

## TORQ RESOURCES INC.

Suite 600 – 1199 West Hastings Street  
Vancouver, British Columbia V6E 3T5  
Telephone No.: (778) 729-0500 Fax No.: (778) 729-0650  
Email: info@Torqresources.com

### INFORMATION CIRCULAR as at April 30, 2019 (except as otherwise indicated)

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Torq Resources Inc. for use at the annual general meeting (the “Meeting”) of its shareholders to be held on June 13, 2019 at the time and place and for the purposes set forth in the accompanying Notice of Meeting.**

In this Information Circular, references to “the Company”, “we”, “our” and “Torq” refer to **Torq Resources Inc.** “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, subject to the use of Notice-and-Access Provisions in relation to the delivery of the Circular, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

#### Notice-and-Access

Notice-and-Access means provisions (“Notice-and-Access Provisions”) concerning the delivery of proxy-related materials to Shareholders found in section 9.1.1. of National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”), in the case of registered Shareholders, and section 2.7.1 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), in the case of Beneficial (“Non-Registered”) Shareholders, which allow an issuer to deliver an information circular forming part of proxy-related materials to Shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met.

Notice-and-Access Provisions are a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of securities by posting such materials on a non-SEDAR website (usually the reporting issuer’s website and sometimes the transfer agent’s website) rather than delivering such materials by mail. Notice-and-Access Provisions can be used to deliver materials for both special and general meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and beneficial owners are entitled to request delivery of a paper copy of the information circular at the reporting issuer’s expense.

The use of Notice-and-Access Provisions reduces paper waste and mailing costs to the issuer. In order for the Company to utilize Notice-and-Access Provisions to deliver proxy-related materials by posting an information circular (and if applicable, other materials) electronically on a website that is not SEDAR, the Company must send a notice to Shareholders, including Non-Registered Shareholders, indicating that the proxy-related materials have been posted and explaining how a Shareholder can access them or obtain from the Company, a paper copy of those materials. This Information Circular has been posted in full on the Company's website at <https://www.torqresources.com/investors/investor-package/> and is also available for viewing under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

In order to use Notice-and-Access Provisions, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the materials to be posted on the applicable website and other materials to be delivered to Shareholders. The requirements of that notice, which require the Company to provide basic information about the Meeting and the matters to be voted on, explain how a Shareholder can obtain a paper copy of the Information Circular and any related financial statements and Management Discussion and Analysis ("MD&A"), and explain the Notice-and-Access Provisions process, have been built into the Notice of Meeting. The Notice of Meeting has been delivered to Shareholders by the Company, along with the applicable voting document (a form of proxy in the case of registered Shareholders or a voting instruction form in the case of Non-Registered Holders).

The Company will not rely upon the use of 'stratification'. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of its information circular with the notice to be provided to Shareholders as described above. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions and all documents required to vote in respect of all matters to be voted on at the Meeting. No Shareholder will receive a paper copy of the information circular from the Company or any intermediary unless such Shareholder specifically requests the same.

**The Information Circular is available for viewing via the Company's website at <https://www.torqresources.com/investors/investor-package/>. Any Shareholder who wishes to obtain a paper copy of the Information Circular, should contact the Company at Suite 600, 1199 West Hastings Street, Vancouver, British Columbia V6E 3T5, or call Toll Free: 1-800-863-8655 or Tel: 778-729-0500, or by request by fax: 778-729-0650. A Shareholder may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.** In order to ensure that a paper copy of the Information Circular can be delivered to a requesting Shareholder in time for such Shareholder to review the Information Circular and return a proxy or voting instruction form prior to the Proxy Deadline, it is strongly suggested that a Shareholder ensure their request is received by the Company no later than May 31, 2019.

In accordance with the requirements of NI 54-101, the Company distributes copies of the Notice of Meeting, this Information Circular and the form of Proxy (collectively, the "Meeting Materials") to the Depository and Intermediaries for onward distribution to Beneficial Shareholders. The Company does not send Meeting materials directly to Beneficial (Non-Registered) Shareholders. Intermediaries are required to forward the Meeting materials to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

### **Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the "Proxy") are officers and/or directors of the Company. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a**

**Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

### **Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.**

### **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders who wish to submit a proxy may choose one of the following voting options:

- (a) complete, date and sign the Proxy and return it to Computershare, by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or
- (b) use a touch-tone phone to transmit voting choices to the toll free number given in the proxy. Registered shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) via the internet at Computershare's website, [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions provided and refer to the enclosed proxy form for the holder's account number and the proxy access number.

In any case, registered shareholders must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company's board of directors (the "Board") at the discretion of the Board without notice.

