resolution must receive not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

If the 2020 Stock Option Plan Resolution is approved at the Meeting, the 5,200,000 Options currently outstanding under the Old Plan will remain outstanding (without amendment) (the "**Existing Options**"), will be deducted from the maximum number of stock options reserved under the Stock Option Plan and will become subject to the provisions of the Stock Option Plan. If the 2020 Stock Option Plan Resolution is approved at the Meeting, the Stock Option Plan will supersede the Old Plan.

If the 2020 Stock Option Plan Resolution is not approved:

- (a) the Stock Option Plan will not be implemented;
- (b) the Old Plan will remain in place; and
- (c) the Existing Options will remain outstanding subject to the terms of the Old Plan.

The text of the 2020 Stock Option Plan Resolution to be submitted to Shareholder is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting:

"NOW THEREFORE BE IT RESOLVED, as an ordinary resolution:

- 1. the stock option plan of the Corporation as most recently approved and confirmed by the shareholders of the Corporation at the annual and special meeting of the shareholders of the Corporation held on June 30,

2008 (the “**Old Plan**”) be replaced with the new stock option plan approved by the directors of the Corporation on June 29, 2020 as described in the management information circular of the Corporation dated July 8, 2020 and attached thereto as Schedule “A” (the “**Stock Option Plan**”);

2. the Stock Option Plan be and it is hereby approved and adopted;
3. the directors of the Corporation be and are hereby authorized to grant stock options under, and subject to the terms and conditions of, the Stock Option Plan, which may be exercised to purchase up to 10% of the issued and outstanding number of common shares of the Corporation at the date of such grant of stock options;
4. the outstanding stock options that have been granted under the Old Plan shall, for the purpose of calculating the number of stock options that may be granted under the Stock Option Plan, be treated as stock options granted under the Stock Option Plan and be subject to the provisions of the Stock Option Plan;
5. the Stock Option Plan may be amended by the directors of the Corporation in order to satisfy the requests of any regulatory authorities or the TSX Venture Exchange (collectively, the “**Regulatory Requests**”) without further approval of the shareholders of the Corporation, unless approval of the shareholders of the Corporation is requested by the Regulatory Request; and
6. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of an on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise and to deliver or cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done by all such other acts as in the opinion of such director or officer of the Corporation may be necessary or desirable to carry out the terms of the foregoing resolutions.”

**The Board recommends that Shareholders vote FOR the 2020 Stock Option Plan Resolution. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the 2020 Stock Option Plan Resolution, the persons named in the proxy or voting instruction form will vote FOR the 2020 Stock Option Plan Resolution.**

#### **5. Amendment to Articles – Registered Office**

At the Meeting, Shareholders will be asked to approve and adopt by a special resolution an amendment to the articles of continuance of the Corporation dated July 11, 1995 (the “**Articles**”) authorizing the registered office of the Corporation to be moved from the Province of Quebec to the Province of Ontario (the “**First Articles Amendment Resolution**”) in substantially the following form:

“NOW THEREFORE BE IT RESOLVED, as a special resolution:

1. The articles of continuance of Golden Tag Resources Ltd. (the “**Corporation**”) dated July 11, 1995 (the “**Articles**”) be amended pursuant to Section 173(1)(b) of the *Canada Business Corporations Act* (the “**CBCA**”) to change the province or territory where the registered office of the Corporation is situated to the Province of Ontario, and the amended Articles in the form approved by the board of directors of the Corporation be filed with the Director appointed under the CBCA and any other regulatory body; and
2. Any officer or director of the Corporation be and the same is hereby authorized to execute this resolution on behalf of the Corporation, and to do, sign and institute all other documents, assurances, and procedures necessary to fully and effectually carry out and complete all acts and proceedings authorized by this resolution.”

Under the *Canada Business Corporations Act* (the “**CBCA**”) and the Corporation’s Articles, the First Articles Amendment Resolution must be approved by special resolution, being the affirmative vote of at least two-thirds (66

2/3%) of the votes cast with respect to the First Articles Amendment Resolution by Shareholders present in person or represented by proxy at the Meeting.

**The Board has concluded that the First Articles Amendment Resolution is in the best interests of the Corporation and its Shareholders. Accordingly, the Board unanimously recommends that the Shareholders approve the First Articles Amendment Resolution, by voting FOR the First Articles Amendment Resolution at the Meeting.**

**6. Amendment to Articles – Director Authorization to Appoint Interim Additional Directors**

The Articles currently provide for a minimum of one (1) and a maximum of nine (9) directors.

Subsection 106(8) of the CBCA provides that the directors of the Corporation may, if the articles so provide, appoint one or more additional directors, who will hold office for a term expiring not later than the close of the next annual meeting of Shareholders, subject to the condition that the total number of directors so appointed may not exceed one-third (1/3) of the number of directors elected at the previous annual meeting of Shareholders. The Board has determined that it is in the best interests of the Corporation and its Shareholders to amend the Articles to enable the directors to appoint directors between annual meetings of Shareholders to provide its directors with the flexibility to appoint additional directors expediently. From time to time, the Board may identify an individual who could make a valuable contribution to the Corporation as a director. It will be beneficial for the Corporation if the Board possesses the ability to appoint such an individual as a director between Shareholder meetings without a vacant position needing to first arise. This will provide the Board with the appropriate expediency with which to enhance its composition if the opportunity arises. The special resolution amending the Articles (the “**Second Articles Amendment Resolution**”) will allow the Board to make additional appointments without requiring Shareholder approval until the next annual meeting of Shareholders.

Under subsection 173(1) of the CBCA, a change to the Articles requires Shareholder approval by a special resolution of the Shareholders at a meeting called to consider the special resolution. Accordingly, at the Meeting, Shareholders will be asked to consider, and if deemed appropriate, to pass a special resolution authorizing the Second Articles Amendment Resolution to permit the directors of the Corporation to appoint one or more directors up to a maximum of one third (1/3) of the number of directors elected at the previous annual meeting of Shareholders, to hold office for a term expiring not later than the close of the next annual meeting of Shareholders, subject to such amendments, variations or additions as may be approved at the Meeting.

***Principal Effects of Amendment of the Articles***

By adopting the Second Articles Amendment Resolution, the Board will be able to swiftly take advantage of opportunities to augment the Board and add value to its composition through increased numbers. At the same time, given the limit on the number of directors who can be added between annual meetings of Shareholders and the expiry of the term of such directors at the next annual meeting of Shareholders, the Shareholders will maintain their control over the Board’s composition.

***Special Resolution***

In order to be adopted, the Second Articles Amendment Resolution must be approved by at least two-thirds (2/3) of the votes cast by the holders of the Common Shares, either present in person or represented by proxy and entitled to vote at the Meeting. At the meeting, the Shareholders will be presented with the Second Articles Amendment Resolution in substantially the following form:

“NOW THEREFORE BE IT RESOLVED, as a special resolution:

1. The articles of continuance of Golden Tag Resources Ltd. (the “**Corporation**”) dated July 11, 1995 (the “**Articles**”) be amended pursuant to Section 173(1)(m) of the *Canada Business Corporations Act* (the “**CBCA**”) to add the following text:

“The directors may appoint one or more additional directors to hold office for a term expiring not later than the close of the next annual shareholders meeting, but the total number of directors so appointed

may not exceed one-third (1/3) of the number of directors elected at the previous annual shareholders meeting.”

2. Any officer or director of the Corporation be and the same is hereby authorized to file the Articles with the Director and any other regulatory body if and when deemed advisable by the board of directors of the Corporation (the “**Board**”) in its discretion and to do all other things necessary in order to give effect to the foregoing;
3. The Board is hereby empowered and authorized to revoke this resolution in whole or in part at any time prior to it being acted upon, if the directors deem such revocation to be in the best interests of the Corporation; and
4. Any officer or director of the Corporation be and the same is hereby authorized to execute this resolution on behalf of the Corporation, and to do, sign and institute all other documents, assurances, and procedures necessary to fully and effectually carry out and complete all acts and proceedings authorized by this resolution.”

**The Board believes that it is in the best interests of the Corporation to give the directors the flexibility to appoint additional directors and that it is in the best interests of the Corporation to obtain Shareholder approval for altering the Articles. Therefore, the Board unanimously recommends that Shareholders vote in favour of the Second Articles Amendment Resolution. Unless a proxy contains instructions to vote against the Second Articles Amendment Resolution, the persons named in the enclosed proxy intend to vote FOR the Second Articles Amendment Resolution.**

#### **7. By-Law No. 2020-1**

On June 29, 2020, the Board proposed to adopt a new general by-law (“**By-Law No. 2020-1**”) which sets out the general rules that govern the business and affairs of the Corporation and would repeal and replace By-Law #1 (defined below) of the Corporation adopted on July 12, 1995. On July 11, 1995, the Corporation was continued from the *Business Corporations Act* (British Columbia) to the CBCA, at which time the former articles of the Corporation under the *Business Corporations Act* (British Columbia) (the “**Former Articles**”) were replaced with Articles of Continuance under the CBCA. At the Meeting, Shareholders will be asked to consider, and, if thought advisable, to pass, with or without variation, a resolution substantially in the form set out below to confirm the approval of By-Law No. 2020-1, which provides rules and procedures to manage the business and affairs of the Corporation, reflects the current practices of the Corporation and conforms to the underlying statutory provisions affecting the Corporation, including the CBCA.

Under the CBCA, (i) the Board may make, amend or repeal any by-laws that regulate the business or affairs of the Corporation; (ii) the Board must submit a by-law, an amendment or a repeal of a by-law to Shareholder vote at the next meeting of Shareholders; (iii) the Shareholders may, by ordinary resolution, confirm, reject or amend the by-law, the amendment thereto or repeal the by-law; (iv) a by-law, an amendment to a by-law or a repeal of a by-law is effective from the date the Board determines until it is confirmed, confirmed as amended, or rejected by Shareholders; and (v) where the by-law is confirmed as amended, it continues in effect in the form in which it was so confirmed.

The Corporation continues to operate under a general by-law adopted by the Board on July 12, 1995 (“**By-Law #1**”). By-Law No. 2020-1 contemplates the Corporation having its registered office in Ontario and, accordingly, it is appropriate that the bringing into force of By-Law No. 2020-1 shall depend upon the passing of the special Shareholder resolution authorizing the change of the registered office of the Corporation from Quebec to Ontario. Given that By-Law No. 2020-1 is contingent upon the Corporation moving its registered office to Ontario, in the event that Shareholders fail to pass the First Articles Amendment Resolution, notwithstanding the passing of an ordinary

Shareholder resolution approving the By-Law Resolution (defined below), By-Law No. 2020-1 will not be brought into force unless and until the Corporation's registered office is located within the Province of Ontario.

