



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO THE**

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**OF**

**KERR MINES INC.**

**TO BE HELD ON DECEMBER 22, 2020**

**DATED NOVEMBER 20, 2020**



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of shareholders of Kerr Mines Inc. (the “**Company**”) will be held at 11:00 a.m. (Toronto time) on December 22, 2020 at 18 King St. East, Suite 902, Toronto, Ontario for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the fiscal year ended June 30, 2020, together with the auditors’ report thereon;
2. to elect directors to serve until the next annual general meeting;
3. to appoint auditors to hold office until the next annual meeting of the Company at a remuneration to be fixed by the board of directors;
4. to consider and, if thought appropriate, pass, with or without variation, a resolution approving an extension to the term of 21,239,409 and 3,350,000 share purchase warrants of the Company issued pursuant to private placements of the Company completed on November 27, 2018 and April 15, 2019, respectively; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

This Notice is accompanied by a management information circular (the “**Circular**”) and form of proxy. The Circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of annual and special meeting. Additional information about the Company and its financial statements are also available on the Company’s profile at [www.sedar.com](http://www.sedar.com).

In an effort to mitigate the risks associated with COVID- 19, the Company asks that Shareholders follow the current instructions and recommendations of federal, provincial and local health authorities when considering attending the Meeting. While it is not known what the situation with COVID-19 will be on the date of the Meeting, the Company will adhere to all government and public health authority recommendations and restrictions in order to support efforts to reduce the impact and spread of COVID-19. As such, in order to mitigate potential risks to the health and safety of our communities, Shareholders, employees and other stakeholders, **the Company is urging all Shareholders to vote by proxy in advance of the Meeting and NOT to attend the Meeting in person unless and until all social distancing recommendations or restrictions have been lifted.** The Company will follow the guidance and orders of government and public health authorities in that regard, including those restricting the size of public gatherings. In order to adhere to all government and public health authority recommendations, the Company notes that the Meeting will be limited to only the legal requirements for shareholder meetings and guests will not be permitted entrance unless legally required. Rather than attending in person, the Company encourages Shareholders to access the Meeting via telephone conference call at 1-866-365-4406 (Toll-Free Canada) or 647-723-3984, Conference Participant Access Code 3616167. Shareholders attending the Meeting by telephone conference will be able to listen to the meeting but will not be able to vote at the Meeting.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular. Proxies are being solicited by the management of the Company. Shareholders who are entitled to vote at the Meeting may vote either in person or by proxy. Shareholders who are unable to be present in person at the Meeting are requested to sign, date and deliver the accompanying proxy to the Company’s registrar and transfer agent, TSX Trust Company, Attention: Proxy Department, 301 - 100 Adelaide Street West, Toronto, ON M5H 4H1 or faxed to 416-361-0470 so it is received 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 or adjournments thereof.

If you are a *non-registered shareholder* of the Company and receive these materials through your broker or another intermediary, please complete and sign the materials in accordance with the instructions provided to you by such broker or other intermediary.

**DATED** at Toronto, Ontario, this 20<sup>th</sup> day of November, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Giulio T. Bonifacio”*

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Giulio T. Bonifacio  
Chief Executive Officer

## KERR MINES INC.

### MANAGEMENT INFORMATION CIRCULAR

For the Annual and Special Meeting of Shareholders  
to be held on December 22, 2020

### GENERAL PROXY INFORMATION

#### SOLICITATION OF PROXIES

**THIS MANAGEMENT INFORMATION CIRCULAR (“Circular”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF KERR MINES INC.** (the “Company”) of proxies to be used at the annual and special meeting of shareholders of the Company to be held on December 22, 2020 at the hour of 11:00 a.m. (Eastern Time) at 18 King St. East, Suite 902, Toronto, Ontario and at any adjournment or postponement thereof (the “Meeting”) for the purposes set out in the enclosed notice of meeting (the “Notice”). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Company’s proxy solicitation materials (the “Meeting Materials”) to the beneficial owners of the common shares of the Company (the “Common Shares”) held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice.

#### APPOINTMENT AND REVOCATION OF PROXIES

A holder of Common Shares who appears on the records maintained by the Company’s registrar and transfer agent as a registered holder of Common Shares (each a “Registered Shareholder”) may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice.

The purpose of a form of proxy is to designate persons who will vote on the shareholder’s behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the Company’s transfer agent and registrar, TSX Trust Company, Attention: Proxy Department, 301 - 100 Adelaide Street West, Toronto, ON M5H 4H1 or faxed to 416-361-0470 so it is received 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 or adjournments thereof. The Registered Shareholder should execute a form of proxy or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

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

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed, by electronic signature, to (i) the registered office of the Company, located at 18 King Street East Suite 902, Toronto Ontario M5C 1C4, at any time prior to 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) any other manner permitted by law.

### **EXERCISE OF DISCRETION BY PROXIES**

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

### **ADVICE TO NON-REGISTERED SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders of the Company do not hold Common Shares in their own name.** Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a non-registered holder (each a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) (a “**Clearing Agency**”) of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the

Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

### ***Distribution of Meeting Materials to Non-Registered Holders***

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Company’s OBOs can expect to be contacted by their Intermediary. The Company does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

### ***Voting by Non-Registered Holders***

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

A. *Voting Instruction Form*. In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form (a “**VIF**”). If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), the VIF must be completed, signed and returned in accordance with the directions on the form.

or,

B. Form of Proxy. Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder, but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

#### ***Voting by Non-Registered Holders at the Meeting***

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder's or its nominees name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Company as maintained by the Transfer Agent, unless specifically stated otherwise.

### **VOTING SHARES AND PRINCIPAL SHAREHOLDERS**

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of November 12, 2020 (the "**Record Date**"), there is a total of 346,062,553 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every shareholder and proxy holder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Company's directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares, other than as follows:

Name	Type of Ownership	Number of Common Shares <sup>(1)</sup>	Percentage of Outstanding Common Shares <sup>(1)</sup>
Fahad Al Tamimi Chairman	Direct and Indirect	67,956,003 <sup>(2)</sup>	19.64 %

Notes:

(1) On a non-diluted basis.

(2) Held by Trans Oceanic Minerals Company Ltd a. company controlled by Fahad Al Tamimi.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no person who has been a director or officer of the Company at any time since July 1, 2019, the beginning of the Company's last completed financial year, no proposed nominee for election to the board of directors of the Company (the "**Board**"), and no associate or affiliate of any such person has any material interest, direct or indirect, in any matter to be acted upon at the Meeting.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended June 30, 2020, together with the auditor's report will be presented to the Shareholders at the Meeting. The annual financial statements for the year ended June 30, 2020 are being mailed to each Shareholder who so requested as of the Record Date and are also available at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.kerrmines.com](http://www.kerrmines.com)

### 2. ELECTION OF DIRECTORS

There are of seven (7) directors to be elected at the Meeting. The term of each present director expires immediately prior to the election of directors at the Meeting. **Proxies received in favour of management will be voted FOR the election of the above-named nominees, unless the shareholder has specified in the proxy that the Common Shares are to be withheld from voting in respect thereof.** Management has no reason to believe that any of the nominees will be unable to serve as a director and all nominees have confirmed their willingness to continue to serve as directors. Each director of the Company holds office until his successor is elected at the next annual meeting of the Company, or any adjournment thereof, or until his successor is elected or appointed. The Company's majority voting policy provides that a director who receives a majority of "withhold" votes must tender his resignation and the Board will generally accept that resignation, absent exceptional circumstances, and publicly announce its decision by news release.

The following table and the notes thereto sets out information as of November 20, 2020 on each person nominated by management for election as a director.

