

LATIN AMERICAN MINERALS INC.  
217 Queen Street West, Suite 401  
Toronto, Ontario M5V 0R2

MANAGEMENT INFORMATION CIRCULAR  
As at September 18, 2020

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF LATIN AMERICAN MINERALS INC. (the “Company”) of proxies to be used at the annual and special meeting of shareholders of the Company to be held on Tuesday, October 20, 2020 at the office of Irwin Lowy LLP, 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2 at the hour of 10:00 a.m. (Eastern time), 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.

COVID-19 GUIDANCE

In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19 and in compliance with the orders and directives of the Government of Canada, the Province of Ontario and the City of Toronto, the shareholders are being discouraged from attending the Meeting in person. All shareholders are encouraged to vote on the matters before the Meeting by proxy in the manner set out herein.

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, HER OR IT 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, Computershare Investor Services Inc. (the “Transfer Agent”), not later than 10:00 a.m. (Eastern time) on Friday, October 16, 2020 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder 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.

Proxies may be deposited with the Transfer Agent using one of the following methods:

<b>By Mail or Hand Delivery:</b>	Computershare Investor Services Inc. 100 University Avenue, 8 <sup>th</sup> Floor, Toronto, Ontario M5J 2Y1
<b>Telephone:</b>	1-866-732-VOTE (8683) Toll Free You will need to provide your 15 digit control number (located on the form of proxy accompanying this Circular)
<b>By Internet:</b>	<a href="http://www.investorvote.com">www.investorvote.com</a> You will need to provide your 15 digit control number (located on the form of proxy accompanying this Circular)

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: (a) by 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, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof, to (i) the registered office of the Company, located at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2, 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) in 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 beneficial holder of Common Shares who does not appear on the records maintained by the Company's registrar and transfer agent as a registered holder of Common Shares (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.) (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.

***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,

***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 SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of Friday, September 18, 2020 (the "**Record Date**"), there were a total of 237,180,420 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 set forth below:

Name <sup>(1)</sup>	Number of Common Shares	Percentage of Issued and Outstanding Common Shares
2176423 Ontario Ltd.	35,333,334	14.90%

*Note:*

(1) *The above information is based upon information supplied by the Transfer Agent and the Company's management.*

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

Except as set out under the heading "*Particulars of Matters to be Acted Upon*" below, no person who has been a director or an officer of the Company at any time since the beginning of its last completed financial year or any associate of any such director or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company (the "**Board**"), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice.

### 1. RECEIPT OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended December 31, 2019 and the report of the auditors will be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Company are available under the Company's profile at [www.sedar.com](http://www.sedar.com).

## 2. ELECTION OF DIRECTORS

The board currently consists of three directors. The following table states the names of the persons nominated by management for election as directors at the Meeting, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>	Percentage of Voting Shares Owned or Controlled
Mathew Wilson <sup>(2)</sup> Ontario, Canada  President, Chief Executive Officer and Director	President, Chief Executive Officer and Director of the Company	September 11, 2017	8,607,400 <sup>(4)</sup>	3.63%
Richard Patricio <sup>(2)(3)</sup> Ontario, Canada  Chairman and Director	President and Chief Executive Officer of Mega Uranium Ltd., a mineral resources company	June 29, 2016	1,500,000	0.63%
Stephen Keith <sup>(2)(3)</sup> Ontario, Canada  Director	Founding Partner at S4G, Strategy4Growth	June 29, 2016	nil	n/a

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) 758,732 held by Centrys Inc., a corporation controlled by Mr. Wilson.

The term of office of each director will be from the date of the annual meeting of the shareholders of the Company at which he is elected until the next annual meeting of the shareholders of the Company, or until his successor is elected or appointed.

**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 HIS OR HER 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 but, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

### *Corporate Cease Trade Orders or Bankruptcies*

No proposed director, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

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

No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

### ***Personal Bankruptcies***

None of the proposed directors of the Company have, within the 10 years before the date of this 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 such person.