At the Meeting, Shareholders will be asked to consider, and, if thought advisable, to pass, with or without variation, an ordinary resolution (the "**By-Law Resolution**") substantially in the following form:

"NOW THEREFORE BE IT RESOLVED, an ordinary resolution:

1. Pursuant to the *Canada Business Corporations Act* ("**CBCA**"), By-Law No. 2020-1 of Golden Tag Resources Ltd. (the "**Corporation**") in the form attached as Schedule "B" to the management information circular of the Corporation dated July 8, 2020, is hereby approved, ratified and confirmed;
2. The repeal by the Board of all provisions of By-Law #1, which were effective as by-laws, is hereby ratified, confirmed and approved upon the Corporation filing Articles of Amendment with the Director appointed under the CBCA authorizing the change of the registered office of the Corporation from Quebec to Ontario whereupon By-Law No. 2020-1 shall be in full force and effect; and
3. Any one officer or director of the Corporation be and each of them is hereby authorized to execute and deliver all documents and to do all acts and things necessary or desirable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

In order to be adopted, the By-Law Resolution must be approved by a majority of the votes cast by the holders of the Common Shares, either present in person or represented by proxy and entitled to vote at the Meeting. **Unless instructed otherwise, the management designees of the Corporation in the accompanying form of proxy or voting instruction form intend to vote FOR the By-Law Resolution. The Board recommends that Shareholders vote FOR the By-Law Resolution.**

The complete text of By-Law No. 2020-1 is attached hereto as Schedule "B" and is available to Shareholders on request from the CEO of the Corporation and is also available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders wishing to receive a copy of By-Law No. 2020-1 should contact the Corporation at 82 Richmond Street East, Toronto, Ontario M5C 1P1.

#### **8. Other Matters**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

### **STATEMENT OF CORPORATE GOVERNANCE**

This statement of corporate governance practices is made pursuant to National Instrument 58-101 "*Disclosure of Corporate Governance Practices*" of the Canadian Securities Administrators ("**NI 58-101**") and reflects the requirements set forth in Form 58-101F2 thereof.

#### **General**

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

## **Board of Directors**

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes effective decision making at the Board level.

NI 58-101 defines an “independent director” as a director who has no direct or indirect “material relationship” with the issuer. A “material relationship” is as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board is currently comprised of six (6) directors being Greg McKenzie, David M. Rigg, Jamie Levy, Talal Chehab, Chad Williams, and Tom English. Messrs. Levy, Chehab, Williams and English are independent within the meaning of NI 58-101. Messrs. McKenzie and Rigg are not independent as they are, or in the case of Mr. Rigg were, officers of the Corporation and thereby have a “material relationship” with the Corporation. Mr. Levy and Mr. Rigg will not be standing for re-election. Mr. Dwayne Melrose will be nominated for election at the Meeting and Mr. Melrose qualifies as an independent director under the meaning of NI 58-101.

The Board believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. The Board meets without management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in National Policy 58-201 – *Corporate Governance Guidelines*, the Board convenes meetings, as deemed necessary, of the independent directors, at which non-independent directors and members of management are not in attendance.

## **Other Public Company Directorships**

The following Board members and Board nominees currently hold directorships in another reporting issuer as set forth below.

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Market</b>
Greg McKenzie	Chilean Metals Inc.	TSX-V
Chad Williams	Karora Minerals Inc.	TSX
	Blue Thunder Mining Inc.	TSX-V
	Seven Aces Limited	TSX-V
Tom English	BC Craft Supply Co. Ltd.	CSE
	Trenchant Capital Corp.	TSX-V
	Cryptologic Corp.	CSE
Dwayne Melrose	Progressive Planet Solutions Inc.	TSX-V

## **Board Mandate**

The Board assumes responsibility for the stewardship of the Corporation and the enhancement of Shareholder value. The Board establishes overall policy for the Corporation through consultation with management and generally oversees the business affairs of the Corporation.

The Board’s mandate specifically includes the identification and management of risks, strategic planning, succession planning, external communications, director nominations and governance. Responsibility for day-to-day operations is delegated to management with the Board retaining responsibility for evaluating management’s performance.

## **Orientation and Continuing Education of Board Members**

The Corporation has not adopted a formal policy with respect to the development of education and orientation programs for recruited directors. When required, orientation for new directors is provided through a review of past Board materials and other private and public documents concerning the Corporation.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. Therefore, the Board has not determined it to be necessary at this time to formulate and implement a formal Code of Business Conduct and Ethics.

### **Nomination of Directors**

The Corporation has not adopted a formal policy with respect to the selection of new nominees to the Board. Historically, new nominees have been the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the President.

### **Diversity Policy**

The Corporation's senior management and Board have varying backgrounds and expertise and were selected on the belief that the Corporation and its stakeholders would benefit from such a broad range of talent and cumulative experience. The Board considers merit as the essential requirement for board and executive appointments, and as such, it has not adopted any specific target number or percentage, or a range of target numbers or percentages, respecting the representation of women, Indigenous peoples, persons with disabilities, or members of visible minorities on the Board or in senior management roles.

### **Compensation**

The Corporation does not have a compensation committee. The Board as a whole determines compensation for the Corporation's directors and officers, which compensation is based on appropriate and customary compensation for comparative organizations, having regard for such matters as time commitment, responsibility and trends in compensation.

### **Other Board Committees**

The Board has no standing committees other than the Audit Committee. As the Corporation grows, and its operations and management structure becomes more complex, the Board will consider the advisability of constituting other formal standing committees, such as a corporate governance committee, a compensation committee and a nominating committee.

### **Assessments**

The Board, its Audit Committee and individual directors are subject to on-going assessment by the Board as a whole with respect to their effectiveness and contribution.

## **AUDIT COMMITTEE INFORMATION**

### **The Audit Committee's Charter**

The responsibilities and duties of the Audit Committee are set out in the Audit Committee's charter, the text of which is set forth in Appendix "A" to this Circular.

### **Composition of the Audit Committee**

The members of the Audit Committee are Thomas English (Chairman), Talal Chehab and Greg McKenzie. Messrs. English and Chehab are independent (as defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110") adopted by the Canadian Securities Administrators), while Mr. McKenzie is not independent as he is an officer of the Corporation, and all members are financially literate (as defined in NI 52-110).

Name of Member	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>
Thomas English (Chair)	Yes	Yes
Talal Chehab	Yes	Yes
Greg McKenzie	No	Yes

Notes:

- (1) To be considered independent, a member of the Audit Committee must not have any direct or indirect “material relationship” with the Corporation. A “material relationship” is a relationship which could, in the view of the Board of the Corporation, be reasonably expected to interfere with the exercise of a member’s independent judgment.
- (2) To be considered financially literate, a member of the Committee must have 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 Corporation’s financial statements.

**Relevant Education and Experience**

*Thomas English*

Mr. English has over 20 years of experience in the financial industry and has held numerous senior roles at investment banks including CIBC and Saloman Partners. Mr. English has provided financial solutions for both small and large cap companies across all business sectors. During his career he has been involved in transactions across the entire capital structure, including financings (debt, equity, IPO) and mergers and acquisition advisory assignments in Canada, South America and the United States.

*Talal Chehab*

Mr. Chehab is an Ontario lawyer and operates a law firm in Toronto specializing in corporate-commercial law. He holds a B.A. in economics from the University of Toronto and obtained his Bachelor of Laws degree (LL.B) from Osgoode Law School, York University.

*Greg McKenzie*

Mr. McKenzie (JD, MBA) is a former senior investment banker with more than 20 years of experience in financing, M&A, financial advisory, valuation, and strategic advice to mid-cap companies.

**Audit Committee Oversight**

At no time during the Last Financial Year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the external auditors of the Corporation not been adopted by the Board.

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services.

**External Auditor Services Fees (By Category)**

The following table discloses the fees billed to the Corporation by its external auditor during the last two completed financial years:

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
December 31, 2019	\$32,208	Nil	Nil	Nil
December 31, 2018	\$31,565	Nil	Nil	Nil

Notes:

- (1) The aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation’s annual financial statements.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not disclosed in the “Audit Fees” column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) No other fees were billed by the auditor of the Corporation other than those listed in the other columns.

### **Exemption**

Since the Corporation is a “Venture Issuer” pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America, or a market outside of Canada and the United States of America), it is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

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

During the year ended December 31, 2019, no director, executive officer or associate of any director or executive officer of the Corporation was indebted to the Corporation, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including under any securities purchase or other program.

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

Since the commencement of the Corporation’s Last Financial Year, no informed person of the Corporation, or any associate or affiliate of any informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Inquiries including requests for copies of the Corporation’s financial statements and management’s discussion and analysis for the year ended December 31, 2019 may be directed to the Corporation by telephone at 647-306-3821. Additional financial information is provided in the Corporation’s comparative financial statements and management’s discussion and analysis for the year ended December 31, 2019, which is also available on SEDAR.

### **APPROVAL**

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Board.

### **BY ORDER OF THE BOARD OF DIRECTORS**

*“Greg McKenzie”*

Greg McKenzie  
President, Chief Executive Officer and Director

**SCHEDULE "A"**

**STOCK OPTION PLAN**

[see following pages]



## **GOLDEN TAG RESOURCES LTD.**

### **2020 INCENTIVE STOCK OPTION PLAN**

#### **ARTICLE 1 GENERAL**

##### **1.1 Purpose**

The purpose of this Plan is to advance the interests of Golden Tag Resources Ltd. (the “**Company**”) by (i) providing Eligible Persons with additional performance incentives; (ii) encouraging stock ownership by Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Company; (iv) encouraging Eligible Persons to remain with the Company or its Affiliates; and (v) attracting new employees, officers, directors and Consultants to the Company or its Affiliates.