### **Beneficial Shareholders**

**The following information is of significant importance to Shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear

on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("OBOs") who object to their name being disclosed to the issuers of securities they own; or Non-Objecting Beneficial Owners ("NOBOs") who do not object to the issuers of the securities they own knowing who they are. The proxy solicitation materials relating to the Meeting are being mailed to all registered holders and all NOBOs. Broadridge Financial Solutions, Inc. ("Broadridge") will complete the mailing to all NOBO holders. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from Broadridge. The VIF is to be completed and returned to Broadridge as set out in the instructions provided on the VIF. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

If you received a VIF, please return your VIF as specified in the request for voting instructions that was sent to you.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company utilizing the Notice-and-Access Provisions. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge in Canada and in the United States. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of your desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of the Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common**

**Shares voted, or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

**Notice to Shareholders in the United States**

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the *United States Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) (the “BCA”), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

**Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P. O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder’s Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

The following documents filed with the securities commissions or similar regulatory authority in each of the Provinces of British Columbia, Alberta and Ontario at [www.sedar.com](http://www.sedar.com) are specifically incorporated by reference into, and form an integral part of, this Circular:

- The audited financial statements of the Company for the financial year ended December 31, 2018, the auditor's report thereon and the related management's discussion & analysis are filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Copies of documents incorporated herein by reference may also be obtained by a Shareholder upon request without charge from the Company's Corporate Secretary at Suite 600, 1199 West Hastings Street, Vancouver, BC, V6E 3T5, Tel: (778) 729-0500, or toll free: 1-800-863-8655 or Fax: (778) 729-0650.

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

The Board has fixed April 30, 2019 as the record date (the "Record Date") for determining persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Common Shares are listed for trading on the TSX Venture Exchange (the "TSXV"). The Company is authorized to issue an unlimited number of Common Shares without par value. As of the Record Date, there were 77,324,164 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor is there cumulative or similar voting rights attached to the Common Shares. The Company is also authorized to issue an unlimited number of Preferred Shares without par value. There were no Preferred Shares issued and outstanding as at the Record Date.

To the knowledge of the directors and executive officers of the Company, there were no persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at April 30, 2019.

### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. See "*Particulars of Matters to be Acted upon*" below. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

### **ELECTION OF DIRECTORS**

The Board has fixed the number of directors to be elected to the Board at five (5). The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the BCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

### **Advance Notice Provision**

On June 27, 2013, the Shareholders of the Company approved an alteration to the Company's Articles for the purpose of adopting advance notice provisions (the "Advance Notice Provision"). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for

election to the Board are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the BCA or (ii) a shareholder proposal made pursuant to the provisions of the BCA.

The purpose of the Advance Notice Provision is to foster a variety of interests of the Shareholders and the Company by ensuring that all Shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a Shareholder meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and it sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision which is available in Schedule "A" of the Company's Information Circular filed on May 31, 2013 under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The following disclosure sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for any new director nominees), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

<b>Name of Nominee; Current Position with the Company and Province or State and Country of Residence</b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Shawn Wallace <sup>(2)(3)(4) (5)</sup> Director, Co-Chairman of the Board British Columbia, Canada	Since May 12, 2011	5,953,750 Common Shares
Ivan Bebek <sup>(5)</sup> Director, Co-Chairman of the Board British Columbia, Canada	Since May 12, 2011	5,307,900 Common Shares
Michael Kosowan <sup>(5)</sup> Director, President and Chief Executive Officer British Columbia, Canada	Since March 2, 2017	5,903,000 Common Shares
Steve Cook <sup>(2)(3)(4)(5)</sup> Director British Columbia, Canada	Since August 12, 2011	1,063,000 Common Shares <sup>(6)</sup>
Jeffrey Mason <sup>(2)(3)(4)(5)</sup> Director British Columbia, Canada	Since September 12, 2017	460,000 Common Shares

Notes:

1. The information as to Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
2. Member of the Audit committee.

3. Member of the Nominating and Governance committee.
4. Member of the Compensation committee.
5. Messrs. Kosowan, Wallace and Bebek each hold Options to purchase 600,000 Common Shares and Messrs. Cook and Mason each hold Options to purchase 187,500 Common Shares, all of which have an exercise price of \$0.85 each, expiring August 30, 2022.
6. Of these Common Shares, 315,000 are owned by Mr. Cook directly, and 748,000 are owned by SMCook Legal Services Law Corporation.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

### **Occupation, Business or Employment of Director Nominees**

#### **Michael Kosowan**

Mr. Kosowan is President, Chief Executive Officer and Director of the Company. Mr. Kosowan is an industry expert with over 20 years of experience in the junior mining sector. Prior to joining the Company in 2017, he spent 17 years leading mining investment and financings in the USA and Canada through his work with Sprott Private Wealth and Sprott Global Resources Inc. Mr. Kosowan has also worked as a Project Engineer for a number of top-tier Canadian mining companies such as Placer Dome, Falconbridge and Inco, and as an Exploration Manager for Atapa Minerals in Indonesia and Peru. Mr. Kosowan holds a Master's of Applied Science degree in addition to being a Mining Engineer (P.Eng.). Mr. Kosowan also serves as a Director of Auryn Resources.

#### **Shawn Wallace**

Mr. Wallace serves as a Director and Co-Chairman of the Board together with Ivan Bebek and is one of the founding members of Torq Resources Inc. Mr. Wallace has been involved in all aspects of the mining industry, from mineral exploration and project management, to financing, mergers and acquisitions, and corporate development. Over the past 25 years, Mr. Wallace has been instrumental in building numerous high-quality mineral exploration, development, and production stage companies including co-founding Cayden Resources Inc., which was acquired by Agnico Eagle Mining for \$205 million in 2014. Mr. Wallace is currently the President, Chief Executive Officer and a Director of Auryn Resources Inc., and is a co-founder and Director of Asanko Gold Inc.