Name, Province and Country of Residence and Position With the Company	Director Since	Number Of Common Shares Owned	Principal Occupation
Fahad Tamimi <sup>(2)</sup> Saudi Arabia Chairman	June 30, 2016	67,956,003	Chairman, Tamimi Trading and Contracting Co. (TIMCO)
Claudio Ciavarella <sup>(2)(4)</sup> Ontario, Canada Vice Chairman	December 19, 2013	30,764,937	Executive Vice Chairman of Kerr Mines Inc.
Giulio T. Bonfacio <sup>(2)</sup> British Columbia, Canada Chief Executive Officer	January 29, 2019	6,700,000	CEO of Kerr Mines Inc.
Martin Kostuik <sup>(4)</sup> Nashville, US President	April 11, 2017	420,491	President of Kerr Mines Inc.
Peter Damouni <sup>(1)(3)</sup> London, United Kingdom Director	June 30, 2016	1,111,904	Director of Silvergate Capital Partners Ltd.
Ayman Arekat <sup>(1)(3)(4)</sup> Bahrain Director	June 30, 2016	200,000	Managing Director, The International Finance Bureau
James McVicar <sup>(1)(3)</sup> Ontario, Canada Director	March 29, 2017	178,571	Partner, Peterson McVicar LLP

Notes:

- (1) Member of the Audit Committee
- (2) Member of Compensation Committee
- (3) Member of Corporate Governance and Nominating Committee
- (4) Member of the Safety, Health and Environmental Committee

## Cease Trade Orders or Bankruptcies

No proposed director:

- (a) is, as at the date of the Circular, or has been, within 10 years before the date of the Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) is, as at the date of the Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency

or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (c) has, within the 10 years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Penalties and Sanctions**

No proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **3. RE-APPOINTMENT OF AUDITORS**

Kreston GTA LLP, Chartered Accountants, were first appointed auditors of the Company effective June 28, 2017. Proxies received in favour of management will be voted **FOR** the re-appointment of Kreston GTA LLP, Chartered Accountants, as auditors of the Company to hold office until the next annual meeting of shareholders and the authorization of the directors to fix their remuneration, unless otherwise specified in the proxy.

### **4. WARRANT EXTENSION**

At the Meeting, disinterested Shareholders will be asked to pass an ordinary resolution (the “**Warrant Extension Resolution**”) to approve the extension of the exercise period of a total of 21,239,409 outstanding share purchase warrants (the “**2018 Warrants**”) issued pursuant to the private placement completed on November 27, 2018 and 3,350,000 outstanding share purchase warrants (the “**2019 Warrants**” and together with the 2018 Warrants, the “**Warrants**”) issued pursuant to the private placement completed on April 15, 2019 (the “**Warrant Extension**”). The current expiry date of the 2018 Warrants is November 27, 2020 and the proposed new expiry date will be November 27, 2021. The current expiry date of the 2019 Warrants is April 15, 2021 and the proposed new expiry date will be April 15, 2022.

The 2018 Warrants were issued as part of a private placement completed on November 27, 2018, pursuant to which the Company issued 21,239,409 units at a price of \$0.14 per unit, with each unit consisting of one (1) Common Share and one (1) Common Share purchase warrant exercisable at a price of \$0.21 per share for a period of two years. The 2019 Warrants were issued as part of a private placement completed on April 15, 2019, pursuant to which the Company issued 3,350,000 units at a

price of \$0.14 per unit, each unit consisting of one (1) Common Share and one (1) Common Share purchase warrant exercisable at a price of \$0.21 per share for a period of two years.

Certain insiders of the Company (collectively the “**Insiders**”) participated in the private placements and currently hold the follownig Warrants:

Insider	Number of 2018 Warrants	Percentage of Outstanding Common Shares <sup>(1)</sup>	Number of 2019 Warrants	Percentage of Outstanding Common Shares <sup>(1)</sup>
Fahad Al Tamimi, Chairman of the Board	3,571,429	1.02%	-	-
Giulio Bonifacio	-	-	3,000,000	0.86%
Claudio Ciavarella, Director	2,142,860	0.62%	-	-
Martin Kostuik, President	376,728	0.11%	-	-
Peter Damouni, Director	428,571	0.12%	350,000	0.10%
James McVicar, Director	178,571	0.05%	-	-
Ayman Arekat, Director	100,000	0.03%	-	-
Dave Thomas, VP Projects	48,285	0.01%	-	-
<b>Total</b>	<b>6,846,444</b>		<b>3,350,000</b>	

Note:

(1) Based on a total 346,062,553 Common Shares issued and outstanding.

The Common Shares of the Company are listed in the Toronto Stock Exchange (“**TSX**”) and under the rules of the TSX any extension to the term of outstanding unlisted warrants is subject to the prior approval of the TSX. In addition, the rules of the TSX provide that the extension of the term of warrants held by the Insiders of the Company is subject to approval by the disinterested shareholders of the Company.

While the approval of disinterested shareholder of the Company is only required under the rules of the TSX for the proposed amendment to extend of the term of Warrants held by the Insiders, the Company has elected to seek disinterested shareholder approval for the proposed extension of all Warrants. As such, the proposed amendment to extend the terms of all Warrants will be conditional on the Company obtaining disinterested shareholder approval. In order to become effective, the Warrant Extension Resolution must be approved, with or without variation, by a simple majority of the votes cast by shareholders present in person or represented by proxy at the Meeting, excluding any votes attaching to the Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by, the Insiders and their associates and affiliates. To the knowledge of the Company after reasonable inquiry, as at the Record Date, there are 107,380,191 votes attached to the Common Shares held by the Insiders (or approximately 31.03% of the issued and outstanding Common Shares) that will be excluded in determining whether disinterested Shareholder approval has been obtained.

In the event that disinterested shareholder approval of the Warrant Extension Resolution is not obtained, the 2018 Warrants will terminate immediately and the 2019 Warrants will terminate in accordance with their original terms on April 15, 2021.

The Warrant Extension constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as it involves the amendment of securities of the Company that are beneficially owned by related parties. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of each

amendment will not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

The proposed Warrant Extension was approved by the Board as a whole, with each board member declaring his interest in the proposed amendment. No special committee was established in connection with the proposed Warrant Extension as all board members are interested in matter. Since there are no Board members that do not have an interest in the Warrant Extension, disinterested shareholders are being asked to review, and if thought appropriate, to approve the Warrant Extension. In making its decision to approve the proposed Warrant Extension, the Board considered the historic and continuing support of the Company by the holders of the Warrants, the \$0.21 exercise price of the Warrants, pricing of recent equity financings, historic trading prices of the Common Shares, availability of capital, the potential for the Warrants to provide additional financing in the future and determined that it was in the best interests of the Company to extend the term of the Warrants.

The text of the Warrant Extension Resolution to be voted on at the Meeting by the disinterested shareholders of the Company is set forth below:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (a) the amendment of the terms of the warrants to purchase 21,239,409 Common Shares at a price of \$0.21 per share issued on November 27, 2018 to extend the expiry date of such warrants by one year from November 27, 2020 to November 27, 2021 be and is hereby approved;
- (b) the amendment of the terms of the warrants to purchase 3,350,000 Common Shares at a price of \$0.21 per share issued on April 15, 2019 to extend the expiry date of such warrants by one year from April 15, 2021 to April 15, 2022 be and is hereby approved;
- (c) the shareholders of the Company hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
- (d) any director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution."

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE WARRANT EXTENSION RESOLUTION UNLESS OTHERWISE SPECIFIED IN THE PROXY.**

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### ***Philosophy and Objectives of the Executive Compensation Program***

The philosophy of the Company's executive compensation program is to foster sustainable growth and profitability of the Company by:

- offering a compensation program that will attract and retain senior management with qualifications critical to the Company's long-term success;
- encouraging and rewarding strong performance of senior management by linking an appropriate portion of total compensation to achievement, based on individual and corporate performance objectives; and
- aligning the interests of senior management with the longer-term interests of shareholders by providing common share ownership opportunities through the Stock Option Plan.

The Company's executive compensation program consists of an annual base salary and option grants. Base salary remains the most significant compensation component.