##### **1.2 Administration**

- (a) The Committee will administer this Plan. All references hereinafter to the term “**Board**” will be deemed to be references to the Committee. Notwithstanding the foregoing, if at any time the Committee has not been appointed by the Board, this Plan will be administered by the Board and in such event references herein to the Committee shall be construed to be a reference to the Board.
- (b) Subject to the limitations of this Plan, the Board has the authority: (i) to grant Options to purchase Shares to Eligible Persons; (ii) to determine the terms, including the limitations, restrictions and conditions, if any, upon such grants; (iii) to interpret this Plan and to adopt, amend and rescind such administrative guidelines and other rules and Regulations relating to this Plan as it may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority and/or stock exchange; and (iv) to make all other determinations and to take all other actions in connection with the implementation and administration of this Plan as it may deem necessary or advisable. The Board’s guidelines, rules, Regulations, interpretations and determinations will be conclusive and binding upon all parties.

##### **1.3 Interpretation**

For the purposes of this Plan, the following terms will have the following meanings unless otherwise defined elsewhere in this Plan:

“**Act**” means the *Securities Act* (Ontario);

“**Affiliate**” means any corporation that is an affiliate of the Company as defined in the Act;

“**Affiliated Entity**” means with respect to the Company, a person or company that controls or is controlled by the Company or that is controlled by the same person or company that controls the Company;

“**Associate**”, where used to indicate a relationship with any person or company, means: (i) any company of which such person or company beneficially owns, directly or indirectly, voting securities carrying more than ten (10) per cent of the voting rights attached to all voting securities of the company for the time being outstanding; (ii) any partner of that person or company; (iii) any trust or estate in which such person or company has a substantial beneficial interest or as to which such person or company serves as trustee or in a similar capacity; (iv) any relative of that person who resides in the same home as that person; (v) any person who resides in the same home as that person and to whom that person is married, or any person of the opposite sex or the same sex who resides in the same home as that person and with whom that person is living in a conjugal relationship outside marriage; or (vi) any relative of a person mentioned in clause (v) who has the same home as that person;

“**Blackout Period**” means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of confidential information pertaining to the Company;

“**Board**” means the board of directors of the Company;

“**Change of Control**” means the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Company and/or any of its Subsidiaries which have an aggregate book value greater than 30% of the book value of the assets, rights and properties of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Company in the course of a reorganization of the assets of the Company and its subsidiaries;
- (c) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- (d) any person, entity or group of persons or entities acting jointly or in concert (an “**Acquiror**”) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror (as such terms are defined in the Act) to cast or to direct the casting of 20% or more of the votes attached to all of the Company’s outstanding Voting Securities which may be cast to elect directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect directors);
- (e) as a result of or in connection with: (A) a contested election of directors, or; (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Company or any of its affiliates and another corporation or other entity, the nominees named in the most recent management information circular of the Company for election to the Board shall not constitute a majority of the Board; or

- (f) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

“**Committee**” means the Company’s Compensation Committee, duly appointed by the Board from time to time;

“**Company**” means Golden Tag Resources Ltd.;

“**Consultants**” means individuals, including advisors, other than employees and officers and directors of the Company or an Affiliated Entity that are engaged to provide consulting, technical, management or other services to the Company or any Affiliated Entity for an initial, renewable or extended period of twelve months or more under a written contract between the Company or the Affiliated Entity and the individual or a company of which the individual consultant is an employee or shareholder or a partnership of which the individual consultant is an employee or partner;

“**Eligible Person**” means, subject to the Regulations and to all applicable law, (A) any employee, officer, director, or Consultant of (i) the Company or (ii) any Affiliated Entity (and includes any such person who is on a leave of absence authorized by the Board or the board of directors of any Affiliated Entity) and (B) a person to whom an employee, officer or director is married;

“**Exchange**” means the stock exchange on which the Shares are listed, if any, including either the TSX Venture Exchange or the Toronto Stock Exchange, as applicable;

“**Holding Company**” means a holding company wholly-owned and controlled by an Eligible Person;

“**Insider**” means an insider as defined in the Act;

“**Merger and Acquisition Transaction**” means:

- (a) any merger,
- (b) any acquisition,
- (c) any amalgamation,
- (d) any offer for Shares of the Company which if successful would entitle the offeror to acquire more than 50% of the voting securities of the Company,
- (e) any arrangement or other scheme of reorganization, or
- (f) any consolidation, that results in a Change of Control

“**Option**” means a right granted to an Eligible Person to purchase Shares pursuant to the terms of this Plan;

“**Participant**” means an Eligible Person to whom or to whose RRSP or to whose Holding Company an Option has been granted;

“**Plan**” means the Company’s 2020 Incentive Stock Option Plan, as same may be amended from time to time;

“**Regulations**” means the regulations made pursuant to this Plan, as same may be amended from time to time;

“**Retirement**” in respect of a Participant means the Participant ceasing to be an employee, officer, director or Consultant of the Company or an Affiliated Entity after attaining a stipulated age in accordance with the Company’s normal retirement policy or earlier with the Company’s consent;

“**Retirement Date**” means the date that a Participant ceases to be an employee, officer, director or Consultant of the Company or an Affiliated Entity due to the Retirement of the Participant;

“**RRSP**” means a registered retirement savings plan;

“**Shares**” means the common shares in the capital of the Company;

“**Subsidiary**” means a corporation which is a subsidiary of the Company as defined under the Act;

“**Termination**” means: (i) in the case of an employee, the termination of the employment of the employee with or without cause by the Company or an Affiliated Entity or cessation of employment of the employee with the Company or an Affiliated Entity as a result of resignation or otherwise other than the Retirement of the employee; (ii) in the case of an officer or director, the removal of or failure to re-elect or re-appoint the individual as an officer or director of the Company or an Affiliated Entity (other than through the Retirement of an officer); and (iii) in the case of a Consultant, the termination of the services of a Consultant by the Company or an Affiliated Entity (other than through the Retirement of a Consultant);

“**Termination Date**” means the date on which a Participant ceases to be an Eligible Person due to the Termination of the Participant;

“**Transfer**” includes any sale, exchange, assignment, gift, bequest, disposition, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes from one person to another, or to the same person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing; and

“**Voting Securities**” means Shares and/or any other securities (other than debt securities) that carry a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine.

This Plan is to be governed by and interpreted in accordance with the laws of the Province of Ontario. The Company and each Participant hereby attorn to the jurisdiction of the Courts of Ontario.

#### **1.4 Shares Reserved under the Share Option Plan**

- (a) The aggregate maximum number of Shares available for issuance from treasury under this Plan and all of the Company’s other security based compensation arrangements at any given time is 10% of the Company’s issued and outstanding Shares as at the date of grant of an Option under the Plan, subject to adjustment or increase of such number pursuant to Section 3.2. Any Shares subject to an Option which has been granted under the Plan and which have been cancelled, repurchased, expired or terminated in accordance with the terms of the Plan without having been exercised will again be available under the Plan.

- (b) The aggregate number of Shares reserved for issuance pursuant to Options granted to Insiders at any given time, or within a twelve-month period, shall not exceed 10% of the total number of Shares then outstanding, unless disinterested shareholder approval is obtained. The aggregate number of Shares reserved for issuance pursuant to Options granted to any one person or entity within any twelve-month period shall not exceed 5% of the total number of Shares then outstanding unless disinterested shareholder approval is obtained.
- (c) The aggregate number of Options granted to any one Consultant in any twelve-month period must not exceed 2% of the issued and outstanding Shares, calculated at the date the Option was granted.
- (d) The aggregate number of Options granted to persons employed to provide investor relations activities, as such term is defined by the Exchange, if applicable, in any twelve-month period must not exceed 2% of the issued and outstanding Shares, calculated at the date the Option was granted.
- (e) For purposes of this Section 1.4, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option.

## **ARTICLE 2**

### **OPTION GRANTS AND TERMS OF OPTIONS**

#### **2.1 Grants**

Subject to this Plan, the Board will have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set out in this Plan, applicable to the exercise of an Option, including, without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Shares acquired upon exercise of an Option may be forfeited. An Eligible Person, an Eligible Person's RRSP and an Eligible Person's Holding Company may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.

#### **2.2 Exercise of Options**

- (a) Options granted can be exercisable for a maximum of 10 years from the date of grant or such lesser period as determined by the Board at the time of such grant.
- (b) Where the expiry date for an Option occurs during a Blackout Period, the expiry date for such Option shall be extended to the date that is 10 business days following the end of such Blackout Period.
- (c) The Board may determine when any Option will become exercisable and may determine that the Option will be exercisable immediately upon the date of grant, or in instalments or pursuant to a vesting schedule, in accordance with the rules of the Exchange. Notwithstanding the foregoing, unless the Board determines otherwise, and subject to the other provisions of this Plan, Options issued pursuant to this Plan are subject to a vesting schedule as follows:

- (i)  $\frac{1}{3}$  upon the date of the grant;
  - (ii)  $\frac{1}{3}$  upon the first anniversary of grant; and
  - (iii)  $\frac{1}{3}$  upon the second anniversary of grant.
- (d) Notwithstanding section 2.2(c) above, Options granted to Consultants performing Investor Relations Activities, as such term is defined by the Exchange, if applicable, must vest in stages over twelve months with no more than  $\frac{1}{4}$  of the Options vesting in any three month period.
- (e) No fractional Shares may be issued and the Board may determine the manner in which fractional Share value will be treated.
- (f) A minimum of 100 Shares must be purchased by a Participant upon exercise of Options at any one time, except where the remainder of Shares available for purchase pursuant to Options granted to such Participant totals less than 100.
- (g) The date on which an Option will be deemed to have been granted under this Plan will be the date on which the Committee authorizes the grant of such Option or such other future date as may be specified by the Committee at the time of such authorization.

### **2.3 Option Price and Date**

The Board will establish the exercise price of an Option at the time each Option is granted provided that such price shall not be less than:

- (a) If the Shares are listed on the TSX Venture Exchange, the Market Price (as such term is defined in TSX Venture Exchange Policy 1.1) of the Shares; or
- (b) If the Shares are listed on the Toronto Stock Exchange, the volume weighted average trading price (calculated in accordance with the rules and policies of the Toronto Stock Exchange) of the Shares, or another stock exchange where the majority of the trading volume and value of the Shares occurs, for the five trading days immediately preceding the day the option is granted; or
- (c) If the Shares are not listed on either the TSX Venture Exchange or the Toronto Stock Exchange, the applicable minimum price in accordance with the rules of the stock exchange on which the Shares are listed at the time of the grant; or
- (d) If the Shares are not listed on any stock exchange, the minimum exercise price as determined by the Board.

### **2.4 Grant to Participant's RRSP or Holding Company**

Upon written notice from an Eligible Person, any Option that might otherwise be granted to that Eligible Person, will be granted, in whole or in part, to an RRSP or a Holding Company established by and for the sole benefit of the Eligible Person.