### ***Penalties and Sanctions***

None of the proposed directors of the Company have been 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 been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **3. APPOINTMENT OF AUDITORS**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF DALE MATHESON CARR-HILTON LABONTE 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 THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.** Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants were first appointed as the auditors of the Company on January 14, 2016.

## **4. AMENDMENT TO ARTICLES – NAME CHANGE**

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution, the text of which is attached as Exhibit A to the Notice (the “**Name Change Resolution**”), which would authorize the Company to amend of the articles of incorporation to change its name to “Sterling Metals Corp.”, or such other name as the Board, in its sole discretion, may determine and as may be acceptable to the Director appointed under the *Canada Business Corporation Act* (the “**Name Change**”).

The Company believes that the Name Change is in the best interests of the Company in order to reflect contemplated changes in the business activities of the Company.

In order to pass the Name Change Resolution, at least two thirds of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the Name Change Resolution. If the Name Change Resolution does not receive the requisite shareholder approval, the Company will continue under its present name.

**The Board recommends that shareholders vote in favour of the Name Change Resolution.**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE NAME CHANGE RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

## **5. AMENDMENT TO ARTICLES – CONSOLIDATION**

At the Meeting, shareholders are being asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution, the text of which is attached as Exhibit A to the Notice (the “**Consolidation Resolution**”), which would authorize the Company to effect a consolidation of all of the issued and outstanding Common Shares on the basis of up to ten (10) pre-consolidation Common Shares, or such lesser number of pre-consolidation Common Shares as the directors of the Company in their discretion may determine, for one (1) post-consolidation Common Share (the “**Consolidation**”). In the event that shareholders pass the Consolidation Resolution and the Board determines to consolidate on a maximum 10:1 basis, the presently issued and outstanding 237,180,420 Common Shares will be consolidated into approximately 23,718,042 Common Shares. If the Board determines to consolidate the Common Shares on a lesser basis, more Common Shares will remain outstanding following the Consolidation. Any fractional Common Shares arising from the Consolidation will be rounded down or up to the nearest whole Common Share, with 0.5 of a Common Share being rounded up. In all other respects, the post-consolidated Common Shares will have the same attributes as the existing Common Shares.

The Company believes that the Consolidation will both enhance the marketability of the Company as an investment and better position the Company to raise the funds necessary for the continued development of its business and the growth of the Company.

In order to pass, the Consolidation Resolution must be approved by at least two thirds of the votes cast by the shareholders, present at the Meeting in person or represented by proxy. If the Consolidation Resolution does not receive the requisite shareholder approval, the Company will continue with its present share capital.

**The Board recommends that shareholders vote in favour of the Consolidation Resolution.**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE CONSOLIDATION RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST THE CONSOLIDATION RESOLUTION.**

## **6. AMENDMENT OF STOCK OPTION PLAN**

Pursuant to subsection 2.1 of Policy 4.4 – *Incentive Stock Options* (“**Policy 4.4**”) of the TSX Venture Exchange (the “**TSXV**”), and subject to the exception set out in subsection 2.1 of Policy 4.4, all issuers of common shares which are listed on the TSXV must implement a stock option plan. Pursuant to subsection 3.9 of Policy 4.4, no shareholder approval is required for a fixed stock option plan that, together with all of the issuer’s other previously established stock option plans or grants, could not result at any time in the number of common shares of such issuer reserved for issue under stock option plan exceeding 10% of the issued common shares of such issuer as at the date of implementation of the stock option plan (a “**≤10% Fixed Plan**”). The Company has in place a stock option plan (the “**Stock Option Plan**”) which was adopted by the directors of the Company on April 17, 2018 as approved by the TSXV on May 28, 2018. The Stock Option Plan is a  $\leq 10\%$  Fixed Plan, accordingly, no shareholder approval is required for the Stock Option Plan.

The number of Common Shares reserved for issue under the Stock Option Plan is 11,515,770, representing 10% of the number of Common Shares outstanding on April 17, 2018, the date on which the Board adopted and implemented the Stock Option Plan.

On September 14, 2020, the directors approved an amendment of the Stock Option Plan to convert the Stock Option Plan from a fixed plan to a “rolling” stock option plan whereby a maximum of 10% of the issued and outstanding Common Shares, from time to time, may be reserved for issuance pursuant to the exercise of options (the “**Amended Stock Option Plan**”).