#### **Ivan Bebek**

Mr. Bebek serves as a Director and Co-Chairman of the Board together with Shawn Wallace and is one of the founding members of Torq Resources Inc. Mr. Bebek has over 20 years' experience in financing, foreign negotiations, and acquisitions in the mineral exploration industry. His understanding of the capital markets and ability to position, structure and finance companies that he has been associated with has been instrumental in their successes. Mr. Bebek is currently a Director and the Executive Chairman of Auryn Resources. Formerly, he was the President, CEO and co-founder of Cayden Resources Inc., which was sold to Agnico Eagle Mining for \$205 million in 2014 and a co-founder of Keegan Resources Inc. (now Asanko Gold Inc.).

#### **Steve Cook**

Mr. Cook is a practicing tax partner at the law firm of Thorsteinssons LLP, Vancouver, British Columbia. Mr. Cook received his B.Comm. and LL.B. degrees from the University of British Columbia and was called to the British Columbia Bar in 1982 and the Ontario Bar in 1992. Mr. Cook is a specialist in corporate and

international tax planning, offshore structures, representation, and civil and criminal tax litigation. Mr. Cook has served on the board of Brett Resources Ltd. prior to it being acquired by Osisko Mining Corp. and Cayden Resources Inc. prior to it being acquired by Agnico Eagle Mining Limited. Mr. Cook currently serves as a director of Auryn Resources Inc.

### **Jeffrey Mason**

Mr. Mason is a Chartered Professional Accountant and holds an Institute of Corporate Directors designation. He has extensive experience in the exploration, development, construction and operation of precious and base metals projects in the Americas, Asia and Africa, including 15 years (1994 – 2008) as a Principal, Board Director, and Chief Financial Officer for the Hunter Dickinson Inc. group of companies. Overall, Mr. Mason has served as Chief Financial Officer, Corporate Secretary and Board Director for 20 public companies listed on the TSX, TSXV, NYSE American and NASDAQ. Mr. Mason currently serves as an independent Director of Great Panther Mining Limited and Auryn Resources Inc.

### **Cease Trade Orders and Bankruptcy**

Except as set out below, within the last 10 years before the date of this Information Circular, no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Information Circular is prepared) acted in that capacity for a company that was:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has 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;
- (d) subject to 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
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Jeffrey Mason was a director since March 2015 of the online shoe retailer Shoes.com Technologies Inc., a private BC company, and was a director since September 2016 of certain of its wholly-owned private subsidiary companies, including Shoes.com, Inc., a Delaware company, and Onlineshoes.com, Inc., a Washington company, but was never a director of Shoeme Technologies Limited, a Canadian Federal private company (together, Shoeme Technologies Limited, Shoes.com Technologies Inc., Shoes.com, Inc.

and Onlineshoes.com, Inc., the “**Shoes Private Companies**”). In September 2016, following the resignation of the prior chief financial officer, Mr. Mason assumed the role of interim chief financial officer of the Shoes Private Companies. Due in part to an increasingly competitive landscape, the Shoes Private Companies became insolvent, and were not believed to be financeable. The boards of directors of the Shoes Private Companies determined that the interests of stakeholders would be best protected by placing the Shoes Private Companies into receivership in February 2017. Mr. Mason resigned as interim chief financial officer and director of the Shoes Private Companies in February 2017.

Mr. Mason was a director of Red Eagle Mining Corporation, a TSX listed company, commencing on Jan 1, 2010 continuing to his resignation on June 22, 2018. On November 9, 2018, the secured lenders gave default notice and a demand letter under the secured credit facility advised of their intention to appoint FTI Consulting as receiver over Red Eagle Mining’s assets. Red Eagle Mining had negotiated a restructuring, announced August 24, 2018 under which the secured lenders would write off a significant part of their debt to enable Red Eagle Mining to recommence operations, but the restructuring was contingent upon a US\$38 million equity financing from Annibale SAC, personally guaranteed by its principal Fernando Palazuelo. Annibale defaulted on that commitment and as a result, the restructuring could not proceed.

### **APPOINTMENT OF AUDITOR**

Deloitte, Chartered Professional Accountants (“Deloitte”), Suite 2800, 1055 Dunsmuir St., Vancouver, British Columbia, will be nominated at the Meeting for appointment as auditor of the Company. Deloitte has been auditor of the Company since August 12, 2011.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 – *Audit Committees* (“NI 52-110”) of the Canadian Securities Administrators requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. Such disclosure is set forth below.

#### **The Audit Committee’s Charter**

The audit committee has a charter (the “Charter of Audit Committee”) a copy of which is set out in the Company’s information circular for the annual general meeting held on June 29, 2010 and which has been filed on [www.sedar.com](http://www.sedar.com). The Charter of Audit Committee can also be viewed at <https://www.torqresources.com/corporate/corporate-governance/>.

#### **Audit Committee Oversight**

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than Deloitte.

#### **Reliance on Certain Exemptions**

The Company’s auditor, Deloitte, has not provided any material non-audit services.