### **2.5 Termination, Retirement or Death**

- (a) Termination.

- (i) In the event of the Termination with cause of a Participant, each Option held by the Participant, the Participant's RRSP or the Participant's Holding Company will cease to be exercisable on the earlier of the expiry of its term and the Termination Date, or such longer or shorter period as determined by the Board.
  - (ii) In the event of the Termination or Retirement of a Participant, each Option held by the Participant, the Participant's RRSP or the Participant's Holding Company will cease to be exercisable within a period of 90 days after the Termination Date or Retirement Date, as the case may be, or such longer or shorter period as determined by the Board. For greater certainty, such determination of a longer or shorter period may be made at any time subsequent to the date of grant of the Options. The Board may delegate authority to the Chief Executive Officer of the Company to make any determination with respect to the expiry or termination date of Options held by any departing Participant, other than a departing non-management director or the Chief Executive Officer. If the Board or the Chief Executive Officer, as the case may be, extends the period in which Options held by a Participant may be exercisable following a Termination Date or Retirement Date, such extended period must not exceed one (1) year from the Termination Date or Retirement Date.
  - (iii) If any portion of an Option has not vested on the Termination Date or Retirement Date, as the case may be, the Participant, the Participant's RRSP or the Participant's Holding Company may not, after the Termination Date or Retirement Date, as the case may be, exercise such portion of the Option which has not vested, provided that the Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. The Board may delegate authority to the Chief Executive Officer to make any determination with respect to vesting of Options or any portion thereof held by any departing Participant, other than a departing non-management director or the Chief Executive Officer.
  - (iv) Without limitation, and for greater certainty only, this subsection 2.5(a) will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest.
- (b) Death.
- (i) If a Participant dies, the legal representatives of the Participant may exercise the Options held by the Participant, the Participant's RRSP and the Participant's Holding Company within a period after the date of the Participant's death as determined by the Board, and for greater certainty such determination may be made at any time subsequent to the date of grant of the Options, provided that no Option shall remain outstanding for any period which exceeds the earlier of (i) the expiry date of such Option; and (ii) 12 months following the date of death of the Participant, but only to the extent the Options were by their terms exercisable on the date of death.

- (ii) The Board may determine at any time, including for greater certainty at any time subsequent to the date of grant of the Options, that such portion of the Option vests automatically or pursuant to a vesting schedule determined by the Board. The Board may delegate authority to the Chief Executive Officer to make any determination with respect to the expiry or termination date of Options or vesting of Options or any portion thereof held by any deceased Participant, other than a departing non-management director or the Chief Executive Officer.
- (iii) If the legal representative of a Participant who has died exercises the Option of the Participant or the Participant's RRSP or the Participant's Holding Company in accordance with the terms of this Plan, the Company will have no obligation to issue the Shares until evidence satisfactory to the Company has been provided by the legal representative that the legal representative is entitled to act on behalf of the Participant, the Participant's RRSP or the Participant's Holding Company to purchase the Shares under this Plan.

## **2.6 Option Agreements**

Each Option must be confirmed, and will be governed, by an agreement in a form (which may, but need not be, in the form of Schedule "A" hereto) determined by the Board and signed by the Company and the Participant or an RRSP of which the Participant is an annuitant or the Participant's Holding Company.

## **2.7 Payment of Option Price**

The exercise price of each Share purchased under an Option must be paid in full by bank draft or certified cheque at the time of exercise, and upon receipt of payment in full, but subject to the terms of this Plan, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable. Share certificates representing the number of Shares in respect of which the Option has been exercised will be issued only upon payment in full of the relevant exercise price to the Company.

## **2.8 Acceleration of Vesting**

In the event of a Change of Control, all Options outstanding shall be immediately exercisable, notwithstanding any determination of the Board pursuant to Section 2.2 hereof, if applicable. Notwithstanding the vesting schedule for an Option that is specified in an agreement granting an Option or in this Plan, the Committee shall have the right with respect to any one or more Participants in this Plan to accelerate the time at which an option may be exercised.

## **2.9 Merger and Acquisition**

In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction:

- (a) subject to Section 2.8, the Committee may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the exercise of such rights by the Participants, the time for the fulfillment of any conditions or restrictions on such exercise, and the time for the expiry of such rights;

- (b) the Committee or any company which is or would be the successor to the Company or which may issue securities in exchange for Shares upon the Merger and Acquisition Transaction becoming effective may offer any Participant the opportunity to obtain a new or replacement option over any securities into which the Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Shares under Option and the Exercise Price (and otherwise substantially upon the terms of the Option being replaced, or upon terms no less favorable to the Participant) including, without limitation, the periods during which the Option may be exercised and expiry dates; and in such event, the Participant shall, if he accepts such offer, be deemed to have released his Option over the Common Shares and such Option shall be deemed to have lapsed and be cancelled; or
- (c) the Committee may exchange for or into any other security or any other property or cash, any Option that has not been exercised, upon giving to the Participant to whom such Option has been granted at least 30 days written notice of its intention to exchange such Option, and during such notice period, the Option, to the extent it has not been exercised, may be exercised by the Participant without regard to any vesting conditions attached thereto, and on the expiry of such notice period, the unexercised portion of the Option shall lapse and be cancelled.

Subsections (a), (b), and (c) of this Section 2.9 are intended to be permissive and may be utilized independently of, successively with, or in combination with each other and Section 2.8, and nothing therein contained shall be construed as limiting or affecting the ability of the Committee to deal with Options in any other manner. All determinations by the Committee under this Section 2.9 will be final, binding and conclusive for all purposes.

## **2.10 Amendment of Option Terms**

Subject to the prior approval of any applicable regulatory authorities and/or stock exchange (as required) and the consent of the Participant affected thereby, the Board may amend or modify any outstanding Option in any manner to the extent that the Board would have had the authority to initially grant the Option as so modified or amended, including without limitation, to change the date or dates as of which, or the price at which, an Option becomes exercisable, provided however, that the consent of the Participant shall not be required where the rights of the Participant are not adversely affected.

## **ARTICLE 3 MISCELLANEOUS**

### **3.1 Prohibition on Transfer of Options**

Options are non-assignable and non-transferable.

### **3.2 Capital Adjustments**

If there is any change in the outstanding Shares by reason of a stock dividend or split, recapitalization, consolidation, combination or exchange of shares, or other fundamental or similar corporate change, the Board will make, subject to any prior approval required of relevant stock exchanges or other applicable regulatory authorities, if any, an appropriate substitution or adjustment in (i) the exercise price of any unexercised Options under this Plan; (ii) the number or kind of shares or other securities reserved for issuance pursuant to this Plan; and (iii) the number and kind of shares subject to unexercised Options theretofore granted under this Plan; provided, however, that no substitution or adjustment will obligate the Company to issue or sell fractional shares. In the event of the reorganization of the Company or the

amalgamation or consolidation of the Company with another corporation, the Board may make such provision for the protection of the rights of Eligible Persons, Participants, their RRSPs and their Holding Companies as the Board in its discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

The grant of an Option shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure or to merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

### **3.3 Non-Exclusivity**

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Eligible Person or Participant, subject to any required regulatory or shareholder approval.

### **3.4 Renegotiation of Options**

Subject to the prior consent of the Exchange, an Option, to the extent that it has not been exercised, may be renegotiated in accordance with the rules and policies of the Exchange.

### **3.5 Amendment and Termination**

Subject to the requisite shareholder and regulatory approvals set forth under subparagraphs 3.5(a) and (b) below, the Board may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such amendment or revision may, without the consent of the Optionee, in any manner adversely affect his rights under any Option theretofore granted under the Plan.

- (a) The Board may, subject to receipt of requisite shareholder and regulatory approval, make the following amendments to the Plan:
  - (i) any amendment to the number of securities issuable under the Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by shareholders will not require additional shareholder approval;
  - (ii) any change to the definition of the eligible participants which would have the potential of broadening or increasing insider participation;
  - (iii) the addition of any form of financial assistance;
  - (iv) any amendment to a financial assistance provision which is more favourable to participants;
  - (v) any addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve;
  - (vi) the addition of a deferred or restricted share unit or any other provision which results in participants receiving securities while no cash consideration is received by the Company;

- (vii) a discontinuance of the Plan; and
  - (viii) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to eligible participants, especially insiders of the Company, at the expense of the Company and its existing shareholders.
- (b) The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion make all other amendments to the Plan that are not of the type contemplated in subparagraph 3.5(a) above including, without limitation:
- (i) amendments of a "housekeeping" or clerical nature;
  - (ii) a change to the vesting provisions of a security or the Plan;
  - (iii) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the Exchange;
  - (iv) a change to the termination provisions of a security or the Plan which does not entail an extension beyond the original expiry date;
  - (v) a change in the exercise price of Options, provided that at least six months have elapsed since the later of the date of commencement of the term of the Option, the date the Shares commenced trading on the Exchange or the date the exercise price of the Option was last amended, and provided that disinterested shareholder approval is obtained for any reduction in the exercise price if the Option holder is an Insider (as such term is defined by the Exchange) of the Company at the time of such proposed reduction;
  - (vi) amendments to Sections 2.8 and 2.9 and the definitions of Change of Control and Merger and Acquisition Transaction;
  - (vii) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve; and
  - (viii) amendments to reflect changes to applicable laws or regulations.
- (c) Notwithstanding the provisions of subparagraph 3.5(b), the Company shall additionally obtain requisite shareholder approval in respect of amendments to the Plan that are contemplated pursuant to section subparagraph 3.5(b), to the extent such approval is required by any applicable laws or regulations.

### **3.6 No Rights as Shareholder**

Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a shareholder of the Company with respect to any Shares reserved for the purpose of any Option.

### **3.7 Employment**

In the case of employees, nothing contained in this Plan shall confer upon any Participant any right with respect to employment or continuance of employment with the Company or any of its subsidiaries, or

interfere in any way with the right of the Company or any of its subsidiaries to terminate the Participant's employment at any time. Participation in this Plan by a Participant is voluntary.