The purpose of the Amended Stock Option Plan is to encourage Common Share ownership in the Company by directors, senior officers, employees and consultants of the Company and its affiliates and other designated persons. Options may be granted under the Amended Stock Option Plan only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board. The number of Common Shares which may be reserved for issue under the Amended Stock Option Plan is limited to 10% of the issued and outstanding Common Shares as at the date of the grant of stock options. As at the date of this Circular, there are 237,180,420 Common Shares issued and outstanding. Accordingly, pursuant to the Amended Stock Option Plan, 23,718,042 stock options may be reserved for issue pursuant to the Amended Stock Option Plan, 6,795,000 stock options have been issued and 16,923,042 stock options are still available for issue under the Amended Stock Option Plan.

The term of any stock options granted under the Amended Stock Option Plan will be fixed by the Board at the time such stock options are granted, provided that stock options will not be permitted to exceed a term of 10 years. The maximum number of Common Shares which may be reserved for issue to any one individual during any 12 month period under the Amended Stock Option Plan is 5% of the aggregate number of Common Shares. In addition, the maximum number of Common Shares which may be reserved for issue to any consultant of the Company during any 12 month period under the Amended Stock Option Plan is 2% of the aggregate number of Common Shares. The maximum number of Common Shares which may be reserved for issue to employees conducting investor relations activities during any 12 month period under the Amended Stock Option Plan is 2% of the aggregate number of Common Shares. Any Common Shares subject to a stock option which for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Amended Stock Option Plan. The option price of any Common Shares cannot be less than the closing price of the Common Shares on the day immediately preceding the day upon which the stock option is granted, less any discount permitted by the policies of the TSXV. The stock options are non-assignable and non-transferable. Stock options granted under the Stock Option Plan can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Amended Stock Option Plan or within a reasonable period (set by the Board in each case) after ceasing to be an eligible optionee, or, if the optionee dies, within one year from the date of the optionee’s death. On the occurrence of a takeover bid, issuer bid or going private transaction, the Board will have the right to accelerate the date on which any stock option becomes exercisable. The Amended Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company’s capitalization.

Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Amended Stock Option Plan or may terminate the Amended Stock Option Plan at any time. Amended the Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted under the Amended Stock Option Plan.

Reference should be made to the full text of the Amended Stock Option Plan which will be made available at the office of Irwin Lowy LLP, at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2, until the business day immediately preceding the date of the Meeting.

In accordance with the policies of the TSXV, the Amended Stock Option Plan must be approved by the majority of votes cast by the shareholders, present at the Meeting in person or represented by proxy, on the resolution approving the Amended Stock Option Plan (the “**Amended Stock Option Plan Resolution**”). If the shareholders do not approve the Amended Stock Option Plan, the Amended Stock Option Plan will be terminated and the Board will adopt the Stock Option Plan which was in place prior to the approval of the Amended Stock Option Plan by the directors of the Company on September 14, 2020. The terms of the Stock Option Plan are set out in the section entitled “*Statement of Executive Compensation – Stock Option Plan and other Incentive Plans*” in this Circular.

**The Board recommends that shareholders vote for the Amended Stock Option Plan Resolution.**

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

**“BE IT RESOLVED THAT:**

1. the stock option plan of the Company adopted by the directors of the Company on April 17, 2018 (the “**Stock Option Plan**”) be replaced with the new stock option plan approved by the directors of the Company on September 14, 2020 as described in the management information circular dated September 18, 2020 of the Company (the “**Amended Stock Option Plan**”);
2. the Amended Stock Option Plan be and it is hereby approved and adopted;
3. the directors of the Company be authorized to grant stock options under, and subject to the terms and conditions of, the Amended Stock Option Plan, which may be exercised to purchase up to 10% of the issued and outstanding number of common shares of the Company at the date of the grant of stock options;
4. the outstanding options which have been granted under the Stock Option Plan shall, for the purpose of calculating the number of stock options that may be granted under the Amended Stock Option Plan, be treated as stock options granted under the Amended Stock Option Plan and be subject to the provisions of the Amended Stock Option Plan;
5. the Amended Stock Option Plan may be amended by the directors of the Company in order to satisfy the requests of any regulatory authorities or the TSX Venture Exchange (collectively the “**Regulatory Requests**”) without further approval of the shareholders of the Company, unless approval of the shareholders of the Company is required by the Regulatory Requests; and
6. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions.