#### **Pre-Approval Policies and Procedures**

The audit committee has adopted specific policies and procedures for the engagement of non-audit services, which are set out in the Charter of Audit Committee. The Charter of Audit Committee is included in the

Company's corporate governance material which is posted on the Company's website at <https://www.torqresources.com/corporate/corporate-governance/>.

### External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by Deloitte to the Company to ensure auditor independence. Fees incurred with Deloitte for audit and non-audit services in the last two fiscal years are outlined in the following table.

Nature of Services	Fees Paid and/or Accrued to for Deloitte Year Ended December 31, 2018.	Fees Paid and/or Accrued to Deloitte for Year Ended December 31, 2017.
Audit Fees <sup>(1)</sup>	\$35,000	\$32,500
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
Total	\$35,000	\$32,500

Notes:

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

### Exemption

The Company is a venture issuer and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

## CORPORATE GOVERNANCE

### Mandate of the Board of Directors

The Board has a formal mandate as outlined in the Company's corporate governance material which can be accessed on the Company's website <https://www.torqresources.com/corporate/corporate-governance/> (the "Corporate Governance Material"). The Corporate Governance Material contains the Board Guidelines document which mandate the Board to: (i) assume responsibility for the overall stewardship and development of the Company and monitoring of its business decisions, (ii) identify the principal risks and opportunities of the Company's business and ensure the implementation of appropriate systems to manage these risks, (iii) oversee ethical management and succession planning, including appointing, training and monitoring of senior management and directors, and (iv) oversee the integrity of the Company's internal financial controls and management information systems. The Corporate Governance Material include written charters for each committee and it contains a code of ethics, policies dealing with issuance of news releases and disclosure documents, as well as share trading black-out periods. Further, in the Board Guidelines the Board encourages but does not require continuing education for all the Company's directors. A copy of the Corporate Governance Material is available prior to the Meeting upon request by contacting

the Company directly at telephone: (778) 729-0500 or fax: (778) 729-0650 or email: info@Torqresources.com.

### **Composition of the Board of Directors**

Applicable governance policies require that a listed issuer's board of directors determine the status of each director as independent or not, based upon each director's interest in or other relationship with the Company. Applicable governance policies recommend that a board of directors be constituted with a majority of directors who qualify as independent directors (as defined below). A board of directors should also examine its size with a view to determining the impact of the number of directors upon the effectiveness of the board of directors, and the board of directors should implement a system which enables an individual director to engage an outside advisor at the expense of the corporation in appropriate circumstances. The Company's policies allow for retention of independent advisors for members of the Board when they consider it advisable.

Under the policies, an "independent" director is one who "has no direct or indirect material relationship" with the Company. Generally speaking, a director is independent if he or she is free from any employment, business or other relationship which could, or could reasonably be expected to, materially interfere with the exercise of the director's independent judgment. A material relationship includes having been (or having a family member who has been) within the last three years an employee or executive of the Company or employed by the Company's external auditor. Any individual who (or whose family members or partners) received directly or indirectly, any consulting, advisory, accounting or legal fee or investment banking compensation from the Company (other than compensation for acting as a director or as a part time chairman or vice-chairman) is deemed to have a material relationship with the Company.

The Board is proposing five nominees for election to the office of director, of whom two of the nominees can be considered to be "independent". The "independent" nominees are Steve Cook and Jeffrey Mason. These nominees will be, if elected, considered independent by virtue of their not being executive officers of the Company and having received no compensation other than in their role as directors. The non-independent directors (and the reasons for that status) are: Michael Kosowan (President and CEO of the Company), Shawn Wallace (former interim CEO and current Co-Chairman of the Company and President, CEO and Director of Auryn Resources Inc.) and Ivan Bebek (Co-Chairman of the Company and Executive Chairman and Director of Auryn Resources Inc.). Auryn Resources Inc. is a public company listed on the TSX and the NYSE American, which has certain management in common, shares administration and office space with the Company, and of which Michael Kosowan is also a Director.

### **Directorships**

The directors are currently serving on boards of reporting companies (or equivalent) as set out below:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Exchange Listed</b>
Ivan Bebek	Auryn Resources Inc.	TSX, NYSE.AM
Shawn Wallace	Asanko Gold Inc. Auryn Resources Inc.	TSX, NYSE.AM TSX, NYSE.AM
Steve Cook	Auryn Resources Inc.	TSX, NYSE.AM
Jeffrey Mason	Auryn Resources Inc. Great Panther Mining Limited	TSX, NYSE.AM TSX, NYSE.AM
Michael Kosowan	Auryn Resources Inc.	TSX, NYSE.AM

The Board has a Nominating and Governance Committee (the “NG Committee”) that formalizes the process of ensuring the Company has high calibre directors and proper director succession planning. The NG Committee has considered and recommended re-election of the current Board. The NG Committee currently consists of Steve Cook (Chairperson), Jeffrey Mason and Shawn Wallace.

The Board monitors activities of senior management through regular meetings and discussions amongst the Board and between the Board and senior management. The Board is of the view that its communication policy between senior management, members of the Board and shareholders is good. The Board is satisfied with the integrity of the Company’s internal control and financial management information systems.