### **3.8 Securities Regulation and Tax Withholding**

- (a) Where necessary to effect exemption from registration of the Shares under securities laws applicable to the securities of the Company, a Participant shall be required, upon the acquisition of any Shares pursuant to the Plan, to acquire the Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, and to present to the Committee an undertaking to that effect in a form acceptable to the Committee. The Committee may take such other action or require such other action or agreement by such Participant as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration of any Options or the Shares under any securities laws applicable to the securities of the Company.
- (b) The Committee and the Company may take all such measures as they deem appropriate to ensure that the Company's obligations under the withholding provisions under income tax laws applicable to the Company and other provisions of applicable laws are satisfied with respect to the issuance of Shares or the grant or exercise of Options under this Plan.
- (c) Issuance, transfer or delivery of certificates for Shares purchased pursuant to this Plan may be delayed, at the discretion of the Compensation Committee, until the Committee is satisfied that the applicable requirements of securities and income tax laws have been met.

### **3.9 No Representation or Warranty:**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of this Plan.

### **3.10 Compliance with Legislation**

The Board may postpone or adjust any exercise of any Option or the issue of any Shares pursuant to this Plan as the Board in its discretion may deem necessary in order to permit the Company to effect or maintain registration of this Plan or the Shares issuable pursuant thereto under the securities laws of any applicable jurisdiction, or to determine that the Shares and this Plan are exempt from such registration. The Company is not obligated by any provision of this Plan or any grant hereunder to sell or issue Shares in violation of any applicable law. In addition, if the Shares are listed on a stock exchange, the Company will have no obligation to issue any Shares pursuant to this Plan unless the Shares have been duly listed, upon official notice of issuance, on a stock exchange on which the Shares are listed for trading.

### **3.11 Bona Fide**

The Company hereby represents that any employees or Consultants to whom Options are granted hereunder are *bona fide* employees of Consultants, as applicable.

### **3.12 Effective Date**

This Plan shall be effective upon the approval of the Plan by:

- (a) The Exchange and any other exchange upon which the Shares may be posted or listed for trading, and shall comply with the requirements from time to time of the Exchange; and
- (b) the shareholders of the Company, given by affirmative vote of a majority of votes attached to Shares entitled to vote and be represented and voted at an annual or special meeting of approval of shareholders held, among other things, to consider and approve the Plan.

**SCHEDULE "A"**

**GOLDEN TAG RESOURCES LTD.**

**2020 INCENTIVE STOCK OPTION PLAN - FORM OF AGREEMENT**

**OPTION AGREEMENT**

This Option Agreement is entered into between Golden Tag Resources Ltd. (the "**Company**") and the Optionee named below pursuant to the Golden Tag Resources Ltd. 2020 Incentive Stock Option Plan (the "**Plan**"). This Agreement witnesses that in consideration of the covenants and agreements herein contained and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as set forth and confirms that:

on

\_\_\_\_\_ (the "**Grant Date**");

\_\_\_\_\_ (the "**Optionholder**");

was granted \_\_\_\_\_ options (the "**Options**") to purchase \_\_\_\_\_ Common Shares (the "**Optioned Shares**") of the Company, exercisable [NTD: May insert vesting period such as: to <\*>% on the Grant Date and <\*>% on each of the [<\*>, <\*> and <\*> anniversary dates of the Date of Grant] on a cumulative basis;

at a price (the "**Exercise Price**") of \$\_\_\_\_\_ per Optioned Share; and

for a term expiring at 5:00 p.m., Toronto time, on \_\_\_\_\_ (the "**Expiry Date**");

All on the terms set out in, and in accordance with, the Plan. By signing this Option Agreement, the Optionholder acknowledges that he or she has read and understands the Plan and accepts the Options in accordance with the terms and conditions of the Plan. All capitalized terms not defined herein have the meaning assigned to them in the Plan.

**IN WITNESS WHEREOF** the Company and the Optionee have executed this Option Agreement as of \_\_\_\_\_, 20<\*>.

**GOLDEN TAG RESOURCES LTD.**

per: \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
Name of Optionholder

\_\_\_\_\_  
Signature of Optionholder

**SCHEDULE "B"**

**BY-LAW 2020-1**

[see following pages]

## **BY-LAW NO. 1**

A by-law relating generally to the conduct of the business and affairs of

### **GOLDEN TAG RESOURCES LTD.**

#### **C O N T E N T S**

1. - Interpretation
2. - General Business Matters
3. - Directors
4. - Meetings of Directors
5. - Officers
6. - Protection of Directors, Officers and Others
7. - Meetings of Shareholders
8. - Shares
9. - Dividends
10. - Notices
11. - Effective Date

**BE IT ENACTED** as a by-law of Golden Tag Resources Ltd. as follows:

#### **1. INTERPRETATION**

1.1 Definitions - In this by-law and all other by-laws and resolutions of the Corporation, unless the context otherwise requires:

*"Act"* means the *Canada Business Corporations Act*, including the Regulations made pursuant thereto, and any statute or regulations substituted therefor, as amended from time to time;

*"appoint"* includes "elect", and *vice versa*

*"articles"* means the Articles of Continuance dated July 11, 1995 and/or other constating documents of the Corporation as amended or restated from time to time;

*"board"* means the board of directors of the Corporation and *"director"* means a member of the board;

*"by-laws"* means this by-law and all other by-laws, including special by-laws, of the

Corporation as amended from time to time and which are, from time to time, in force and effect;

"*Corporation*" means this Corporation, being the corporation to which the Articles pertain, and named "Golden Tag Resources Ltd.";

"*meeting of shareholders*" includes an annual meeting of shareholders and a special meeting of shareholders; "*special meeting of shareholders*" means a special meeting of all shareholders entitled to vote at an annual meeting of shareholders and a meeting of any class or classes of shareholders entitled to vote on the question at issue;

"*recorded address*" means, in the case of a shareholder, his address as recorded in the shareholders' register; and in the case of joint shareholders, the address appearing in the shareholders' register in respect of such joint holding or the first address so appearing if there is more than one; in the case of a director, officer, auditor or member of a committee of the board, his latest address as shown in the records of the Corporation or in the most recent notice filed under the *Corporations Information Act*, whichever is the more current. The secretary may change or cause to be changed the recorded address of any person in accordance with any information believed by him to be reliable.

1.2 Rules - In the interpretation of this by-law, unless the context otherwise requires, the following rules shall apply:

- a) Except where specifically defined herein, words, terms and expressions appearing in this by-law, including the terms "resident Canadian" and "unanimous shareholder agreement" shall have the meaning ascribed to them under the Act;
- b) Words importing the singular include the plural and *vice versa*;
- c) Words importing gender include the masculine, feminine and neuter genders;
- d) Words importing a person include an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative.

## **2. GENERAL BUSINESS MATTERS**

2.1 Registered Office - The shareholders may, by special resolution, from time to time change the municipality or geographic township within Ontario in which the registered office of the Corporation shall be located, but unless and until such special resolution has been passed, the registered office shall be where initially specified in the articles. The directors shall from time to time fix the location of the registered office within such municipality or geographic township.

2.2 Corporate Seal - The Corporation may, but need not, have a corporate seal; if adopted, such seal shall be in the form approved from time to time by the board.

2.3 Fiscal Year - Unless and until another date has been effectively determined, the fiscal year or financial year of the Corporation shall end on December 31st in each year.

2.4 Execution of Documents - Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by any one of the Officers.

Notwithstanding the foregoing, the board may from time to time direct the manner in which and the person or persons by whom a particular document or class of documents shall be executed. Any person authorized to sign any document may affix the corporate seal thereto.

2.5 Banking - All matters pertaining to the banking of the Corporation shall be transacted with such banks, trust companies or other financial organizations as the board may designate or authorize from time to time. All such banking business shall be transacted on behalf of the Corporation pursuant to such agreements, instructions and delegations of powers as may, from time to time, be prescribed by the board.

### 3. DIRECTORS

3.1 Powers - Subject to the express provisions of a unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the Corporation.

3.2 Transaction of Business - Business may be transacted by resolutions passed at meetings of directors or committees of directors at which a quorum is present or by resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors. A copy of every such resolution in writing shall be kept with the minutes of the proceedings of the directors or committee of directors.

3.3 Number - Until changed in accordance with the Act, the board shall consist of that number of directors, being a minimum of one (1) and a maximum of nine (9), as determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the board.

3.4 Resident Canadians - If the board consists of only one director, that director shall be a resident Canadian. If the board consists of two directors, at least one of the two directors shall be a resident Canadian. Except as aforesaid, not less than 25% of the directors of the Corporation shall be resident Canadians.

3.5 Qualifications - Each director shall be an individual who is not less than 18 years of age. No person who is of unsound mind and has been so found by a court in Canada or elsewhere or who has the status of a bankrupt shall be a director. If a director acquires the status of a bankrupt or becomes of unsound mind and is so found, he shall thereupon cease to be a director. A director need not be a shareholder.

3.6 Election and Term - The election of directors shall take place at the first meeting of shareholders and at each annual meeting of shareholders and all the directors then in office shall retire, but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall be the number of directors then in office unless the directors or shareholders shall have otherwise determined in accordance with the Act. Where the shareholders adopt an amendment to the articles to increase the number or minimum number of directors, the shareholders may, at the meeting at which they adopt the amendment, elect the additional number of directors authorized by the amendment. The election shall be by resolution. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

3.7 Resignation - A director who is not named in the articles may resign from office upon giving a written resignation to the Corporation and such resignation becomes effective when received by the Corporation or at the time specified in the resignation, whichever is later. A director named in the articles shall not be permitted to resign his office unless at the time the resignation is to become effective a successor is elected or appointed.

3.8 Removal - Subject to the provisions of the Act, the shareholders may, by ordinary resolution passed at an annual or special meeting of shareholders, remove any director from office before the expiration of his term and may elect a qualified individual to fill the resulting vacancy for the remainder of the term of the director so removed, failing which such vacancy may be filled by the board. Notice of intention to pass such resolution shall be given in the notice calling the meeting.

3.9 Vacation of office - A director ceases to hold office when he dies, resigns, is removed from office by the shareholders, or becomes disqualified to serve as director.

3.10 Vacancies - Subject to the provisions of the Act, a vacancy on the board may be filled for the remainder of its term by a qualified individual by resolution of a quorum of the board. If there is not a quorum of directors or if a vacancy results from the failure to elect the number of directors required to be elected at any meeting of shareholders, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

#### **4. MEETINGS OF DIRECTORS**

4.1 Place of Meetings - Meetings of the board may be held at the registered office of the

Corporation or at any other place within or outside of Ontario, and it is not necessary that, in any financial year of the Corporation, a majority of such meetings be held in Canada.