**“PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE AMENDED STOCK OPTION PLAN RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

**STATEMENT OF EXECUTIVE COMPENSATION**

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Company as at December 31, 2019 whose total compensation was more than \$150,000 for the financial year of the Company ended December 31, 2018 (collectively the “**Named Executive Officers**”) and for the directors of the Company.

**Summary Compensation Table**

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years to the Named Executive Officers and the directors of the Company:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES <sup>(1)</sup>							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Mathew Wilson <sup>(2)</sup> President, Chief Executive Officer and Director	2019	120,000	nil	nil	nil	nil	120,000
	2018	120,000	nil	nil	nil	nil	120,000
Dennis Logan <sup>(3)</sup> Chief Financial Officer	2019	84,000	nil	nil	nil	nil	84,000
	2018	84,000	nil	nil	nil	nil	84,000
Richard Patricio Chairman and Director	2019	nil	nil	nil	nil	nil	nil
	2018	nil	nil	nil	nil	nil	nil
Stephen Keith Director	2019	nil	nil	nil	nil	nil	nil
	2018	nil	nil	nil	nil	nil	nil
Ronald Perry <sup>(4)</sup> Former Director	2019	6,000	nil	nil	nil	nil	6,000
	2018	8,000	nil	nil	nil	nil	8,000
Greg Gibson <sup>(5)</sup> Former Director	2019	n/a	n/a	n/a	n/a	n/a	n/a
	2018	nil	nil	nil	nil	nil	nil

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) The fees are payable to Creason Inc., a company controlled by Mr. Wilson, as further described under the section entitled "Statement of Executive Compensation – Employment, Consulting and Management Agreements" in this Circular.
- (3) The fees are payable to 9703373 Canada Inc., a company controlled by Mr. Logan, as further described under the section entitled "Statement of Executive Compensation – Employment, Consulting and Management Agreements" in this Circular.
- (4) Mr. Perry resigned as a director of the Company on January 1, 2020.
- (5) Mr. Gibson resigned as a director of the Company on August 2, 2018.

### Stock Options and Other Compensation Securities

No compensation securities were granted or issued to any Named Executive Officer or to any director of the Company during the most recently completed financial year of the Company for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

No compensation securities were exercised by any Named Executive Officer or any director of the Company during the most recently completed financial year of the Company.

### Stock Option Plan and other Incentive Plans

The Board adopted the Amended Stock Option Plan. The terms and conditions of the Amended Stock Option Plan are described in the section entitled "Particulars of Matters to be Acted Upon – Amendment to the Stock Option Plan" in this Circular. The Amended Stock Option Plan is required to be approved by the shareholders of the Company at the Meeting. If the shareholders do not approve the Amended Stock Option Plan, the Amended Stock Option Plan will be terminated and the Board will adopt the Stock Option Plan which was in place prior to the approval of the Amended Stock Option Plan by the Board on September 14, 2020. See section entitled "Particulars of Matters to be Acted Upon – Amendment to the Stock Option Plan" in this Circular.

The purpose of the Stock Option Plan is to, among other things, encourage Common Share ownership in the Company by directors, senior officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board. Under the Stock Option Plan, stock options may be granted only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board. During any 12 month period, the maximum number of Common Shares which may be reserved for issue to any one director, senior officer or employee under the Stock Option Plan is 5% of the Common Shares outstanding at the time of the grant (calculated on a non-diluted basis) and 2% for any consultant of the Company or employee conducting investor relations activities. The number of Common Shares under option to consultants conducting investor relations activities must vest in stages over a 12-month period, with no more than 25% of the options vesting in any three-month period. Stock options granted under the Stock Option Plan may be exercised during a period not exceeding 10 years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying.