### **Committees of the Board of Directors**

Applicable regulatory governance policies require that (i) committees of the Board be composed of at least a majority of independent directors, (ii) the Board expressly assumes responsibility, or assigns responsibility to a committee of directors for the development of the Company’s approach to governance issues, (iii) the Board’s audit committee be composed of a majority of independent directors, and the role of the audit committee be specifically defined and must include the responsibility to oversee management’s system of internal controls, (iv) the audit committee has direct access to the Company’s external auditor, and (v) the Board appoint a committee, composed of a majority of independent directors, responsible for proposing new nominees to the Board and for assessing directors on an ongoing basis.

#### **Audit Committee**

The current members of the audit committee are Jeffrey Mason (Chairperson), Steve Cook and Shawn Wallace. Messrs. Cook and Mason are the independent members of the audit committee. Mr. Wallace is the Co-Chairman of the Board and is therefore not independent. All current members of the audit committee are considered to be financially literate. See disclosure under heading “Occupation, Business or Employment of Director Nominees” above for relevant education and experience of Audit Committee members.

The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in the Charter of the Audit Committee and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

#### **Compensation Committee**

The Board’s compensation committee (the “Compensation Committee”) currently consists of Steve Cook (Chairperson, independent), Jeffrey Mason (independent) and Shawn Wallace (non-independent).

The Compensation Committee recommends compensation for the directors and executive officers of the Company. See further disclosure under *Statement of Executive Compensation* below. The Compensation Committee Charter is included in the Corporate Governance Material.

Compensation Committee functions include the annual review of compensation paid to the Company’s executive officers and directors, the review of the performance of the Company’s executive officers and the task of making recommendations on compensation to the Board.

The Compensation Committee also periodically considers the grant of stock options. Options have been granted to the executive officers and directors and certain other service providers taking into account competitive compensation factors and the belief that options help align the interests of executive officers, directors and service providers with the interests of shareholders.

### **Nominating and Governance Committee**

The NG Committee currently consists of Steve Cook (Chairperson, independent), Jeffrey Mason (independent) and Shawn Wallace (non-independent). The NG Committee Charter is included in the Corporate Governance Material.

The NG Committee is responsible for developing and recommending to the Board the Company's approach to corporate governance and assists members of the Board in carrying out their duties. The NG Committee also reviews all new and modified rules and policies applicable to governance of listed corporations to assure that the Company remains in full compliance with such requirements as are applicable to the Company.

In exercise of its nominating function the NG Committee evaluates and recommends to the Board the size of the Board and certain persons as nominees for the position of director of the Company. The Company has formal procedures for assessing the effectiveness of Board committees as well as the Board as a whole. This function is carried out annually under the direction of the NG Committee and those assessments are then provided to the Board.

### **Board of Directors Decisions**

Good governance policies require the Board of a listed corporation, together with its chief executive officer, to develop position descriptions for the Board and for the chief executive officer, including the definition of limits to management's responsibilities. Any responsibility which is not delegated to senior management or to a Board committee remains with the full Board.

### **Recruitment of New Directors and Assessment of Board of Directors Performance**

Good governance policies require that (i) the board of directors of every listed corporation implement a process for assessing the effectiveness of the Board and its committees, and the contribution of individual directors, (ii) every corporation provide an orientation and education program for new directors, and (iii) every board of directors review the adequacy and form of compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director. Please also see *Nominating and Governance Committee* above.

The Compensation Committee and the NG Committee were both originally appointed on July 4, 2012 and both committees are of a continuing nature to this current date and beyond.

### **Orientation and Continuing Education**

The Company has traditionally retained experienced mining people as directors and hence the orientation needed is minimized. When new directors are appointed, they are provided with an orientation and education program, which will include: (i) written information about the duties and obligations of directors; (ii) the business and operations of the Company; (iii) documents from recent Board meetings; and (iv) opportunities for meetings and discussion with senior management and other directors. Board meetings generally include presentations by the Company's senior management and project staff in order to give the directors full insight into the Company's operations.

## **Ethical Business Conduct**

The Board has a formal ethics policy, which is contained in the Corporate Governance Material. The Board also believes that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest are sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

## **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The NG Committee recommended to the Board the appointment of the five director nominees listed above for election this year. See *Nominating and Governance Committee* above.

## **Other Board Committees**

All Board committees are described above.

## **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees. The NG Committee oversees an annual formal assessment of the effectiveness of the Board and its three main committees namely the Audit Committee, the Compensation Committee and the NG Committee.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Named Executive Officers**

In this section "Named Executive Officer" (an "NEO") means the Chief Executive Officer (the "CEO"), the Chief Financial Officer (the "CFO") and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000; as well as any additional individuals for whom disclosure would have been provided under Form 51-102F6 – *Statement of Executive Compensation*, except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year.

The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant, give or otherwise provide to each NEO and director for the financial year ended December 31, 2018.

### **COMPENSATION DISCUSSION AND ANALYSIS**

The purpose of this Compensation Discussion and Analysis is to provide information about Torq's executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs listed in the Summary Compensation Table that follows. During its fiscal year ended December 31, 2018 the following individuals classify as NEOs of Torq:

- Michael Kosowan, President and CEO (March 2, 2017 to present);
- Peter Rees, former CFO and Corporate Secretary (June 29, 2011 to March 31, 2019); and

- Shawn Wallace, former Interim CEO (June 27, 2013 to March 2, 2017) and current Co-Chairman (March 2, 2017 to present).