4.2 Participation by Telephone - With the unanimous consent of all of the directors present at or participating in the meeting, a director may participate in a meeting of the board or in a meeting of a committee of directors by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means is deemed for the purposes of the Act and this by-law to be present at that meeting. A consent pursuant to this provision may be given before or after the meeting to which it relates and may be a "blanket" consent, relating to all meetings of the board and/or committees of the board and need not be in writing.

4.3 Calling of Meetings - In addition to any other provisions in the articles or by-laws of a Corporation for calling meetings of directors, a quorum of the directors may, at any time, call a meeting of any business, the general nature of which is specified in the notice calling the meeting. Where the Corporation has only one director, that director may constitute a meeting.

4.4 Notice of Meeting - Notice of the time and place for the holding of a meeting of the board shall be given to every director of the Corporation not less than two clear days (excluding Sundays and holidays as defined by the *Interpretation Act*) before the date of the meeting. Notwithstanding the foregoing, notice of a meeting shall not be necessary if all of the directors are present, and none objects to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.5 First Meeting of New Board - Provided that a quorum of directors is present, a newly elected board may, without notice, hold its first meeting immediately following the meeting of shareholders at which such board is elected.

4.6 Regular Meetings - The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings of the board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

4.7 Quorum - A majority of the directors elected to office constitutes a quorum at any meeting of the board.

4.8 Chairman - The Chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting:

Chairman of the Board,  
President,  
A Vice-President, or  
Managing Director

If no such officer is present, the directors present shall choose one of their number to be Chairman of such meeting.

4.9 Votes to Govern - At all meetings of the board, every question shall be decided by a majority of the votes cast on the question; and in the case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.

4.10 Disclosure - Conflict of Interest - A director or officer of the Corporation who is a party to, or who is a director or an officer of, or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of directors the nature and extent of his interest. Disclosure, as aforesaid, shall be made at the time and in the manner required by the Act, and a director so having an interest in a contract or transaction shall, unless expressly permitted by the Act, not vote on any resolution to approve the contract or transaction.

4.11 Delegation by Directors (Committees) - The board may appoint from their number a managing director, or a committee of directors, and delegate to such managing director or committee any of the powers of the board except those which relate to matters over which a managing director or committee shall, pursuant to the Act, not have authority. Unless otherwise determined by the board, a committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

4.8 Remuneration and Expenses - Subject to the articles and any unanimous shareholder agreement, the board may fix the remuneration of the directors, which remuneration shall be in addition to any remuneration which may be payable to a director who serves the Corporation in any other capacity. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board, committees or shareholders and for such other out-of-pocket expenses incurred in respect of the performance of their duties as the board may from time to time determine.

## 5. OFFICERS

5.1 Appointment - The board may from time to time designate the offices of the Corporation, appoint officers (and assistants to officers), specify their duties and, subject to the Act or the provisions of any unanimous shareholder agreement, delegate to such officers powers to manage the business and affairs of the Corporation. A director may be appointed to any office of the

Corporation. Except for the chairman of the board and the managing director, an officer may but need not be a director. Two or more offices may be held by the same person.

5.2 Term of Office (Removal) - In the absence of a written agreement to the contrary, the board may remove, whether for cause or without cause, any officer of the Corporation. Unless so removed, an officer shall hold office until his successor is appointed or until his resignation, whichever shall first occur.

5.3 Terms of Employment, Duties and Remuneration - The terms of employment and remuneration of all officers elected or appointed by the board shall be determined from time to time and may be varied from time to time by the board. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the Board of Directors at any time, with or without cause.

5.4 Description of Offices - Unless otherwise specified by the board (which may, subject to the Act, modify, restrict or supplement such duties and powers), the offices of the Corporation, if designated and if officers are appointed thereto, shall have the following duties and powers associated therewith:

- a) **Chairman of the Board** - The chairman of the board, if one is to be appointed, shall be a director. The board may assign to him any of the powers and duties which, pursuant to the by-laws, are capable of being assigned to the managing director or to the president. During the absence or disability of the Chairman of the Board, the President shall assume all his powers and duties.
- b) **Managing Director** - The managing director, if one is to be appointed, shall exercise such powers and have such authority as may be delegated to him by the Board in accordance with the provisions of Section 127 of the Act.
- c) **President** - The President shall be the chief executive officer of the Corporation unless otherwise determined by resolution of the Board of Directors and shall have responsibility for the general management and direction of the business and affairs of the Corporation, subject to the authority of the Board of Directors. Where no Chairman of the Board is elected or during the absence or inability to act of Chairman of the Board, the President, when present, shall preside at all meetings of shareholders, and if he is a director, at all meetings of the Board of Directors or meetings of a committee of directors;
- d) **Vice-President** - During the absence or inability of the President, his duties may be performed and his powers may be exercised by the Vice-President, or if there are more than one, by the Vice-President in order of seniority (as determined by the Board of Directors) save that no Vice-President shall preside at a meeting of the Board of Directors or at a meeting of shareholders who is not qualified to attend the meeting as a director or shareholder, as the case may be. A Vice-President shall also perform such duties and

exercise such powers as the President may from time to time delegate to him or as the Board of Directors may prescribe;

- e) **General Manager** - The General Manager, if one be appointed, shall have the responsibility for the general management, and direction, subject to the authority of the Board of Directors and the supervision of the President, of the Corporation's business and affairs and the power to appoint and remove any and all officers, employees and agents of the Corporation not appointed directly by the Board of Directors and to settle the terms of their employment and remuneration.
- f) **Secretary** - The secretary, when in attendance, shall be the secretary of all meetings of the board, shareholders and committees of the board and, whether or not he attends, the secretary shall enter or cause to be entered in the Corporation's minute book, minutes of all proceedings at such meetings; he shall give, or cause to be given, as and when instructed, notices to shareholders, directors, auditors and members of committees; he shall be the custodian of the corporate seal as well as all books, papers, records, documents and other instruments belonging to the Corporation. He shall perform such other duties as may from time to time be prescribed by the Board of Directors;
- g) **Treasurer** - The treasurer shall be responsible for the maintenance of proper accounting records in compliance with the Act as well as the deposit of money, the safekeeping of securities and the disbursement of funds of the Corporation; whenever required, he shall render to the board an account of his transactions as treasurer and of the financial position of the Corporation.

The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

5.5 Vacancies - If the office of the Chairman of the Board, Managing Director, President, Vice-President, Secretary, Assistant Secretary, Treasurer, Assistant Secretary, or any one of such offices, or any other office shall be or become vacant by reason of death, resignation, disqualification or otherwise, the Board of Directors by resolution shall in the case of the President or Secretary, and may in the case of any other office, appoint a person to fill such vacancy.

5.6 Agents and Attorneys - The board shall have power from time to time to appoint agents or attorneys for the Corporation in or out of Ontario with such powers of management, administration or otherwise (including the power to sub-delegate) as the board considers fit.

5.7 Disclosure - Conflict of Interest - An officer shall have the same duty to disclose his interest in a material contract or transaction or proposed material contract or transaction with the Corporation, as is, pursuant to the provisions of the Act and the by-laws, imposed upon directors.

## **6. PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

6.1 Standard of Care - Every director and officer of the Corporation in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director and officer of the Corporation shall comply with the Act, the regulations, articles, by-laws and any unanimous shareholder agreement.

6.2 Limitation of Liability - Provided that the standard of care required of him has been satisfied, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own willful neglect or default.

6.3 Indemnity of Directors and Officers - Subject to the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal administrative, investigative or other action or proceeding to which he is made a party by reason of being or having been a director or officer of such corporation or body corporate if,

- a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

The Corporation shall indemnify such person in all such other matters, actions, proceedings and circumstances as may be permitted by the Act or the law.

6.4 Insurance - Subject to the Act, the Corporation may purchase and maintain such insurance for the benefit of any person entitled to be indemnified by the Corporation pursuant to the immediately preceding section as the board may from time to time determine.

6.5 Financial Assistance - The Corporation or any corporation with which it is affiliated, shall

not, directly or indirectly, give financial assistance by means of a loan, guarantee or otherwise, to any shareholder, director, officer or employee of the Corporation or affiliated corporation or to an associate of any such person for any purpose; or to any person for the purpose of or in connection with a purchase of a share or security convertible into or exchangeable for a share, issued or to be issued by the Corporation or affiliated corporation, where there are reasonable grounds for believing that:

- (a) the Corporation is, or after giving the financial assistance, would be unable to pay its liabilities as they become due; or
- (b) the realizable value of the Corporation's assets, excluding the amount of any financial assistance in the form of a loan and in the form of any secured guarantee, after giving the financial assistance, would be less than the aggregate of the Corporation's liabilities and stated capital of all classes.

The Corporation may give financial assistance by means of a loan, guarantee or otherwise, to any person in the ordinary course of business if the lending of money is part of the ordinary business of the Corporation; to any person on account of expenditures incurred or to be incurred on behalf of the Corporation; to its holding body corporate if the Corporation is a wholly owned subsidiary of the holding body corporate; to a subsidiary body corporate of the Corporation; or to employees of the Corporation or any of its affiliates, to enable or assist them to purchase or erect living accommodation for their own occupation, or in accordance with a plan for the purchase of shares of the Corporation or any of its affiliates.

## **7. MEETINGS OF SHAREHOLDERS**

7.1 Annual Meetings - The board shall call, at such date and time as it determines, the first annual meeting of shareholders not later than eighteen months after the Corporation comes into existence and thereafter not later than fifteen months after holding the last preceding annual meeting, so as to consider the financial statements and reports required by the Act to be presented thereat, to elect directors, appoint auditors and to transact such other business as may properly be brought before the meeting.

7.2 Special Meetings - The board, the chairman of the board, the managing director or the president may at any time call a special meeting of shareholders for the transaction of any business which may properly be brought before such meeting of shareholders.

7.3 Place of Meetings - Meetings of shareholders shall be held at such place in or outside Ontario as the board determines or, in the absence of such a determination, at the place where the registered office of the Corporation is located.

7.4 Meetings by Telephone - Any person entitled to attend a meeting of shareholders may participate in the meeting, to the extent and in the manner permitted by law, by means of a

telephone, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting. The directors or the shareholders of the Corporation who call a meeting of shareholders pursuant to the Act may determine that the meeting shall be held, to the extent and in the manner permitted by law, entirely by means of a telephone, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

7.5 Special Business - All business transacted at a special meeting or an annual meeting of shareholders, except consideration of the minutes of an earlier meeting, the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor constitutes special business.