The option price of any Common Shares cannot be less than the Discounted Market Price (as that term is defined in the Policy 1.1 – *Interpretation* of the TSXV) of the Common Shares. If a stock option is surrendered, terminated, expires or is exercised, the Common Shares reserved for issue thereunder are available for new stock option grants under the Stock Option Plan. The stock options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company's capitalization. Subject to TSXV approval and to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of stock options granted under the Stock Option Plan.

The Company has no equity compensation plans other than the Amended Stock Option Plan.

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

The Company has in place the following employment, consulting or management agreements between the Company or any subsidiary or affiliate thereof and its Named Executive Officers:

#### ***Mathew Wilson***

The Company entered into a consulting agreement with Creason Inc., a company controlled by Mr. Wilson, for his services as the President and Chief Executive Officer of the Company on August 1, 2017 (the "**Creason Consulting Agreement**"). Pursuant to the Creason Consulting Agreement, Mr. Wilson receives remuneration in the amount of \$10,000 per month ("**Wilson Base Remuneration**"). The Creason Consulting Agreement is automatically renewed, subject to termination. The Company may terminate the Creason Consulting Agreement (i) at any time for just cause, in which case the Company is required to pay all amounts owed to Mr. Wilson with respect to services performed up to the date of termination; or (ii) upon 60 days written notice, in which case the Company is required to pay all amounts owed to Mr. Wilson with respect to services performed up to the date of notice of termination and an additional amount equal to two-months of the Wilson Base Remuneration. Mr. Wilson may terminate the Creason Consulting Agreement upon 60 days written notice, in which case the Company is required to pay all amounts owed to Mr. Wilson with respect to services performed up to the date of notice of termination.

#### ***Dennis Logan***

The Company entered into a consulting services agreement with 9703373 Canada Inc., a company controlled by Mr. Logan, for his services as the Chief Financial Officer of the Company on September 1, 2017, as amended (the "**9703373 Consulting Agreement**"). Pursuant to the 9703373 Consulting Agreement, Mr. Logan received remuneration in the amount of \$7,000 per month. As of January 1, 2020, due to market conditions, the remuneration was reduced to \$5,000 per month. The 9703373 Consulting Agreement is automatically renewed on a monthly basis, continues from year to year and may be terminated by the Company or Mr. Logan with 30 days written notice.

There are no employment agreements in place with any of the directors of the Company.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### ***Compensation of Directors***

The Board has adopted a charter for its Compensation Committee which sets out its mandate and purpose, as well as its duties and responsibilities. Currently, the function of the Compensation Committee is carried on by the Board.

The Board, at the recommendation of the management of the Company, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the Amended Stock Option Plan. There are no other arrangements under which the directors of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Company.

### ***Compensation of Named Executive Officers***

#### **Principles of Executive Compensation**

The Company believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long term value; and
5. connect, if possible, the Company's employees into principles 1 through 4 above.

The Board is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan. The Board also reviews and approves the hiring of executive officers.

#### **Base Salary**

Base salary compensates executives for fulfilling their roles and responsibilities within the organization and aims to retain such executives. The Board determines the amount of base salaries for each of the Named Executive Officers, taking into consideration the recommendation of the Chief Executive Officer, the individual's performance and contributions to the success of the Company, competitive industry pay practices for comparable positions and internal equities among positions. No specific weightings are assigned to each factor, but rather, a subjective determination is made based on a general assessment of the performance of the individual relative to such factors.

### Annual Incentives

The Named Executive Officers have an opportunity to earn annual incentive compensation payable as a cash bonus. The annual incentive compensation is intended to link pay to annual performance that will drive shareholder value. Award opportunities vary based on the individual's position and contributions to the performance of the Company. Annual incentive compensation is tied to corporate and individual performance. The determination of corporate and personal performance and final bonus payouts is based on a subjective assessment of such performance and requires considerable discretion. In 2019, the Company did not distribute any annual incentive due to market conditions.

### Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

### Long Term Compensation

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Amended Stock Option Plan.