Torq is a junior exploration company with no revenues from mineral producing operations. Its business activities include investigating and acquiring mineral properties and conducting exploration programs, in some instances relying on funding from exploration partners. As a result, the Board must consider not only the financial situation of Torq at the time of determining executive compensation, but also the estimated financial situation of Torq for both mid and long-term projections. An element of executive compensation that is available to Torq is the issuance of stock options, which do not require cash disbursement by Torq.

The function of the Compensation Committee generally is to assist the Board in carrying out its responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers, and evaluating the performance of officers generally and in light of the Company's annual goals and objectives.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for senior management of the Company although the Compensation Committee guides it in this role. The Compensation Committee reviews peer market information on executive compensation levels as compiled by the Company's management.

#### Philosophy and Objectives

The Company's compensation policies and programs are designed to be competitive with similar junior exploration mining companies, to recognize and reward executive performance consistent with the success of the Company's business and to achieve certain objectives, including:

- (i) Attract and retain experienced and talented mining executive officers;
- (ii) Inspire excellence in the performance of executive officers; and
- (iii) Align shareholder and executive officer interests.

The Company relies solely on the discussions of the Board, without any formal objectives, criteria and analysis, for determining executive compensation. The Company did not engage compensation consultants to determine the NEOs compensation during the year ended December 31, 2018 or previous years.

As the Company is currently a junior venture exploration company, the Compensation Committee has not considered the implications of the risks associated with the Company's compensation policies and practices. When the Company's financial position improves and the size and value of its market capital increases accordingly, the Compensation Committee will consider a risk assessment commensurate with the Company's market position.

The Company's compensation policies do not specifically discuss whether NEOs and directors are allowed to purchase financial instruments designed to hedge or offset a decrease in market value of equity securities of the Company granted as compensation or held, directly or indirectly by the NEO or director of the Company.

#### Base Salary

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive

salary information on comparable companies within the industry is compiled from a variety of sources, as available on SEDAR.

During the year ended December 31, 2017 it was determined, due to the prevailing market condition and the status of the Company's treasury that all compensation to executives, with the exception of the President and CEO, was to be nil.

Effective March 2, 2017, Michael Kosowan was appointed as President and CEO and commenced receiving an annual salary of \$240,000 on his appointment date.

Due to the Company's higher level of activity during 2018, the Compensation Committee approved annual salaries to be paid to Shawn Wallace, Co-Chairman (\$90,000) and Peter Rees, CFO (\$60,000). These salaries became effective July 1, 2018. Mr. Kosowan continues to receive an annual salary of \$240,000.

#### Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board considers the approval of executive bonuses as recommended by the Compensation Committee. Such recommendations are generally based on peer comparatives and corporate achievements.

During the fiscal year ended December 31, 2018, no bonus incentive compensation was accrued or paid.

#### Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Company's share option plan. Options to purchase Common Shares in the Company are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board.

Given the evolving nature of the Company's business as a mineral exploration and development company, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

The Compensation Committee has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Compensation Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Compensation Committee considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above while accommodating the requirements of the Company's other financial obligations.

## Option Based Awards

The Company has a share option plan dated for reference August 12, 2011, as amended and restated August 14, 2015, which plan was last approved for continuation at the Company's AGM held June 14, 2018. There were no options granted to officers and directors of the Company in fiscal 2018.

## SUMMARY COMPENSATION TABLE

Compensation paid to the NEOs during the Company's three most recently completed financial years ended December 31, 2018, 2017 and 2016 is as set out below and expressed in Canadian dollars. There were no share-based awards, non-equity incentive plan compensation (annual or long-term) or pension value payments paid to NEOs during these periods.

Name and principal position	Year	Salary (\$)	Option-based awards <sup>(1)</sup> (\$)	Value of all other compensation <sup>(2)</sup> (\$)	Total compensation (\$)
Michael Kosowan, President and CEO	2018	240,000	Nil	1,562	241,562
	2017	230,000	307,947	2,052	539,999
	2016	Nil	Nil	Nil	Nil
Peter Rees <sup>(3)</sup> Former CFO	2018	30,000	Nil	Nil	30,000
	2017	Nil	256,623	Nil	256,623
	2016	Nil	Nil	Nil	Nil
Shawn Wallace <sup>(4)</sup> Co-Chairman, former Interim CEO	2018	45,000	Nil	Nil	45,000
	2017	Nil	307,947	Nil	307,947
	2016	Nil	Nil	Nil	Nil

Notes:

- (1) Any amounts in this column represent the dollar amount based on the fair value of the award on the grant date for a covered financial year.
- (2) Any amounts in this column represent taxable benefits received during the covered financial year.
- (3) Mr. Rees was appointed CFO of the Company on June 29, 2011 and resigned on March 31, 2019 when Ms. Stacy Rowa was appointed to replace him as CFO effective April 1, 2019.
- (4) Mr. Wallace was appointed Interim CEO of the Company on June 27, 2013 and has been a director of the Company since May 12, 2011. He resigned as Interim CEO on March 2, 2017 when Michael Kosowan was appointed CEO of the Company. As of March 2, 2017, Mr. Wallace was appointed Co-Chairman of the Company together with Ivan Bebek.