7.6 Notice of Meetings - Notice of the time and place of a meeting of shareholders shall be sent not less than 10 days, or if the Corporation is an offering corporation, not less than twenty-one (21) days, but in either case not more than 50 days before the date of the meeting:

- a) to each shareholder entitled to vote at the meeting (according to the records of the Corporation at the close of business on the day preceding the giving of the notice);
- b) to each director; and
- c) to the auditor of the Corporation.

A meeting of shareholders may be held at any time without notice if all the shareholders entitled to vote thereat are present or represented by proxy and do not object to the holding of the meeting or those not so present by proxy have waived notice, if all the directors are present or have waived notice of or otherwise consent to the meeting and if the auditor, if any, is present or has waived notice of or otherwise consents to the meeting.

Notice of a meeting of shareholders at which special business is to be transacted shall state:

- a) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon; and
- b) the text of any special resolution or by-law to be submitted to the meeting.

In the event of the adjournment of a meeting, notice, if any is required, shall be given in accordance with the provisions of the Act.

7.7 Waiving Notice - A shareholder and any other person entitled to attend a meeting of shareholders may in any manner and at any time waive notice of a meeting of shareholders, and attendance of any such person at a meeting of shareholders is a waiver of notice of the meeting,

except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

7.8 Persons Entitled to be Present - The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Corporation, if any and such other persons who are entitled or required under any provision of the Act, articles or by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

7.9 Quorum – At least two shareholders entitled to vote at a meeting of shareholders, whether present in person or represented by proxy, constitute a quorum for the transaction of business at any meeting of shareholders. If a quorum is present at the opening of a meeting of shareholders, the shareholders present may proceed with the business of the meeting even if a quorum is not present throughout the meeting. If the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

7.10 Right to Vote - Unless the articles otherwise provide, each share of the Corporation entitles the holder thereof to one vote at a meeting of shareholders. At each meeting of shareholders every shareholder shall be entitled to vote who is entered on the books of the Corporation as a holder of one or more shares carrying the right to vote at such meeting in accordance with a shareholder list which, in the case of a record date, shall be a list of those registered at the close of business on that record date, and where there is no record date, at the close of business on the day immediately preceding the day on which notice is given or, where no notice is given, those registered on the day on which the meeting is held. When a share or shares have been mortgaged or hypothecated, the person who mortgaged or hypothecated such share or shares (or his proxy) may nevertheless represent the shares at meetings and vote in respect thereof unless in the instrument creating the mortgage or hypothec, he has expressly empowered the holder of such mortgage or hypothec to vote thereon, in which case such holder (or his proxy) may attend meetings to vote in respect of such shares upon filing with the Secretary of the meeting sufficient proof of the terms of such instrument.

7.11 Representatives - An executor, administrator, committee of a mentally incompetent person, guardian or trustee and where a Corporation is such executor, administrator, committee, guardian or trustee, any person duly a proxy appointed for such corporation, upon filing with the secretary of the meeting sufficient proof of his appointment, shall represent the shares in his or its hands at all meetings of the shareholders of the Corporation and may vote accordingly as a shareholder in the same manner and to the same extent as the shareholder of record. Where two or more persons hold the same share or shares jointly, any one of such persons present at a meeting of shareholders has the right, in the absence of the other or others, to vote in respect of such share or shares but if more than one of such persons are present or represented by proxy and vote, they shall vote together as one on the share or shares jointly held by them.

7.12 Scrutineers - At each meeting of shareholders one or more scrutineers may be appointed by a resolution of the meeting or by the Chairman with the consent of the meeting to serve at the meeting. Such scrutineers need not be shareholders of the Corporation.

7.13 Proxies - Every shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders who need not be shareholders, as the shareholder's nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy. A proxy shall be in writing, shall be executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized, and shall cease to be valid after the expiration of one year from the date thereof. The instrument appointing a proxy shall comply with the provisions of the Act and regulations thereto and shall be in such form as the Board of Directors may from time to time prescribe or in such other form as the Chairman of the meeting may accept as sufficient and shall be deposited with the Secretary of the meeting before any vote is cast under its authority, or at such earlier time and in such manner as the Board of Directors may prescribe in accordance with the Act.

7.14 Time for Deposit of Proxies - The Corporation shall recognize a proxy only if it has been deposited with the Corporation and it shall be so deposited before any vote is taken under its authority, or at such earlier time as the board, in compliance with the Act, prescribes and which has been specified in the notice calling the meeting.

7.15 Corporate Shareholders and Associations - As an alternative to depositing a proxy, a body corporate or an association may deposit a certified copy of a resolution of its directors or governing body authorizing an individual to represent it at meetings of shareholders of the Corporation.

7.16 Joint Shareholders - Where two or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the shares, but if two or more of those persons are present, in person or by proxy, they shall vote as one on the shares jointly held by them.

7.17 Votes to Govern - Subject to the Act, the articles, the by-laws and any unanimous shareholder agreement, all questions proposed for the consideration of the shareholders shall be determined by a majority of the votes cast thereon and, in case of an equality of votes, the chairman of the meeting shall not have a second or casting vote.

7.18 Show of Hands - Except where a ballot is demanded as hereafter set out, voting on any question proposed for consideration at a meeting of shareholders shall be by show of hands, and a declaration by the chairman as to whether or not the question or motion has been carried and an entry to that effect in the minutes of the meeting shall, in the absence of evidence to the contrary, be evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the motion.

7.19 Ballots - For any question proposed for consideration at a meeting of shareholders, either before or after a vote by show of hands has been taken, the chairman, or any shareholder or proxyholder may demand a ballot, in which case the ballot shall be taken in such manner as the chairman directs and the decision of the shareholders on the question shall be determined by the result of such ballot.

7.20 Electronic Voting by Shareholders - Any vote at a meeting of the shareholders may be held, to the extent and in the manner permitted by law, entirely by means of a telephone, electronic or other communication facility, if the Corporation makes available such a communication facility.

7.21 Voting While Participating Electronically - Any person participating in a meeting of shareholders by electronic means as provided in section 7.4 and entitled to vote at that meeting may vote, to the extent and in the manner permitted by law, by means of the telephone, electronic or other communication facility that the Corporation has made available for that purpose.

7.22 Resolution in Lieu of Meeting - Except where, pursuant to the Act, a written statement is submitted to the Corporation by a director or representations in writing are submitted to the Corporation by an auditor:

- a) a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders; and
- b) a resolution in writing dealing with all matters required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders entitled to vote at that meeting, satisfies all the requirements of the Act relating to that meeting of shareholders.

7.23 One Shareholder - Where the Corporation has only one shareholder, all business which the Corporation may transact at an annual or special meeting of shareholders shall be transacted in the manner provided for in paragraph 7.22 hereof.

7.24 Adjournment - The Chairman of the meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, or where otherwise permitted under the provisions of the Act, adjourn the meeting from time to time and from place to place.

## **8. SHARES**

8.1 Allotment - Subject to the Act, the articles and any unanimous shareholder agreement, the board may from time to time issue, allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation, at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is

fully paid as provided by the Act.

8.2 Share Certificates - Share certificates and the form of stock transfer power shall be in such form as the board shall from time to time approve and shall be signed by the Chairman of the Board or the President or a Vice-President and the Secretary or Assistant Secretary holding office at the time of signing. Every shareholder of the Corporation is entitled upon request to a share certificate or to a non-transferable written acknowledgment of his right to obtain a share certificate in respect of the shares held by him.

Unless otherwise provided in the Articles, the Board may provide by resolution that all or any classes and series of shares or other securities shall be uncertified securities, provided that such resolution shall not apply to securities represented by a certificate until such certificate is surrendered to the Corporation.

The signature of the Chairman of the Board, the Vice-Chairman of the Board, the President or a Vice-President may be printed, engraved, lithographed or otherwise mechanically reproduced upon certificates for shares of the Corporation. Certificates so signed shall be deemed to have been manually signed by the Chairman of the Board, the Vice-Chairman of the Board, the President or the Vice-President whose signature is so printed, engraved, lithographed or otherwise mechanically reproduced thereon and shall be as valid to all intents and purposes as if they had been signed manually. Where the Corporation has appointed a trustee, registrar, transfer agent, branch transfer agent or other authenticating agent, for the shares of the Corporation the signature of the Secretary or Assistant Secretary may also be printed, engraved, lithographed or otherwise mechanically reproduced on certificates representing the shares (or the shares of the class or classes in respect of which any such appointment has been made) of the Corporation and when countersigned by or on behalf of a trustee, registrar, transfer agent, branch transfer agent or other authenticating agent such certificates so signed shall be as valid to all intents and purposes as if they had been signed manually. A share certificate containing the signature of a person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that the person has ceased to be an officer of the Corporation and shall be as valid as if he were an officer at the date of its issue.

8.3 Joint Shareholders - If two or more persons are registered as joint holders of any share, it shall be sufficient for the Corporation to issue one certificate in respect thereof and it shall also be sufficient for the Corporation to accept, from any one of such persons, receipts for the certificate or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

8.4 Deceased Shareholders - In the event of the death of a shareholder, the Corporation shall not be required to make an entry in its records in respect of such death and nor shall it be required to make any dividend or other payment in respect of such shares until such documents have been produced to the Corporation as are required by the Act and the law and as are reasonably required by the Corporation and its transfer agents.

8.5 Replacement of Share Certificates - Subject to the Act, the board may prescribe, either generally or for a particular instance, the conditions upon which a new share certificate may be issued to replace a share certificate which has been or is claimed to have been defaced, lost, stolen or destroyed.

8.6 Payment of Commission - The board may, from time to time, authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or for procuring or agreeing to procure purchasers for any such shares.

8.7 Lien for Indebtedness - Subject to the Act, the Corporation has a lien on shares registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation which lien may be enforced, subject to the articles and to any unanimous shareholder agreement, by the sale of such shares or by any other proceeding or remedy available by law to the Corporation and, until such indebtedness has been satisfied, the Corporation may refuse to register a transfer of any such shares.

8.8 Central Securities Register - A securities register and the register of transfers of the Corporation shall be kept at the registered office of the Corporation or such other office or place in Ontario as may from time to time be designated by resolution of the Board of Directors and a branch securities register or registers of transfers may be kept at such office or offices of the Corporation or other place or places, either in or outside Ontario, as may from time to time be designated by resolution of the Board of Directors.