### **Pension Disclosure**

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

### **Termination and Change of Control Benefits**

The Company does not have in place any pension or retirement plan. The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. The Company is not party to any compensation plan or arrangement with a Named Executive Officer or a director of the Company resulting from the resignation, retirement or the termination of employment of such person.

## **SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLANS**

### **Equity Compensation Plan Information**

The following table sets forth information with respect to all compensation plans of the Company under which equity securities are authorized for issue as of December 31, 2019 pursuant to the Stock Option Plan. As at December 31, 2019, the Company did not adopt any security compensation plans other than the Stock Option Plan:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Equity compensation plans approved by securityholders <sup>(1)</sup>	6,795,000	0.18	4,720,770
Equity compensation plans not approved by securityholders	nil	n/a	n/a
<b>Total</b>	<b>6,795,000</b>	<b>0.18</b>	<b>4,720,770</b>

Note:

(1) *The Stock Option Plan is a ≤10% Fixed Plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the exercise of stock options is 11,515,770 Common Shares, representing 10% of the number of Common Shares outstanding on April 17, 2018 when the Stock Option Plan was adopted by the Board as approved by the TSXV on May 28, 2018. The Board adopted the Amended Stock Option Plan on September 14, 2020, accordingly, as at the date of this Circular, 23,718,042 stock options are authorized for issue under the Amended Stock Option Plan, 6,795,000 stock options have been issued and 16,923,042 stock options are still available for issue under the Amended Stock Option Plan. At the Meeting, management proposes that shareholders approve the Amended Stock Option Plan as described under the section entitled “Particulars of Matters to be Acted Upon – Amendment of Stock Option Plan”.*

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

No director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year end or in any proposed transaction that has materially affected or will materially affect the Company.

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

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

#### **AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER**

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer’s annual meeting. The Company is a “venture issuer” for the purposes of NI 52-110.

#### **Audit Committee Charter**

The full text of the charter of the Company’s Audit Committee is attached hereto as Appendix A (the “**Charter**”).

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

The Audit Committee members are currently Mathew Wilson, Richard Patricio and Stephen Keith, each of whom is a director and financially literate. Messrs. Patricio and Keith are deemed to be “independent” for the purposes of NI

52-110, while Mr. Wilson, President and Chief Executive Officer of the Company, is not considered to be “independent” for the purposes of NI 52-110.

### **Relevant Education and Experience**

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

***Mathew Wilson, President, Chief Executive Officer and Director*** – Mr. Wilson is an active investor and executive consultant. Mr. Wilson was previously a Principal at Pinetree Capital Ltd. (“**Pinetree**”), a diversified investment fund focused primarily on the small cap mining sector. Mr. Wilson has previously acted as the chief financial officer for several private venture capital companies and as a director for public TSX Venture Exchange listed companies. Mr. Wilson holds a Masters in Finance from Queens University and is a CFA Charterholder.

***Richard Patricio, Chairman and Director*** – Mr. Patricio is the President and Chief Executive Officer of Mega Uranium Ltd., having previously been its Executive Vice President from 2005 to 2015. Until April 2016, Mr. Patricio was also the Chief Executive Officer of Pinetree. Mr. Patricio joined Pinetree in November 2005 as Vice President, Corporate and Legal Affairs. Mr. Patricio was previously general counsel for Teknion Corp., a senior TSX-listed manufacturing company. Prior to that, Mr. Patricio practiced law at Osler LLP in Toronto where he focused on mergers and acquisitions, securities law and general corporate transactions. Mr. Patricio has built a number of mining companies with global operations and holds or has held senior officer and director positions in several companies listed on stock exchanges in Toronto, Australia, London and New York. Mr. Patricio received his law degree from Osgoode Hall and was called to the Ontario bar in 2000.