Pursuant to National Instrument 51-102 - *Continuous Disclosure Obligations*, the Company is required to disclose all annual and long-term compensation for services rendered in all capacities to the Company for its previous three fiscal years, in respect of (i) the CEO, (ii) the CFO and (iii) any other executive officer whose compensation in any of those three fiscal years exceeded \$150,000 (collectively, the "**Named Executive Officers**"). The Company currently has four Named Executive Officers, Giulio Bonifacio (Chief Executive Officer), Claudio Ciavarella (Executive Vice-Chair), Martin Kostuik (President) and Carmelo Marrelli (Chief Financial Officer).

The Compensation Committee of the Company is comprised of Fahad Al Tamimi (Chair), Martin Kostuik and Claudio Ciavarella, of whom Mr. Al Tamimi is considered independent for the purposes of National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"). Messrs. Kostuik and Ciavarella are not considered independent, as each is a senior executive officer of the Company. Each member of the Compensation Committee has held senior executive and/or board positions with other publicly traded companies where they have been involved in the development and implementation of compensation policies and practices for employees at all levels, including executive officers. The Board believes that the Compensation Committee members possess all the knowledge, experience and the profile needed to fulfill the mandate of the Compensation Committee.

The Compensation Committee works in conjunction with the Chairman and the CEO on the review and assessment of the performance of executive officers and other employees in accordance with the Company's compensation practices. The Board reviews the Compensation Committee's recommendations to ensure that total compensation paid to all Named Executive Officers is fair and reasonable and is consistent with the Company's compensation program.

### ***Base Rate or Salary***

The base fee or salary of each Named Executive Officer is determined by an assessment by the Board of such executive's performance, a consideration of competitive compensation levels in companies similar to the Company and a review of the performance of the Company as a whole and the role such executive played in such corporate performance.

### ***Long Term Compensation***

The Company currently has no long-term incentive plans, other than Company's Stock Option Plan.

The Stock Option Plan provides for the number of Common Shares reserved for issuance under the Stock Option Plan not to exceed 10% of the Company's issued and outstanding share capital at the time of any stock option grant on a rolling basis. The Stock Option Plan is the Company's only compensation plan providing for the issuance of securities of the Company as compensation.

The principal purposes of the Stock Option Plan are to retain and attract qualified directors, officers, employees and service providers which the Company and its subsidiaries require; to promote a proprietary interest in the Company and its subsidiaries; to provide an incentive element in compensation; and to promote the profitability of the Company and its subsidiaries. Stock options shall be granted only to persons, firms or companies ("**Eligible Optionees**") who are directors, employees, consultants or management company employees of the Company or a subsidiary of the Company or, with the prior consent of the TSX and subject to restrictions on transfer, stock options may also be granted to a company that is wholly-owned by an Eligible Optionee. The maximum number of Common Shares issuable to any Eligible Optionee, at any time, under the Stock Option Plan and any other security-based compensation arrangement is 5% of the issued and outstanding common shares. The maximum number of Common Shares reserved for issuance to any Eligible Optionee within any one-year period under the Stock Option Plan and any other security-based compensation arrangement is 5% of the issued and outstanding Common Shares. The maximum number of stock options granted to consultants or persons employed in investor relations activities is 2% of the outstanding Common Shares.

The Stock Option Plan provides that the exercise price for any option granted shall be an amount determined by the directors when the option is granted, such amount not to be less than the Market Price of the common shares on the date of the grant. "**Market Price**" means the last closing price of the common shares on the TSX prior to the date the stock option is granted. The exercise price of the stock options granted under the Stock Option Plan cannot be below Market Price. There are no stock appreciation rights associated with the stock options granted under the Stock Option Plan and there are no provisions under the Stock Option Plan to transform stock options into stock appreciation rights.

Stock options vest immediately on their date of grant and continue for a term determined in the discretion of the Board at the time of the grant, provided that no stock option shall have a term exceeding five years, and unless the Board provides otherwise, all stock options will terminate: (i) in the case of stock options granted to an employee or consultant employed or retained to provide investment relations services, thirty days after the Eligible Optionee ceases to be employed or retained to provide investment relations services; (ii) in the case of stock options granted to other employees, consultants, directors, officers or advisors, ninety days following the termination (for or without cause) of such Eligible Optionee's employment or other relationship with the Company or an affiliated entity, or twelve months following the death or permanent and total disability of the Eligible Optionee. Other than a limited right of assignment in the event of the death of an Eligible Optionee to allow the exercise of stock options by the Eligible Optionee's legal representative, stock options shall not be assignable or transferable by the Eligible Optionees.

The Company shall retain the right to amend from time to time or to terminate the terms and conditions of the Stock Option Plan by resolution of the Board. All amendments shall be subject to the prior consent of any applicable regulatory bodies, including the TSX. Amendments and termination shall take effect only with respect to stock options issued thereafter, provided that they may apply to any stock options previously issued with the mutual consent of the Company and the Eligible Optionees holding such stock options.

The Company does not provide financial assistance to participants under the Stock Option Plan. There are no entitlements under the Stock Option Plan that have been granted but are subject to ratification by the Company’s shareholders.

**Risks Associated with Compensation Practices**

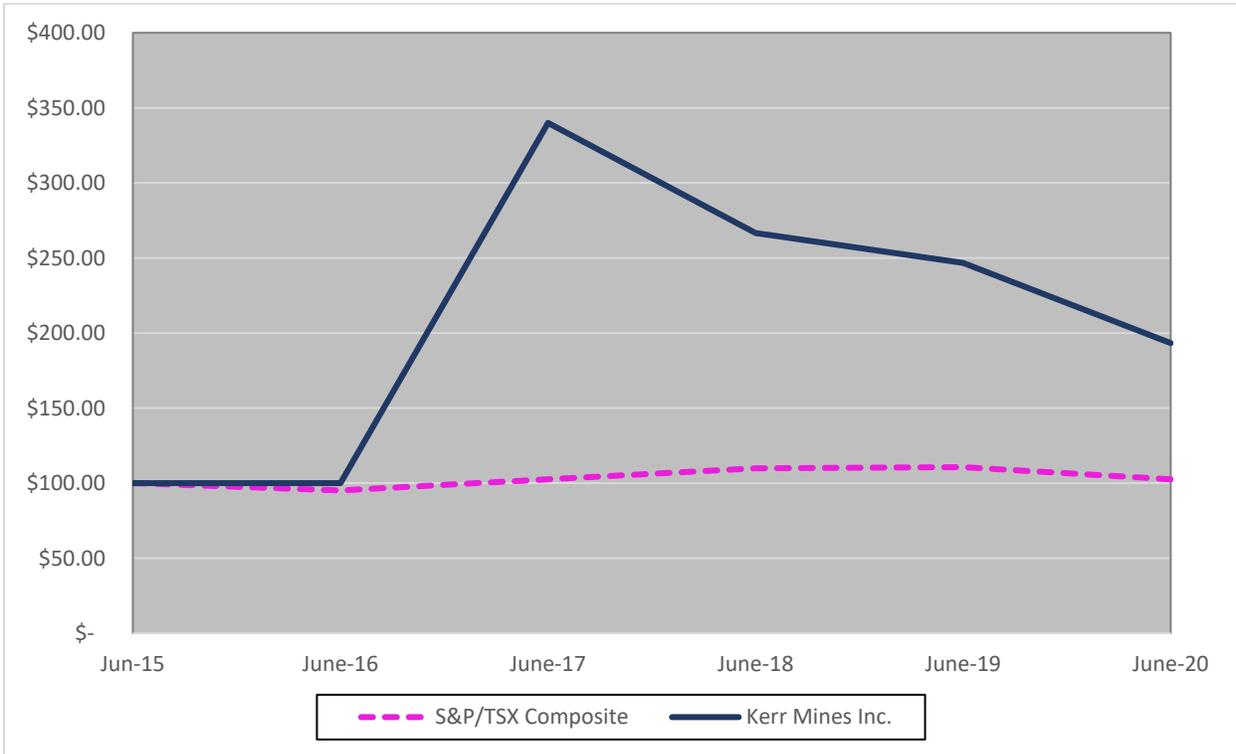
The Board has not undertaken a formal analysis of the implications of the risks associated with the Company’s compensation policies and practices.