The significant factors in determining the information set out in the above compensation table are:

- the terms of each NEO's employment agreement or arrangement; and
- the activity and financial resources of the Company at the time the compensation was paid.

## Incentive Plan Awards

### Share-based Awards

There were no share-based awards granted and outstanding as at December 31, 2018.

### Outstanding Option-based Awards

The following table sets out all option-based awards outstanding as at the December 31, 2018 financial year end, for each NEO of the Company:

Name	Option-based Awards			
	Number of securities underlying unexercised options <sup>(2)</sup> (#)	Option exercise price (\$)	Option expiration date (M/D/Y)	Value of unexercised in-the-money options <sup>(1)</sup> (\$)
Michael Kosowan	600,000	0.85	August 30, 2022	Nil
Peter Rees	500,000	0.85	August 30, 2022	Nil
Shawn Wallace	600,000	0.85	August 30, 2022	Nil

Notes:

- (1) The last day of trading of the fiscal year was December 31, 2018 and the closing price of the Common Shares was \$0.445 each.
- (2) These options were granted on August 30, 2017.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested or earned under incentive plans during the fiscal year ended December 31, 2018, for each NEO:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Kosowan	Nil	Nil
Peter Rees	Nil	Nil
Shawn Wallace	Nil	Nil

Note:

- (1) There were no options granted to NEOs of the Company in fiscal 2018.

### **DIRECTOR COMPENSATION**

The compensation paid to each director of the Company not already set out as a NEO in the above disclosure, for the Company's most recently completed financial year ended December 31, 2018 is as set out below and expressed in Canadian dollars. There were no share-based awards, non-equity incentive plan compensation (annual or long-term) or pension value payments paid to directors during this period.

Name	Year	Salary (\$)	Option-based awards <sup>(1)</sup> (\$)	Total compensation (\$)
Ivan Bebek <sup>(2)</sup>	2018	Nil	Nil	Nil
Steve Cook	2018	7,500	Nil	7,500
Jeffrey Mason	2018	7,500	Nil	7,500

Notes:

- (1) Any amounts in this column represent the dollar amount based on the grant date fair value of the award for the year ended December 31, 2018.
- (2) As of March 2, 2017 Mr. Bebek was appointed Co-Chairman of the Company together with Shawn Wallace.

Outstanding Option-based Awards

The following table sets out all option-based awards outstanding as at financial December 31, 2018 financial year end, for each director of the Company not already set out as a NEO in the above disclosure:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (M/D/Y)	Value of unexercised in-the-money options <sup>(1)(2)</sup> (\$)
Ivan Bebek	600,000 <sup>(3)</sup>	0.85	August 30, 2022	Nil
Steve Cook	187,500 <sup>(3)</sup>	0.85	August 30, 2022	Nil
Jeffrey Mason	187,500 <sup>(3)(4)</sup>	0.85	August 30, 2022	Nil

Notes:

- (1) The closing price of the Common Shares on December 31, 2018 was \$0.445 each.
- (2) There were no options granted to Directors of the Company in fiscal 2018.
- (3) These options were granted on August 30, 2017.
- (4) These options were granted to Mr. Mason as part of the annual grant to officers, directors, employees and consultants although he was not officially appointed as a director until September 12, 2017.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested or earned under incentive plans during the fiscal year ended December 31, 2018, for each Director of the Company, excluding a director who is already set out in disclosure above as a NEO:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Ivan Bebek	Nil	Nil
Steve Cook	Nil	Nil
Jeffrey Mason	Nil	Nil

Note:

- (1) There were no options granted to Directors of the Company in fiscal 2018.

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

The only equity compensation plan which the Company has in place is the share option plan (the “Plan”) dated for reference August 12, 2011, as amended and restated August 14, 2015. The Plan was last approved for continuation by the Shareholders on June 14, 2018. The Plan was established to allow the Company to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board and its Compensation Committee, and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The number of Common Shares issuable under the Plan, together with all of the Company’s other previously established share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares from time to time. All options expire on a date not later than 10 years after the date of grant of such option. See *Particulars of Other Matters to be Acted Upon* below, which includes the Company’s proposal to ratify and approve the Plan for continuation at the Meeting.

Securities issued by the Company under all equity compensation plans as of December 31, 2018 are set out in the following table.

***Equity Compensation Plan Information***

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders	6,476,250	\$0.84	1,256,166
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>Total</b>	<b>6,476,250</b>	<b>\$0.84</b>	<b>1,256,166</b>

***Actions, Policies and Decisions made following December 31, 2018***

On March 29, 2019, the Company appointed Stacy Rowa to the position of CFO, effective April 1, 2019. Ms. Rowa was granted Options to purchase 250,000 Common Shares as part of her appointment.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person of the Company, proposed director of the Company, or associate or affiliate of any informed person or proposed director (collectively "Insiders" see Definitions below), have any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, except as disclosed under the headings "Executive Compensation" and "Particulars of Matters to be Acted Upon".

For specific detailed disclosure concerning payment by the Company to related parties and settlement of outstanding balances please see Note 11 to the Annual Financial Statements for the fiscal year ended December 31, 2018 and filed under the Company's SEDAR profile at [www.Sedar.com](http://www.Sedar.com).