***Stephen Keith, Director – Stephen Keith, Director*** – Mr. Keith is Lead Director on the Board of Directors of Aura 360 Mining (ORA:T) and is Founding Partner at for S4G, Strategy4Growth. Prior to this, he was President and CEO of GrowMax Resources Corp., and has held the positions of Managing Director, Fertoz Ltd.; President and Chief Executive Officer of Search Minerals Inc.; and, founder, President and Chief Executive Officer of Rio Verde Minerals Development Corp., a company he took from concept to listing onto the Toronto Stock Exchange, with over \$30 million completed in equity financings. Mr. Keith led Rio Verde until its acquisition by B&A Fertilizers Limited in March 2013. As an engineer, Mr. Keith has worked with mining and energy companies on projects through feasibility study, engineering design, project management and construction. In finance and investment banking, he has engaged in over C\$2 billion in financing and merger and acquisition deals for natural resource projects. He holds a BSc, Applied Science (Queen’s University), an International MBA (York University, Schulich School of Business) and a P.Eng. (Ontario and British Columbia).

### **Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

## Reliance on Exemptions in NI 52-110

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit);
2. the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a circumstance arises that affects the business or operations of the Company and a reasonable person would conclude that the circumstance can be best addressed by a member of the Audit Committee becoming an executive officer or employee of the Company);
3. the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if an Audit Committee member becomes a control person of the Company or of an affiliate of the Company for reasons outside the member's reasonable control);
4. the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a vacancy on the Audit Committee arises as a result of the death, incapacity or resignation of an Audit Committee member and the Board was required to fill the vacancy); or
5. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

The Company is a "venture issuer" for the purposes of NI 52-110. Accordingly, the Company is relying upon the exemption in section 6.1 of NI 52-110 providing that the Company is exempt from the application of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## Pre-Approval Policies and Procedures

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

## Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2019 and December 31, 2018:

	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
Year ended December 31, 2019	15,081	nil	1,375	nil
Year ended December 31, 2018	47,124	nil	1,800	nil

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company’s annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice.

## REPORT ON GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the “**Governance Guidelines**”) of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. In 2006 the Company adopted a Corporate Governance Policies and Procedures Manual and the Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company’s approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

### Board of Directors

The Board is currently composed of three directors. At the Meeting it is proposed that three directors be elected. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* (“**Form 58-101F2**”) requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a “material relationship” with the issuer. Accordingly, of the proposed director nominees, Mr. Mathew Wilson, the President and Chief Executive Officer of the Company is considered not to be “independent”. The remaining two proposed nominees are considered by the Board to be “independent”, within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

### Directorships

The following table sets forth the directors, and proposed directors, of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuer
Richard Patricio	NexGen Energy Ltd., Toro Energy Limited, ISO Energy Ltd. and Hydro66 Holdings Corp.
Stephen Keith	Aura Minerals Inc.

## **Orientation and Continuing Education**

To provide orientation to new directors regarding the role of the Board and its committees, the Board provides copies of its mandate, committee charters, policies and other relevant corporate documents. To orient new directors on the nature and operation of the Company's business, the Board provides new directors with copies of the most recent public filings of the Company. New directors also meet with the Chief Executive Officer to review in detail the business of the Company. With respect to continuing education, the Board has no formal continuing education program. From time to time, the Chief Executive Officer meets with directors to update them on issues relating to the business and, in between Board meetings, the Chief Executive Officer also provides updates to the directors regarding the Company's business to ensure that the directors maintain the knowledge regarding the Company and its industry necessary for them to meet their obligations as directors. Directors are individually responsible for updating their skills necessary to meet their obligations as directors. Several directors have either public company experience or experience on other boards of directors.

## **Ethical Business Conduct**

The Board has adopted a written Code of Business Conduct and Ethics (the "**Code of Ethics**") that applies to all directors, officers and employees of the Company and its subsidiaries, as well as those companies that provide administrative, accounting or other services to the Company in respect of their dealings with the Company. A copy of the Code of Ethics was filed by the Company on SEDAR on June 12, 2006 and is available on SEDAR under the profile of the Company at [www.sedar.com](http://www.sedar.com). The Board is responsible for monitoring compliance with the Code of Ethics. To facilitate the Board's monitoring of compliance, the Code of Ethics requires all employees to promptly report any problems or concerns and any actual or potential violations to their manager or to the Chairperson of the Audit Committee. The Code of Ethics also provides for confidential reporting of violations by employees to the Audit Committee, directly or via the Chief Financial Officer and establishes a channel for direct or confidential reporting of any violations by officers and directors who become aware of any violation.