**Financial Instruments**

The Company has not adopted a formal policy forbidding directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by directors or officers; however, the Company is not aware of any directors or officers having entered into this type of transaction.

**Performance Graph**

The following graph compares the percentage change in the cumulative total shareholder return on the Common Shares with the cumulative total return of the S&P/TSX Composite Index of the TSX (“**TSX Composite Index**”) during the period from June 30, 2015 to June 30, 2020, assuming \$100 was invested and all dividends were reinvested based on the closing price of the Common Shares on June 30, 2016, June 30, 2017, June 30, 2018, June 30, 2019 and June 30, 2020, the last trading days in the Company’s fiscal year in 2016, 2017, 2018, 2019 and 2020.



The Company does not currently have a formal policy linking the past performance of the Company with compensation. The Company issues options as an incentive to the executives to enhance future performance.

### Summary Compensation Table

The table below sets forth information concerning the compensation paid, awarded or earned by each of the Names Executive Officers for services rendered in all capacities to the Company during the three most recently completed financial year ends.

COMPENSATION OF NAMED EXECUTIVE OFFICER									
Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) <sup>(5)</sup>	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
<b>Claudio Ciavarella</b> <sup>(1)</sup> Executive Vice Chairman	2020	1	-	162,165	-	-	-	-	162,165
	2019	1	-	44,145	-	-	-	-	44,145
	2018	1	-	507,587	-	-	-	-	507,587
<b>Giulio T. Bonifacio</b> <sup>(3)</sup> Chief Executive Officer	2020	350,000	-	396,391	-	-	-	-	746,391
	2019	72,917	-	350,368	-	-	-	-	423,285
<b>Martin Kostuik</b> <sup>(1)</sup> President	2020	302,108	-	124,017	-	-	-	-	426,125
	2019	296,752	-	44,145	-	-	-	-	340,897
	2018	285,744	-	250,702	-	-	-	-	536,446
<b>Carmelo Marrelli</b> <sup>(2)(4)</sup> Chief Financial Officer	2020	-	-	-	-	-	-	64,116	64,116
	2019	-	-	-	-	-	-	59,892	59,892
	2018	-	-	-	-	-	-	44,678	44,678

Notes:

- (1) Messrs. Ciavarella and Kostuik were appointed on April 11, 2017. On April 15, 2019 Mr. Ciavarella assumed position of Executive Vice Chairman and Mr. Bonifacio assumed the position of Chief Executive Officer.
- (2) Mr. Marrelli was appointed Chief Financial Officer on December 5, 2017.
- (3) Mr. Bonifacio was appointed Chief Executive Officer on April 15, 2019.
- (4) During the year ended June 30, 2020 the Company paid professional fees and disbursements of \$64,116 (year ended June 30, 2019 - \$59,892; year ended June 30, 2018 - \$44,678) to Marrelli Support Services Inc., DSA Corporate Services Inc. and DSA Filing Services Limited, together known as the "Marrelli Group", for: Carmelo Marrelli, President of Marrelli Group, to act as the Chief Financial Officer of the Company; Bookkeeping services; Regulatory filing services; and Corporate secretarial services. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at June 30, 2020, the Marrelli Group was owed \$19,396 (June 30, 2019- \$11,235).
- (5) The fair value of each option at the date of grant was estimated using the Black-Scholes option-pricing model to be consistent with the audited financial statements and included the following assumptions:

Options	2020	2019	2018
Expected life of options	5 years	5 years	5 years
Risk-free interest rate	0.42 - 1.59%	1.64-2.19%	1.51-1.97%
Expected stock price volatility	86.31 - 118%	102.19-103.25%	111%
Expected dividend yield	0%	0%	0%

## Incentive Plan Awards

### ***Outstanding Share-Based Awards and Option-Based Awards***

Option-based awards or share-based awards outstanding in respect of each Named Executive Officer as at June 30, 2020 were as follows:

Name	Option Based Award				Share-based Awards	
	Number of securities 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-based awards that have not vested (\$)
<b>Claudio Ciavarella</b> Executive Vice Chairman	2,000,000	0.19	2022/05/02	Nil	-	-
	500,000	0.22	2022/08/22	Nil	-	-
	1,000,000	0.30	2023/01/12	Nil	-	-
	1,600,000	0.13	2025/04/28	24,000	-	-
<b>Giulio T. Bonifacio</b> Chief Executive Officer	500,000	0.14	2024/01/29	2,500	-	-
	800,000	0.125	2024/04/15	16,000	-	-
	2,200,000	0.135	2024/11/05	22,000	-	-
	1,600,000	0.13	2025/04/28	24,000	-	-
<b>Martin Kostuik</b> President	2,000,000	0.19	2022/05/02	Nil	-	-
	500,000	0.22	2022/08/22	Nil	-	-
	1,200,000	0.13	2025/04/28	18,000	-	-

Note:

- (1) The "Value of unexercised in-the-money options" reflects the aggregate dollar amount of (vested and unvested) unexercised in-the-money options held at the end of the year. The amount is calculated based on the difference between the closing price of the Common Shares on the TSX on June 30, 2020 (\$0.145) and the exercise price of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

### ***Value Vested or Earned During the Financial Year***

For the year ended June 30, 2020, the following table sets forth for each Named Executive Officer the value that would have been realized if the option-based incentive plan awards had been exercised on their vesting date. The value of vested during the year ended June 30, 2020.

Name	Option-based Awards – Value Vested During the Year (\$) <sup>(1)</sup>	Share-based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Claudio Ciavarella	-	-	-
Giulio T. Bonifacio	-	-	-
Martin Kostuik	-	-	-

Note:

- (1) The value of options which vested during the fiscal year ended June 30, 2020 was calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

## **Pension Plan Benefits**

There are no pension plan benefits in place for Named Executive Officers.

## **Employment Agreements**

### *Ciavarella Agreement*

Pursuant to an employment agreement (the “**Ciavarella Agreement**”) dated April 12, 2017, amended April 15, 2019, between the Company and Claudio Ciavarella, Mr. Ciavarella provides full-time services to the Company as Executive Vice Chairman. The Ciavarella Agreement provides that Mr. Ciavarella receives \$1 as an annual salary. The Ciavarella Agreement contains non-disclosure provisions whereby Mr. Ciavarella agrees not to disclose confidential information of the Company.

Under the terms of the Ciavarella Agreement, Mr. Ciavarella has the option to terminate his employment by giving the Company 90 days’ notice. The Company may terminate the Ciavarella Agreement at any time without notice by payment to Mr. Ciavarella equal to a deemed annual salary of \$350,000. On the termination of or resignation for good cause within 12 months of a change of control of the Company, Mr. Ciavarella is entitled to a lump sum payment equal to two times the deemed annual salary.

### *Bonifacio Agreement*

Pursuant to an employment agreement (the “**Bonifacio Agreement**”) dated April 15, 2019, between the Company and Giulio T. Bonifacio, Mr. Bonifacio provides full-time services to the Company as Chief Executive Officer. The Bonifacio Agreement provides that Mr. Bonifacio’s receives \$350,000 as an annual salary. The Bonifacio Agreement contains non-disclosure provisions whereby Mr. Bonifacio agrees not to disclose confidential information of the Company.

Under the terms of the Bonifacio Agreement, Mr. Bonifacio has the option to terminate his employment by giving the Company 90 days’ notice. The Company may terminate the Bonifacio’s Agreement at any time without notice by payment to Mr. Bonifacio equal to two times his deemed annual salary of \$350,000 plus benefits. On the termination of or resignation for good cause within 180 days of a change of control of the Company, Mr. Bonifacio is entitled to a lump sum payment equal to two times the deemed annual salary and yearly benefits.