8.9 Transfer of Securities - No transfer of shares shall be recorded or registered unless or until the certificate representing the shares to be transferred has been surrendered and cancelled.

## **9. DIVIDENDS**

9.1 Declaration - Subject to the Act, the articles and any unanimous shareholder agreement, the board may declare and the Corporation may pay dividends to the shareholders according to their respective rights and interests in the Corporation. Any such dividend may be paid by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation or, subject to the Act, the Corporation may pay a dividend in money or property.

9.2 Payment - A dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and, unless the shareholder otherwise directs, mailed by prepaid ordinary mail to such registered holder at his last address appearing on the records of the Corporation. In the case of joint shareholders, unless they otherwise direct, the cheque shall be made payable to the order of all of such joint holders and mailed by prepaid ordinary mail to them at the address appearing on the records of the Corporation for them or, if addresses appear for more than one such joint holder, it shall be mailed to the first address so appearing. The mailing of such cheque as aforesaid, unless

it is not honoured on presentation, shall satisfy and discharge the liability for the dividend to the extent of the aggregate of the sum represented by such cheque plus the amount of any tax which the Corporation is required to and does withhold. The board may prescribe, either generally or for a particular instance, the terms as to indemnity, reimbursement of expenses and evidence of non-receipt, upon which a replacement cheque may be issued to a person to whom a dividend cheque was sent and who claims that such cheque was not received or has been defaced, lost, stolen or destroyed.

## 10. NOTICES

10.1 Method of Giving Notices - Any notice, communication or other document required to be given by the Corporation to a shareholder, director, officer, member of a committee of the board or auditor of the Corporation pursuant to the Act, the regulations, the articles or by-laws or otherwise shall be sufficiently given to such person if:

- a) delivered personally to him, in which case it shall be deemed to have been given when so delivered;
- b) delivered to his recorded address, in which case it shall be deemed to have been given when so delivered;
- c) mailed to him at his recorded address by prepaid ordinary mail, in which case it shall be deemed to have been given on the fifth day after it is deposited in a post office or public letter box; or
- d) sent to him at his recorded address by any means of prepaid transmitted or recorded communication, in which case it shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch.

If a notice or document is sent to a shareholder by prepaid mail in accordance with this paragraph and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, it shall not be necessary to send any further notices or documents to the shareholder until he informs the Corporation in writing of his new address.

10.2 Notice to Joint Shareholders - Notice required to be given to a shareholder where two or more persons are registered as joint holders of any share shall be sufficiently given to all of them if given to any one of them.

10.3 Notices Given to Predecessors - Every person who by transfer, death of a shareholder, operation of law or otherwise becomes entitled to shares, is bound by every notice in respect of such shares which was duly given to the registered holder of such shares from whom his title is derived prior to entry of his name and address in the records of the Corporation and prior to his

providing to the Corporation the proof of authority or evidence of his entitlement as prescribed by the Act.

10.4 Computation of Time - In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice and the date of the meeting or other event shall be excluded.

10.5 Omissions and Errors - The accidental omission to give any notice to any shareholder, director, officer, member of a committee of the board or auditor, or the non-receipt of any notice by any such person or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

10.6 Waiver of Notice - Any shareholder, proxyholder, director, officer, member of a committee of the board or auditor may waive or abridge the time for any notice required to be given him, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or of a committee of the board, which may be given in any manner.

## **11. EFFECTIVE DATE**

11.1 Effective Date - Subject to its being confirmed by the shareholders, this by-law shall come into force when determined by the board, subject to the provisions of the Act.

**APPENDIX "A"**

**AUDIT COMMITTEE CHARTER**

[see following pages]

## APPENDIX A

### AUDIT COMMITTEE CHARTER

#### **Organization**

There shall be a committee of the board of directors (the “**Board**”) to be known as the audit committee (the “**Audit Committee**”). The Audit Committee shall be composed of no fewer than three (3) directors, the majority of whom are independent of the management of the Corporation and are free of any relationship that, in the opinion of the Board, would interfere with their exercise of independent judgment as an Audit Committee member. All Audit Committee members shall have the ability to read and understand financial statements.

#### **Statement of Policy**

The Audit Committee shall provide assistance to the directors in fulfilling their responsibilities in connection with the supervision of the accounting and reporting practices of the Corporation, and the quality and integrity of the financial reports of the Corporation. In so doing, it is the responsibility of the Audit Committee to maintain free and open means of communication between the directors, the auditors and the financial management of the Corporation. The Corporation currently does not have an internal audit function. If this function is established in the future, then this Charter will be amended to reflect this.

#### **Meetings**

The Audit Committee will meet at least once each quarter, with authority to convene additional meetings as circumstances require. All Audit Committee members are expected to attend each meeting, in person or via tele- or video-conference. The Audit Committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with the auditor and with executives of the Corporation, as necessary.

Minutes will be prepared. The Audit Committee shall report the proceedings of each meeting and all recommendations made by the Audit Committee at such meeting to the Board at the Board's next meeting.

#### **Nomination**

The Board shall appoint the members of the Audit Committee and the Chair of the Audit Committee annually at the first meeting of the Board after the meeting of the shareholders at which directors are elected each year. The Board may appoint a member to fill a vacancy which occurs in the Audit Committee between annual elections of directors. Any member of the Audit Committee may be removed or replaced at any time by the Board.

#### **Responsibilities**

The Audit Committee will carry out the following responsibilities:

##### ***Financial Statements***

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

- Review with management and the auditors the results of the audit, including any difficulties encountered.
- Review the annual financial statements and consider whether they are complete, are consistent with information known to Audit Committee members and reflect appropriate accounting principles.
- Review other sections of the annual report before release and consider the accuracy and completeness of the information.
- Review with management and the auditors all matters required to be communicated to the Board under generally accepted auditing standards.
- Understand how management develops interim financial information, and the nature and extent of auditor involvement.
- Review interim financial reports with management before filing with regulators, and consider whether they are complete and consistent with the information known to Audit Committee members.

#### ***Internal Control***

- Consider the effectiveness of the Corporation's internal control over annual and interim financial reporting, including information technology security and control.
- Understand the scope of auditor's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

#### ***Audit***

- Review the auditor's proposed audit scope and approach.
- Review the performance of the auditor, and exercise final approval on the appointment or discharge of the auditor.
- Review and confirm the independence of the auditor by obtaining statements from the auditor on relationships between the auditor and the Corporation, including non-audit services, and discussing the relationships with the auditor.
- On a regular basis, meet separately with the auditor to discuss any matters that the Audit Committee or auditor believe should be discussed privately.

#### ***Compliance***

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to the Corporation's personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and the Corporation's legal counsel regarding compliance matters.

### **Reporting**

- Regularly report to the Board about Audit Committee activities, issues and related recommendations.
- Provide and open avenue of communication between the auditor and the Board.
- Review any other reports the Corporation issues that relate to Audit Committee responsibilities.

### **Other**

- Perform other activities related to this Charter as requested by the Board.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Audit Committee Charter annually, requesting Board approval for proposed changes.
- Confirm annually that all responsibilities outlined in this Charter have been carried out.
- Evaluate the Audit Committee's and individual members' performance on a regular basis.

### **Whistleblower Policy**

#### **General**

The Corporation requires its directors, officers and employees to observe high standards of professionalism and ethical conduct in maintaining the financial records of the Corporation. In furtherance of this objective, and as stated in Multilateral Instrument 52-110, the Audit Committee of the Board of Directors of the Corporation is responsible for ensuring that a confidential and anonymous process exists whereby persons can express any concerns or complaints regarding any conduct which constitutes or could result in a violation of law or which places or could place in doubt the accuracy, fairness or appropriateness of any of the Corporation's accounting policies or financial reports. In order to carry out this responsibility, the Audit Committee has adopted this policy (the "**Whistleblower Policy**").

For the purpose of this Whistleblower Policy, any conduct which constitutes or could result in a violation of law or which places or could place in doubt the Corporation's accounting or auditing practices or any other financial matters pertaining to the Corporation (including, without limitation, conduct in connection with accounting, internal accounting controls or auditing matters) and which is the subject of a complaint or submission is referred to as a "**Misconduct**".

#### **No Retaliation**

No director, officer or employee of the Corporation or of any of its subsidiaries (a "**Reporting Party**") who in good faith reports a Misconduct shall suffer as a result any harassment, retaliation or other adverse consequence. A director, officer or employee of the Corporation or of any of its subsidiaries who retaliates against a Reporting Party who has reported a Misconduct in good faith is subject to discipline up to and including termination of employment or office. This Whistleblower Policy is intended to encourage and enable Reporting Parties to raise serious concerns within the Corporation rather than seeking resolution outside the Corporation.

#### **Acting in Good Faith**

Anyone filing a complaint concerning a suspected Misconduct must be acting in good faith and have reasonable grounds for believing that the information disclosed indicates a Misconduct. Any allegations

that prove not to be substantiated and which prove to have been made maliciously or with knowledge that they were false will be viewed as a serious disciplinary offence.

### ***Reporting Violations***

It is the responsibility of all Reporting Parties to report all suspected Misconducts in accordance with this Whistleblower Policy. The Corporation maintains an open door policy and suggests that all Reporting Parties share their questions, concerns, suggestions or complaints with someone who can address them properly.

In most cases, a Reporting Party should report a Misconduct to any of the members of the Audit Committee.

However, if a Reporting Party is not comfortable speaking with a member of the Audit Committee, the Reporting Party should contact the Corporation's outside legal counsel.

In addition, the Chief Financial Officer of the Corporation is required to immediately notify the Audit Committee of any complaint of a Misconduct of which he or she becomes aware.

### ***Investigations of Complaints***

The Corporation's Audit Committee is responsible for investigating and resolving all reported complaints and allegations concerning Misconducts. The Audit Committee may retain independent legal counsel, accountants or others to assist in its investigations.

### ***Confidentiality***

Complaints or submissions concerning a suspected Misconduct may be submitted on a confidential basis by the Reporting Party or may be submitted anonymously. All complaints or submission will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

### ***Handling of Reported Violations***

The Chair of the Audit Committee will notify the Reporting Party and acknowledge receipt of the reported suspected Misconduct within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

The Corporation shall retain records of complaints for a period of no less than seven years as a separate part of the records of the Audit Committee.

### ***Modification***

The Audit Committee or the Board of Directors of the Corporation may modify this Whistleblower Policy unilaterally at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with federal, provincial or local regulations and/or to accommodate organizational changes within the Corporation.