**MANAGEMENT CONTRACTS**

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or executive officers, with the exception of Daniel McCoy who, acting in the capacity of a consultant, was appointed Chief Geologist effective January 4, 2018.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Share Option Plan

The TSXV requires that each company listed on the exchange have a stock option plan if the company intends to grant options. The Company has a share option plan, being the Plan. The Board is of the view that the Plan gives the Company flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry, and also provides incentive to the Company's directors, executives, employees and other eligible service providers to act in the best interests of the Company.

The Plan is a rolling share option plan pursuant to which options to purchase Common Shares totaling a maximum of 10% of the Common Shares outstanding from time to time may be granted.

To comply with TSXV policies concerning "rolling" option plans, the Plan must be approved annually by the Shareholders of the Company to continue granting options under the Plan. Adoption of the Plan was initially approved by the Shareholders on August 12, 2011. The Plan was amended and restated by shareholder approval on August 14, 2015, and was last approved for continuation by the Shareholders on June 14, 2018. At the Meeting shareholders will be asked to pass an ordinary resolution to ratify and approve the Plan for continuation until the next annual general meeting of the Company.

### *Plan Limitations*

The Plan provides that the maximum number of Common Shares that may be issued to any one Insider and such Insider's associates under the Plan within a one-year period shall be 5% of the Common Shares outstanding at the time of the issuance, excluding Common Shares issued to such Insider under the Plan and under any other share compensation arrangement over the preceding one-year period. Currently, all options granted under the Plan can be exercisable for a maximum of 10 years from the effective date.

The Plan is subject to the following restrictions:

- (a) The Company must not grant an option to a director, employee, consultant, or consultant company (the "Service Provider") in any 12-month period that exceeds 5% of the outstanding Common Shares, unless the Company has obtained approval to do so by a majority of the votes cast by the shareholders of the Company eligible to vote at a shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by Insiders and their Associates ("Disinterested Shareholder Approval");
- (b) The aggregate number of options granted to a Service Provider conducting Investor Relations Activities in any 12-month period must not exceed 2% of the outstanding Common Shares calculated at the date of the grant, without the prior consent of the TSXV;
- (d) The Company must not grant an option to a Consultant in any 12-month period that exceeds 2% of the outstanding Common Shares calculated at the date of the grant of the option;
- (e) The number of optioned Common Shares issued to Insiders in any 12-month period must not exceed 10% of the outstanding Common Shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Company has obtained Disinterested Shareholder Approval to do so; and
- (f) The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.

### ***Definitions***

A “**disinterested shareholder**” means a shareholder that is not an Insider to whom options may be granted under the Plan and they are not an Associate of any Insider.

An “**Insider**” is a director or an officer of the Company, a director or an officer of a company that is itself an Insider or a subsidiary of an Insider, or a person that has beneficial ownership of, and/or control or direction, either directly or indirectly over, securities of the Company carrying more than 10% of the voting rights attached to all the Company’s outstanding voting securities.

An “**Associate**” means, if used to indicate a relationship with any person,

- (a) a partner, other than a limited partner, of that person,
- (b) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity,
- (c) an issuer in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer, or
- (d) a relative, including the spouse, of that person or a relative of that person's spouse, if the relative has the same home as that person.

### ***Material Terms of the Plan***

The following is a summary of the material terms of the Plan:

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to 10 years;
- (c) For options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) An Option granted to any Service Provider will expire within one year (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) If an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) In the case of an Optionee being dismissed from employment or service for cause, such Optionee’s options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;

- (g) The exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) Vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period; and
- (i) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

### ***Shareholder Approval***

At the Meeting, Shareholders will be asked to consider and vote on the ordinary resolution to ratify and approve the Plan for continuation, with or without variation, as follows:

“**RESOLVED** that the Company’s Share Option Plan dated August 12, 2011, as amended and restated August 14, 2015, be and is hereby ratified and approved for continuation until the next annual general meeting of the Company.”

A copy of the Plan will be available for inspection at the Meeting. A Shareholder may also obtain a copy of the Plan by contacting Company’s Corporate Secretary at Suite 600, 1199 West Hastings Street, Vancouver, BC, V6E 3T5, Tel: (778) 729-0500 or Fax: (778) 729-0650.

### **The Board recommends that you vote in favour of the above resolution.**

An ordinary resolution is a resolution passed by the Shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

### **ADDITIONAL INFORMATION**

Financial information is provided in the audited financial statements of the Company for the year ended December 31, 2018 and in the related management discussion and analysis as filed on SEDAR at [www.Sedar.com](http://www.Sedar.com).

Additional information relating to the Company is filed under its SEDAR profile at [www.Sedar.com](http://www.Sedar.com) and upon request from the Company’s Corporate Secretary at Suite 600, 1199 West Hastings Street, Vancouver, BC, V6E 3T5, Tel: (778) 729-0500, or toll free: 1-800-863-8655 or Fax: (778) 729-0650. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

**OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to Shareholders have been approved by the Board.

**DATED** at Vancouver, British Columbia, May 6, 2019.

**BY ORDER OF THE BOARD**

*“Michael Kosowan”*

**Michael Kosowan**  
**President and Chief Executive Officer**