### *Kostuik Agreement*

Pursuant to an employment agreement (the “**Kostuik Agreement**”) dated April 12, 2017, between the Company and Martin Kostuik, Mr. Kostuik provides full-time services to the Company as President. The Kostuik Agreement provides that Mr. Kostuik is entitled to an annual salary of US\$225,000. The Kostuik Agreement contains non-disclosure provisions whereby Mr. Kostuik agrees not to disclose confidential information of the Company.

Under the terms of the Kostuik Agreement, Mr. Kostuik has the option to terminate his employment by giving the Company 90 days' notice. The Company may terminate the Kostuik Agreement at any time without notice by payment to Mr. Kostuik equal to one-times annual salary. On the termination of or resignation for good cause within 12 months of a change of control of the Company, Mr. Kostuik is entitled to a lump sum payment equal to two times the annual salary.

### Termination and Change of Control Benefits

Compensation plans with Named Executive Officers resulting from the termination of employment of such Named Executive Officer or a change of control of the Company are described under "*Employment and Consulting Agreements*".

The table below sets out the estimated incremental payments, payables and benefits due to each of the Named Executive Officers for termination on a change of control, assuming termination on June 30, 2020:

Name	Triggering Event	Base Salary \$	Value of Option-Based Awards if Exercised on Termination <sup>(1)</sup> \$	All Other Compensation <sup>(2)</sup> \$	Total \$
Claudio Ciavarella	Change of control	\$700,000	\$24,000	-	\$724,000
	Termination without just cause	\$350,000	\$24,000	-	\$374,000
Giulio T. Bonifacio	Change of control	\$700,000	\$64,500	-	\$808,500
	Termination without just cause	\$700,000	\$64,500	-	\$808,500
Martin Kostuik	Change of control	US\$450,000	\$18,000	-	US\$450,000 \$18,000
	Termination without just cause	US\$225,000	\$18,000	-	US\$225,000 \$18,000

Notes:

<sup>(1)</sup> The value of unexercised options was calculated based on the difference between the closing price of the Common Shares on the TSX on June 30, 2020 (\$0.145) and the exercise price of the options. Where the difference is negative, the options are not in-the-money and no value is reported. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

<sup>(2)</sup> Subject to standard statutory payments under applicable employment legislation.

### COMPENSATION OF DIRECTORS

Directors of the Company are not entitled to any fees for attending meetings of the Board, committees of the Board or shareholders of the Company. The directors are reimbursed for any out-of-pocket travel expenses incurred to attend meetings as well as participate in the Stock Option Plan.

## Summary Compensation Table

The following table sets forth all compensation paid, awarded or earned by the non-executive directors of the Company during the year ended June 30, 2020.

Directors Compensation Table <sup>(2)</sup>							
Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Fahad al Tamimi	-	-	152,591	-	-	-	152,591
Ayman Arekat	-	-	57,222	-	-	-	57,222
Peter Damouni	-	-	57,222	-	-	-	57,222
James McVicar	-	-	57,222	-	-	-	57,222

Notes:

<sup>(1)</sup> The fair value of each option at the date of grant was estimated using the Black-Scholes option-pricing model to be consistent with the audited financial statements and included the following assumptions:

Options	2020	2019	2018
Expected life of options	5 years	5 years	5 years
Risk-free interest rate	86.32%	1.64-2.19%	1.51-1.97%
Expected stock price volatility	0.42%	102.19-103.25%	111%
Expected dividend yield	0%	0%	0%

## Option-based and Share Based Awards to Directors

The following table sets out option-based awards for each non-executive director as of June 30, 2020.

Name	Option Based Award				Share-based Awards	
	Number of securities 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-based awards that have not vested (\$)
Fahad Al Tamimi	500,000	0.22	2022/08/23	Nil	-	-
	1,000,000	0.30	2023/01/12	Nil	-	-
	1,600,000	0.13	2025/04/28	\$24,000	-	-
Ayman Arekat	500,000	0.22	2022/08/23	Nil	-	-
	600,000	0.13	2025/04/28	\$9,000	-	-

Name	Option Based Award				Share-based Awards	
	Number of securities 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-based awards that have not vested (\$)
Peter Damouni	500,000	0.22	2022/08/23	Nil	-	-
	600,000	0.13	2025/04/28	\$9,000	-	-
James McVicar	500,000	0.22	2022/08/23	Nil	-	-
	600,000	0.13	2025/04/28	\$9,000	-	-

Note:

<sup>(1)</sup> The "Value of unexercised in-the-money options" reflects the aggregate dollar amount of (vested and unvested) unexercised in-the-money options held at the end of the year. The amount is calculated based on the difference between the closing price of the Common Shares on the TSX on June 30, 2020 (\$0.145) and the exercise price of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

### ***Value Vested or Earned During the Year***

For the year ended June 30, 2020, the following table sets forth for each non-executive director the value that would have been realized if the option-based incentive plan awards had been exercised on their vesting date. The value of vested during the year ended June 30, 2020.

Name	Option-based Awards – Value Vested During the Year (\$) <sup>(1)</sup>	Share-based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Fahad Al Tamimi	-	-	-
Ayman Arekat	-	-	-
Peter Damouni	-	-	-
James McVicar	-	-	-

Note:

<sup>(1)</sup> The value of options which vested during the fiscal year ended June 30, 2020 was calculated based on the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the options. The options may never be exercised and actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of the equity securities of the Company authorized for issuance as of June 30, 2020 pursuant to the Company's equity compensation plans currently in place:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	21,700,000	\$0.17	12,906,255
Equity compensation plans not approved by security holders	-	-	-
<b>Total</b>	<b>21,700,000</b>	<b>\$0.17</b>	12,906,255

Note:

- (1) The Board has, subject to shareholder approval, established the Stock Option Plan as a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued Common Shares at the time of the stock option grant.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is, or who at any time during the two most recently completed financial years was, a director or officer of the Company, nor any proposed nominee for election as a director nor any associate of the foregoing, is or was at any time during the fiscal year ended June 30, 2020 indebted to the Company. In addition, none of such person's indebtedness to any other company has been the subject of a guarantee, support agreement or letter of credit from the Company.

### AUDIT COMMITTEE DISCLOSURE

The Audit Committee operates under guidelines established by MI 52-110. In addition to carrying out its statutory legal responsibilities (including review of the Company's annual financial statements), the Audit Committee reviews accounting policies and issues and all financial reporting, including interim financial statements and management's discussion and analysis. The Audit Committee meets with the Company's external auditors (with and without management) and with members of management at least once a year to assist it in the effective discharge of its duties. The Audit Committee also recommends to the Board the firm Kreston GTA LLP, Chartered Accountants to be appointed as the Company's auditors and the terms of their remuneration.

Further information regarding the Audit Committee is contained in the Company's annual information form (the "AIF") dated September 28, 2020 under the heading "Audit Committee" and a copy of the Audit Committee charter is attached to the AIF as Appendix "A". The AIF is available under the Company's profile at [www.sedar.com](http://www.sedar.com).

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular, no director or officer of the Company, no proposed nominee for election to the Board, no person who owns, or controls or directs, directly or indirectly, more than 10% of the Company's issued and outstanding shares, and no associate or affiliate of any such person, has had any material interest, direct or indirect, in any material transaction involving the Company during the fiscal year ended June 30, 2020.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") requires the Company to disclose, on an annual basis, its approach to corporate governance with reference to the guidelines provided in National Policy 58-201 - *Corporate Governance Guidelines* (the "Guidelines"). The Guidelines are not intended to be prescriptive. The Company is encouraged to consider the Guidelines in developing its own corporate governance practices, in its own context, and to explain to the investment community its approach to governance.

The Board believes that effective corporate governance contributes to improved corporate performance and enhanced shareholder value. The Company's governance practices are subject to at least an annual review and evaluation through the Board's Corporate Governance and Nominating Committee to ensure that, as the Company's business develops and grows, changes in structure and process necessary to ensure continued good governance are identified and implemented.