## **Nomination of Directors**

At present, the Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Company's development and given the small size of the Board.

While there are no specific criteria for Board membership, in identifying new candidates for Board nomination, the Board considers a mix of competencies and skills in different areas, such as business, mineral exploration and development and other areas which could be useful in guiding management of the Company.

## **Diversity of the Board and Senior Management**

To date, the Company has not adopted a formal written diversity policy and has not established targets with respect to the appointment of individuals to the Board or senior management who are women, Indigenous peoples (First Nations, Inuit and Metis), persons with disabilities, members of visible minorities or otherwise self-represent as being within designated groups (as that term is defined in the *Employment Equity Act* (Canada)).

While the Company believes that nominations to the Board and appointments to senior management should be based on merit, the Company recognizes that diversity supports balanced debate and discussion which, in turn, enhances decision-making and the level of representation of women, Indigenous peoples, persons with disabilities and members of visible minorities is one factor taken into consideration during the search process for directors and members of the executive and senior management.

In assessing potential directors and members of the executive or senior management, the Company focuses on the skills, expertise, experience and independence which the Company requires to be effective. Due to the small size of the Board and the management team, and the stage of development of the Company's business, the Board believes that the qualifications and experience of proposed new directors and members of senior management should remain the primary consideration in the selection process. The Company will include diversity (including the level of

representation of members of designated groups) as a factor in its future decision-making when identifying and nominating candidates for election or re-election to the Board and for senior management positions.

### **Other Board Committees**

In addition to the Audit Committee, the Company has established a Compensation Committee.

### **Assessments**

At present, the Board is responsible for assessing the effectiveness of the Board, its committees and individual directors. The Board is sufficiently small to permit all directors to have input on matters on a regular basis and to informally assess the performance of the Board throughout the year.

### **OTHER MATTERS**

The management of the Company knows of no other matters to come before the Meeting other than as set forth in the Notice. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company in order to request copies of copies of: (i) this Circular; and (ii) the Company's financial statements and the related management's discussion and analysis (the "MD&A") which will be sent to the shareholder without charge upon request. Financial information is provided in the Company's financial statements and MD&A for the financial year of the Company ended December 31, 2019.

### **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

**DATED** this 18<sup>th</sup> day of September, 2020.

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

*"Mathew Wilson" (signed)*  
President, Chief Executive Officer and Director

## APPENDIX A

### LATIN AMERICAN MINERALS INC.

#### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

##### 1. Mandate and Purpose of the Committee

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Latin American Minerals Inc. (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company’s financial statements;
- (b) the Company’s compliance with legal and regulatory requirements, as they relate to the Company’s financial statements;
- (c) the qualifications, independence and performance of the Company’s auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company’s internal audit function; and
- (f) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

##### 2. Authority

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company’s auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

##### 3. Composition and Expertise

The Committee shall be composed of a minimum of three members, each whom is a director of the Company and a majority of whom are not employees, Control Persons or officers of the Company or any of its Associates or Affiliates, as such terms are defined in Policy 1.1 of the TSX Venture Exchange Corporate Finance Manual. Each Committee member must be “independent” and “financially literate” as such terms are defined in applicable securities legislation.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

#### **4. Meetings**

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 48 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

#### **5. Committee and Charter Review**

The Committee may conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee may also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the TSX Venture Exchange and shall recommend changes to the Board thereon.

#### **6. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

#### **7. Duties and Responsibilities**

##### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's

financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;

- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of generally accepted accounting principles ("GAAP"), not just acceptability of GAAP;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) Auditor

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) Relationship with the Auditor

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) Accounting Policies

The Committee is responsible for:

- (i) reviewing the Company's accounting policies to ensure completeness and acceptability with GAAP as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) Risk and Uncertainty

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) Controls and Control Deviations

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) Compliance with Laws and Regulations

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;

- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

**8. Non-Audit Services**

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

**9. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**10. Hiring Policies**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.