The following statement, which describes the Company's current governance practices, has been prepared and approved by the Board.

### Board of Directors

The Board is currently comprised of seven (7) members including Fahad Al Tamimi, Claudio Ciavarella, Giulio Bonifacio, Martin Kostuik, Peter Damouni, Ayman Arekat and James McVicar. The Board believes that three of its current members, Messrs. Tamimi, Arekat and McVicar are "independent" for purposes of NI 58-101. Mr. Bonifacio is the Chief Executive Officer, Mr. Ciavarella is the Executive Vice-Chairman and Mr. Kostuik is the President of the Company. Mr. Al Tamimi is the Chairman of the Board and is independent.

The following table identifies each director of the Company that is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction and the other issuer.

Name of Director	Names of Other Reporting Issuers (or equivalent)
Peter Damouni	Georgian Mining Corp. Chesterfield Resources plc Gatling Exploration Inc.
Giulio T. Bonifacio	CopperBank Resources Corp. Candente Copper Corp.
James McVicar	Monarca Minerals Inc.

Each meeting of the Board includes a session whereby independent members may meet in the absence of management. Independent directors are also free to meet separately at any time or to require management to withdraw during certain discussions.

A summary of attendance at Board and committee meetings during the year ended June 30, 2020 is as follows:

Name	Board	Audit	Compensation	Corporate Governance, Compliance and Disclosure Committee	HS&E
Fahad al Tamimi	5 of 5	-	-	-	-
Claudio Ciavarella	5 of 5	-	-	-	-
Giulio Bonifacio	5 of 5	-	-	-	-
Martin Kostuik	5 of 5	-	-	-	-
Ayman Arekat	5 of 5	3 of 4	-	-	-
Peter Damouni	5 of 5	4 of 4	-	-	-
James McVicar	4 of 5	3 of 4	-	-	-

### **Mandate of the Board**

The Board's responsibility is to supervise the executive managers of the business and affairs of the Company and to act with a view to the best interests of the Company and its shareholders.

In the discharge of this responsibility, the Board oversees and reviews directly or through its various committees, the Company's results of operations, significant corporate plans and business initiatives, including the development and implementation of the annual business plan, strategic plans, major acquisitions and divestitures, public communications policies, the Company's senior management recruitment, assessment and succession processes and the Company's internal control and management information systems to identify and manage principal business risks. The Board is also responsible for reviewing its size and the compensation paid to its members, to ensure that the Board can fulfil its duties effectively and that its members are adequately compensated for assuming the risks and carrying out the responsibilities of their positions.

In appropriate circumstances, individual directors have the right to engage an outside advisor, at the expense of the Company, to assist the director in dealing with his responsibilities. Such an engagement is subject to approval by the Corporate Governance, Compliance and Compensation Committee.

The Board considers, as a general rule, that management should speak for the Company in its communications with shareholders and the investment community, in the context of shareholder and investor relations programs reviewed and approved periodically by the Board.

The Company conducts a shareholder and investor relations program, under the direction of senior management. The program involves receiving and responding to shareholder inquiries, briefing analysts and fund managers with respect to reported financial results and other announcements by the Company,

as well as meeting with individual investors and other stakeholders. The Board reviews the Company's major communications with shareholders and the public, including financial results, annual reports and management proxy circulars.

The Mandate of the Board is attached as Schedule "A".

### **Position Descriptions**

The Board believes that its proposed composition, in which three of seven members are independent, is sufficient to ensure that the Board can function independently of management and does not consider it necessary to have any formal structures or procedures in place to ensure that it functions independent of management. The Board has adopted written positions descriptions for each of the Chairman and the CEO. The role and responsibility of the chair of each board committee is set forth in the respective committee charters.

### **Orientation and Continuing Education**

All new directors are provided with comprehensive information about the Company and its subsidiaries. Directors have the opportunity to meet with senior management to obtain insight into the operations of the Company and its subsidiaries. New directors are briefed on the Company's current property holdings, ongoing exploration programs, overall strategic plans, short, medium and long-term corporate objectives, financial status, general business risks and mitigation strategies, and existing company policies. Senior management also makes regular presentations to the Board at its meetings and all directors are encouraged to communicate directly with management and other staff. Directors are invited to tour the Company's Copperstone facilities in Arizona and to meet with the on-site management team to familiarize themselves with the Company's operations. This informal process is considered to be appropriate given the Company's size, current level of operations, and the ongoing interaction amongst the directors.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, experience in running and managing public companies. It is the Company's view that all current members of the Board are well versed and educated in the factors critical to the success of the Company. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records.

### **Ethical Business Conduct**

The Board has adopted a written Code of Business Conduct and Ethics (the "**Code**") for its directors, officers, employees and consultants, a copy of which will be available on the Company's website at [www.kerrmines.com](http://www.kerrmines.com). The Corporate Governance and Nominating Committee will be responsible for assisting the Board in dealing with conflict of interest issues as contemplated by the Code, and reviewing and reassessing the adequacy of the Code annually and recommending changes to the Board.

The Code is intended to: promote honest and ethical conduct and manage conflicts that may arise; promote full, fair, accurate, timely and understandable disclosure to the public, including our periodic reports required to be filed with the Canadian securities regulatory authorities; promote compliance with

applicable governmental rules and regulations; provide guidance to directors, officers and employees of the Company to help them recognize and deal with ethical issues; provide a mechanism to report unethical conduct; and help foster a culture of honesty and accountability.

The Board is also committed to best practices in making timely and accurate disclosure of all material information and providing fair and equal access to material information. The Board has adopted a written Corporate Disclosure Policy and Share Trading Policy to set guidelines for the Company and its directors, officers, employees and consultants in respect of satisfying the legal and ethical obligations related to the proper and effective disclosure of corporate information and the trading of securities with that information.

The Board has adopted an Anti-Bribery and Anti-Corruption Policy to provide a procedure to ensure that the Company, together with its directors, officers, employees, consultants and contractors, conducts its business in an honest and ethical manner reflecting the highest standards of integrity and in compliance with all relevant laws and regulations applicable to it and in compliance with anticorruption legislation applicable to the Company and subsidiaries.

The Board has adopted a Whistleblower Policy for ensuring that a confidential and anonymous process exists whereby persons can report any concerns related to compliance with all applicable laws, rules and regulations, corporate reporting and disclosure, accounting practices, accounting controls, auditing practices and other matters relating to fraud against stakeholders of the Company.

The Corporate Disclosure Policy and Share Trading Policy, Anti-Bribery and Anti-Corruption Policy and Whistleblower Policy are available on the Company's website at [www.kerrmines.com](http://www.kerrmines.com).

### **Nomination of Directors**

The Corporate Governance and Nominating Committee is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders. See "*Corporate Governance — Other Board Committees — Corporate Governance and Nominating Committee*".

Specifically, the Corporate Governance and Nominating Committee is responsible for:

- Periodically reviewing the composition of the full Board and the various committees to determine whether additional Board or committee members with specific qualifications or areas of expertise are needed to further enhance the composition of the Board and committees and working with other Board members in attracting candidates with these qualifications.
- Identifying and reviewing the qualifications of prospective nominees for Director and recommending the slate of nominees for inclusion in the Company's information circular and presentation to the shareholders at the Annual Meeting.
- Identifying and recommending candidates qualified to become directors and on an ongoing basis, maintaining a database of potential director candidates.
- Recommending board members for appointment to committees of the Board.

The Company has adopted a Majority Voting Policy, whereby any nominee for election as a director who receives a greater number of votes “withheld” than votes “for” to tender his or her resignation to the chair of the Board following the shareholders’ meeting to be effective upon acceptance by the Board. The Board will refer resignations to the Corporate Governance and Nominating Committee who shall consider the offer of resignation and make a recommendation to the Board on whether or not to accept it. Unless exceptional circumstances warrant the continued service of the applicable director on the Board, the Corporate Governance and Nominating Committee shall recommend acceptance of the resignation by the Board. The Board of Directors will determine whether or not to accept the resignation, after considering such resignation and will accept the resignation absent exceptional circumstances. A director who tenders his resignation pursuant to this policy will not participate in any meeting of the Board or the Corporate Governance and Nominating Committee at which the resignation is considered. Once the determination of the Board to accept or reject the director’s resignation has been made, the Company shall promptly announce the Board’s decision by press release.

The Majority Voting Policy is available on the Company’s website at [www.kerrmines.com](http://www.kerrmines.com).

### **Compensation**

The Compensation Committee of the Board will be established to review the adequacy and form of compensation of directors and senior management as a whole and to make recommendations to the Board. See “*Executive Compensation*” and “*Executive Compensation — Compensation Committee*”.

### **Other Board Committees**

The Board of Directors does not currently expect to have any other committees on completion of the Offering other than the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee.

### ***Audit Committee***

The members of the Audit Committee are Peter Damouni (Chair), Ayman Arekat and James McVicar.

The purpose of the Company’s Audit Committee is to provide assistance to the Board in fulfilling its responsibilities with respect to matters involving the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company’s process for monitoring compliance with laws and regulations and the Code. A description of the Audit Committee’s responsibilities, the education and experience of its members, and a copy of the Company’s Audit Committee Charter is contained in the Company’s Annual Information Form for the fiscal year ended June 30, 2020, a copy of which is available on the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com), and is also available on the Company’s website at [www.kerrmines.com](http://www.kerrmines.com).

Based on information provided by each director, the Board has determined that all members of the Audit Committee are “financially literate” as that term is defined in NI 52-110.

### ***Corporate Governance and Nominating Committee***

The Corporate Governance and Nominating Committee is a committee of the Board comprised of Messrs. McVicar (Chair), Damouni and Arekat, two of three of whom are independent directors. The

Board has adopted a Corporate Governance and Nominating Committee Charter, which is available on the Company's website at [www.kerrmines.com](http://www.kerrmines.com). The responsibility of the Corporate Governance and Nominating Committee is to monitor the governance of the Board including the size, structure and membership of the Board and Board committees.

In particular, the role of the Corporate Governance and Nominating Committee, subject to applicable laws and obligations and the Company's constating documents, is to: develop and monitor the effectiveness of the Company's system of corporate governance; establish procedures for the identification of new nominees to the Board and lead the candidate selection process; develop and implement orientation procedures for new directors; assess the effectiveness of directors, the Board and the various committees of the Board; ensure appropriate corporate governance and the proper delineation of the roles, duties and responsibilities of management, the Board, and its committees; and assist the Board in setting the objectives for the CEO of the Company and evaluating CEO performance.

It is expected that the Corporate Governance and Nominating Committee will meet at least once annually and as many times as is necessary to carry out its responsibilities.

#### ***Health, Safety and Environmental Committee.***

The overall purpose of the Health, Safety and Environmental Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Company's continuing commitment to improving the environment and ensuring that its activities are carried out, and that its facilities are operated and maintained, in a safe and environmentally sound manner. The primary function of the Health, Safety and Environmental Committee is to monitor, review and provide oversight with respect to the Company's policies, standards, accountabilities and programs relative to health, safety and environmental-related matters. The Health, Safety and Environmental Committee will also advise the Board and make recommendations for the Board's consideration regarding health, safety and environmental-related issues. The Board has adopted a Health, Safety and Environmental Committee Charter, which is available on the Company's website at [www.kerrmines.com](http://www.kerrmines.com).

#### **Assessments**

The Corporate Governance and Nominating Committee will be responsible for implementing a process for assessing the effectiveness of the Board and its committees and for assessing the contribution of each of the Company's directors.

The Corporate Governance and Nominating Committee will monitor the performance of the Board and its committees, and considers whether the current mix of directors' skills, expertise and experience is best suited to achieve the strategic goals of the Company and carrying out the mandate of the Board.

The Board believes that a broad range of skills and expertise is necessary for the Board to discharge its responsibilities. Specific skills and expertise must be considered in the context of integrity and good judgment, together with the ability to devote sufficient time to Board affairs. See "*Corporate Governance — Other Board Committees — Corporate Governance and Nominating Committee*".

## **Diversity Policy**

The Board recognizes that a diverse and talented workforce is a competitive advantage and the Company's success is a result of the quality and skills of its people. To this end, the Board has adopted a Diversity Policy.

The Company is committed to a merit-based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, the Company will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board. Any search firm engaged to assist the Board or a committee of the Board in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates generally, and multiple women candidates in particular.

The Company recognizes that it may be challenging for it to immediately identify a pool of qualified candidates that fully reflects the diversity that the Company seeks to promote. The Company has therefore not adopted specific targets, but will promote its objectives through the initiatives set out in the diversity policy with a view to identifying and fostering the development of suitable candidates for nomination or appointment over time.

The Company's Board currently includes no (0%) female members but does include several members from diverse national origins. In addition, the Company and its subsidiaries currently have no executive officers (or 0%) who are woman however many senior managers have diverse backgrounds.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is filed on SEDAR and can be accessed on the internet at [www.sedar.com](http://www.sedar.com). The Company's financial information is provided in the Company's audited consolidated financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.kerrmines.com](http://www.kerrmines.com). Copies of the Company's annual information form, consolidated financial statements and related management discussion and analysis are available upon request, free of charge to Shareholders of the Company, by contacting the Company, at the Company's principal office located at 18 King Street East, Suite 902, Toronto Ontario M5C 1C4.

**SCHEDULE “A”  
MANDATE OF THE BOARD OF DIRECTORS**

**BOARD OF DIRECTORS MANDATE**

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1. The Board of Directors (the “**Board**”) of Kerr Mines Inc. (the “**Company**”) is responsible for the stewardship of the business and affairs of the Company. The Board seeks to discharge this responsibility by reviewing, discussing and approving the Company’s strategic plans, annual budgets and significant decisions and transactions as well as by overseeing the senior officers of the Company in their management of its day-to- day business and affairs. The Board’s primary role is to oversee corporate performance and assure itself of the quality, integrity, depth and continuity of management so that the Company is able to successfully execute its strategic plans and complete its corporate objectives. The composition, responsibilities, and authority of the Board are set out in this Mandate.
2. This Mandate and the Articles of the Company and such other procedures, not inconsistent therewith, as the Board may adopt from time to time, shall govern the meetings and procedures of the Board.

**1. Composition**

- 1.1 The directors of the Company (“**Directors**”) should have a mix of competencies and skills necessary to enable the Board and Board committees to properly discharge their responsibilities.
- 1.2 The Corporate Governance and Nominating Committee will annually (and more frequently, if appropriate) recommend candidates to the Board for election or appointment as Directors, taking into account the Board’s conclusions with respect to the appropriate size and composition of the Board and Board committees, the competencies and skills required to enable the Board and Board committees to properly discharge their responsibilities, and the competencies and skills of the current Board.
- 1.3 The Board approves the final choice of candidates.
- 1.4 The shareholders of the Company elect the Directors annually.
- 1.5 The Board has determined that a majority of the Directors will be “independent” as defined by applicable Canadian laws and regulations as well as the rules of relevant stock exchanges.
- 1.6 The Board will appoint a Chair from among its members. If the Chair is not independent, the Board will designate one of the independent Directors as the Lead Director to facilitate the functioning of the Board independently of management of the Company. The Chair and, if appointed, the Lead Director, shall hold office at the pleasure of the Board until successors have been duly appointed or until the Chair or Lead Director, as applicable, resign, or are otherwise removed from office by the Board.
- 1.7 The Corporate Secretary of the Company, or the individual designated as fulfilling the function of Secretary of the Company, will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Board. In the absence of the Corporate Secretary at

any meeting, the Board will appoint another person who may, but need not, be a Director to be the secretary of that meeting.

## 2. Responsibilities

- 2.1 The Board is responsible for supervising the management of and setting strategic direction for the business and affairs of the Company and its subsidiary entities (the “**Group**”).
- 2.2 In discharging their responsibilities, the Directors owe the following fiduciary duties to the Company:
  - (a) *a duty of loyalty*: they must act honestly and in good faith with a view to the best interests of the Company; and
  - (b) *a duty of care*: they must exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.
- 2.3 In discharging their responsibilities, the Directors are entitled to rely on the honesty and integrity of the senior officers of the Company and the independent auditors and other professional advisers of the Company, subject to the Directors’ duty of care.
- 2.4 In discharging their responsibilities, the Directors are also entitled to directors’ and officers’ liability insurance purchased by the Company and indemnification from the Company to the fullest extent permitted by law and the constating documents of the Company.
- 2.5 The Board has specifically recognized its responsibilities for:
  - (a) hiring a Chief Executive Officer (the “**CEO**”) and other senior officers who it believes will act with integrity and create a culture of ethical business conduct throughout the Group;
  - (b) adopting a strategic planning process and approving annually (or more frequently if appropriate) a strategic plan which considers, among other things, the opportunities and risks of the business of the Company;
  - (c) overseeing the identification of the principal risks of the business of the Company and overseeing the implementation of appropriate systems to manage these risks;
  - (d) overseeing the integrity of the internal control and management information systems of the Company;
  - (e) succession planning, including (with assistance from the CEO) appointing, training, monitoring and replacing the senior officers of the Company;
  - (f) ensuring that the Company operates at all times within applicable laws and regulations and to the highest ethical standards;
  - (g) approving and monitoring compliance with significant policies and procedures by which the Company is operated;

- (h) developing strong corporate governance policies and procedures for the Company;
  - (i) ensuring the Company has in place a disclosure policy to enable the Company to communicate effectively with its shareholders, other stakeholders and the public generally and receive shareholder feedback;
  - (j) ensuring that the Company's financial results are reported fairly and in accordance with generally accepted accounting standards; and
  - (k) ensuring the timely reporting of any other developments that have a significant and material impact on the value of the Company.
- 2.6 It is expected that each Director must be able to devote sufficient time to discharge their responsibilities effectively. In order to facilitate this, the Board has adopted a policy limiting the number of boards considered appropriate for directors, having regard to whether they are independent directors or members of management. Specifically, in the case of the CEO, he shall not sit on more than two outside public company boards in addition to that of the Company, and in the case of a non-management director, he shall not sit on more than five outside public company boards in addition to that of the Company.
- 2.7 Directors are expected to attend Board meetings, meetings of Board committees of which they are members and, where practicable, the annual meeting of the shareholders of the Company. Directors are also expected to spend the time needed, and to meet as frequently as necessary, to discharge their responsibilities.
- 2.8 Directors are expected to comply with the Code of Business Conduct and Ethics of the Company and any related policies or codes duly approved dealing with business conduct and ethics.
- 3. Authority**
- 3.1 The Board is authorized to carry out its responsibilities as set out in this Mandate.
- 3.2 The Board is authorized to retain, and to set and pay the compensation of independent legal counsel and other advisers if it considers this appropriate.
- 3.3 The Board is authorized to invite officers and employees of the Company and outsiders with relevant experience and expertise to attend or participate in its meetings and proceedings, if it considers this appropriate.
- 3.4 The Directors will have unrestricted access to the officers and employees of the Company. The Directors will use their judgment to ensure that any such contact is not disruptive to the operations of the Company and will, to the extent appropriate, advise the CEO of the Company of any direct communications between them and the officers and employees of the Company.
- 3.5 The Board and the Directors have unrestricted access to the advice and services of the Corporate Secretary and outside auditors and legal counsel.

- 3.6 The Board may delegate certain of its functions to Board committees, each of which may have its own charter or mandate. The following committees are currently constituted and are authorized to carry out the duties set out in their respective charters or mandates:

<u>Board Committee</u>	<u>Charter or Mandate</u>
Audit Committee	Audit Committee Charter
Compensation Committee	Compensation Committee Charter
Corporate Governance and Nominating Committee	Corporate Governance and Nominating Committee Charter
Health, Safety & Environmental Committee	Health, Safety & Environmental Committee Charter

#### **4. Delegation to Management**

- 4.1 To assist the Directors in discharging their responsibilities, the Board expects management of the Company to:
- (a) review and update annually (or more frequently if appropriate) the Company's strategic plan, and report regularly to the Board on the implementation of the strategic plan in light of evolving conditions;
  - (b) prepare and present to the Board annually (or more frequently if appropriate) a business plan and budget, and report regularly to the Board on the Company's performance against the business plan and budget;
  - (c) report regularly to the Board on the Company's business and affairs and on any matters of material consequence for the Company and its shareholders;
  - (d) speak for the Company in its communications with shareholders and the public in accordance with the Company's Disclosure Policy;
  - (e) comply with any additional expectations that are developed and communicated during the annual strategic planning and budgeting process and during regular Board and Board committee meetings; and
  - (f) consult the Board with respect to all matters which by law require Board approval and, specifically, as to those matters set out in any delegation of authority policy or other similar directive.
- 4.2 The Board expects the CEO to fulfill the mandate, duties and responsibilities as set out in the Position Description - Chief Executive Officer (Schedule "A").

#### **5. Meetings and Proceedings**

- 5.1 Board meetings and proceedings shall be carried out in accordance with the Company's By-Laws.
- 5.2 The Secretary or his delegate shall keep minutes of all meetings of the Board, including all resolutions passed by the Board. Minutes of meetings shall be distributed to the Directors after preliminary approval thereof by the Chair.
- 5.3 An individual who is not a Director may be invited to attend a meeting of the Board for all or part of the meeting.
- 5.4 The independent Directors shall meet regularly *in camera* to facilitate full communication.

## **6. Self-Assessment**

- 6.1 The Board shall, together with the Corporate Governance and Nominating Committee, at least annually, assess the Board's effectiveness with a view to ensuring that the performance of the Board accords with best practices.
- 6.2 The Board shall annually review this Mandate and update it as required.

## **7. Responsibilities of Chair**

- 7.1 The Chair shall provide leadership to the Board to enhance the Board's effectiveness, including:
  - (a) ensuring that the responsibilities of the Board are well understood by both management and the Board and acting as a liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner;
  - (b) ensuring that the Board works as a cohesive team with open communication;
  - (c) ensuring that the resources available to the Board (timely and relevant information) are adequate to support its work;
  - (d) together with the Corporate Governance and Nominating Committee, ensuring that a process is in place by which the effectiveness of the Board and its committees (including size and composition) is assessed at least annually; and
  - (e) together with the Corporate Governance and Nominating Committee, ensuring that a process is in place by which the contribution of individual Directors to the effectiveness of the Board is assessed at least annually.
- 7.2 The Chair is responsible for managing the Board, including:
  - (a) preparing the agenda of the Board meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;

- (b) chairing all meetings of the Board in a manner that promotes meaningful discussion;
  - (c) adopting procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
  - (d) ensuring meetings are appropriate in terms of frequency, length and content;
  - (e) ensuring that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;
  - (f) working with the Corporate Governance and Nominating Committee in approaching potential candidates once potential candidates are identified, to explore their interest in joining the Board; and
- 7.3 The Board expects the Chair to fulfill the mandate and responsibilities as set out in the position description for the Chairman of the Board (Schedule "B").
- 7.4 The Chair is responsible for chairing the meeting of shareholders of the Company or delegating such duty to an appropriate member of the Board or management.
- 7.5 The Chair is responsible for liaising with and, where appropriate, providing direction to the activities of the Corporate Secretary.
- 7.6 At the request of the Board, the Chair shall represent the Company to external groups such as shareholders and other stakeholders, including community groups and governments.
- 7.7 The Chair may delegate or share, where appropriate, certain of the above responsibilities with any independent committee of the Board.

Last approved: December 30, 2019

Approved by: Board of Directors