

SOUTH STAR MINING CORP.
c/o #1200 - 750 West Pender Street
Vancouver, British Columbia, V6C 2T8

INFORMATION CIRCULAR
as at September 8, 2020

This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by management of South Star Mining Corp. (the “Company”) for use at the annual general meeting (the “Meeting”) of the shareholders of the Company (the “Shareholders”) to be held on October 16, 2020 and any adjournment or postponement thereof, for the purposes set forth in the attached Notice of Annual General Meeting. Except where otherwise indicated, the information contained herein is stated as of September 8, 2020.

In this Information Circular, references to the “Company” and “we” refer to South Star Mining Corp. “Common Shares” means common shares without par value in the capital of the Company. “Registered Shareholders” means Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “Non-Registered Shareholders” means Shareholders who do not hold Common Shares in their own name. “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

INTRODUCTION

This Information Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of the Company for use at the Meeting to be held via teleconference at 10:00 a.m. (*Vancouver time*), on Friday, October 16, 2020 and at any adjournment(s) or postponements(s) thereof for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”). In order to comply with measures imposed by the federal and provincial governments related to the COVID-19 pandemic, and to mitigate risks to the health and safety of our communities, shareholders, and other stakeholders, unless we advise otherwise by way of news release, the Company is conducting a virtual Meeting which will be conducted via telephone conference. Registered Shareholders and validly appointed proxyholders may attend the Meeting by calling **1-800-669-6180** (toll-free in Canada and United States) or 1-604-484-1962. All callers will be prompted to enter the following passcode upon entering the teleconference: **585276**.

Due to the COVID-19 pandemic and issues related to the verification of Shareholder identity via teleconference, in person voting will not be permitted at the Meeting. If you are a Registered Shareholder and wish to have your vote counted, you will be required to complete, date, sign and return, in the envelope provided for that purpose, the accompanying form of proxy (“**Proxy**”) for use at the Meeting or any adjournment thereof (or vote in one of the other manners described below under the heading “Appointment and Revocation of Proxies”).

If you are a Non-Registered Shareholder and have received this Notice of Meeting and accompanying materials through an Intermediary, please complete and return the voting instructions form (“**VIF**”) provided to you in accordance with the instructions provided therein.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, 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 to send Meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the Meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners). As a result, objecting beneficial owners will not receive the Information Circular and associated Meeting materials unless their Intermediary assumes the costs of delivery.

Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers of the Company or solicitors for the Company. **If you are a Registered Shareholder, you have the right to attend the Meeting, vote by proxy and to appoint a person or company other than the person 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.

If you are a Registered Shareholder and wish to have your shares voted at the Meeting, you will be required to submit your vote by proxy. **Due to the COVID-19 pandemic and issues related to the verification of shareholder identity via teleconference, in person voting will not be permitted at the Meeting.** Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed Proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), in accordance with the instructions on the Proxy. Alternatively, Registered Shareholders may vote their shares via the internet or by telephone as per the instructions provided on the Proxy.

In all cases you should ensure that the Proxy is received at least two business days before the Meeting or the adjournment or postponement thereof at which the Proxy is to be used.

Registered shareholders electing to submit a Proxy may do so by:

- (i) **Internet:** Vote online at www.investorvote.com using the Proxy Control Number found in the enclosed Proxy.
- (ii) **Mail:** Completing, dating and signing the enclosed Proxy and returning it to the Company’s transfer agent, Computershare, by fax within North America at 1-866-249-7775, or by mail or hand delivery at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada; or
- (iii) **Telephone:** Using 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 for the toll-free number, the holder’s account number and the Proxy Control Number.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and
- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof,

or in any other manner provided by law.

Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf. If you are a Non-Registered Shareholder, see “Voting by Non-Registered Shareholders” below for further information on how to vote your Common Shares.

Exercise of Discretion by Proxyholder

If you vote by proxy, 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:

- (i) each matter or group of matters identified therein for which a choice is not specified;

- (ii) any amendment to or variation of any matter identified therein;
- (iii) any other matter that properly comes before the Meeting; and
- (iv) exercise of discretion of the Proxyholder.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter. Management is not currently aware of any other matters that could come before the Meeting.

Given the fact that voting will only be permitted by proxy due to the COVID-19 pandemic, Management does not intend to allow new matters not contemplated in the Notice of Meeting to be considered at the Meeting.

Voting by Non-Registered Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, 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 name of the Shareholder's Intermediary or an agent of that Intermediary. In the United States, the vast majority of such Common Shares are registered 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), and in Canada, 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).

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company (through Computershare). If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary if they have assumed the cost of delivering the Information Circular and associated Meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the voting instruction form received from Computershare or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The voting instruction form supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The voting instruction form sent by Computershare or Broadridge will name the same persons as the Company's proxy to represent you at the Meeting. **Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the Meeting as Proxyholder for your Intermediary and vote your Common Shares in that capacity.** To exercise this right to attend the Meeting or appoint a Proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as Proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form.

If you receive a voting instruction form from Computershare or Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Common Shares voted.

Voting by Proxy Generally

Proxyholders other than the individuals named in the accompanying Proxy will be required to identify themselves by notice in writing to the Company by 4:00 p.m. (*Vancouver time*) by Wednesday, October 14, 2020 so that the Company can confirm their identity prior to the Meeting and facilitate their voting of the Proxies that they hold at the Meeting. Notice may be provided by mail to the Company., c/o Morton Law LLP, #1200 – 750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T8 or email to davemc@telus.net. Proxies will not be accepted at the Meeting. All Proxies must be submitted to Computershare by 10:00 a.m. (*Vancouver time*) by Wednesday, October 14, 2020 (the “**Proxy Deadline**”).

As there will be no in person attendance or voting at the Meeting, votes received by the Proxy Deadline for each matter set out in the Notice will be tabulated in advance of the Meeting by Computershare and compiled in a Proxy report respecting proxies held by individuals named in the accompanying Proxy or voting instruction form and an Appointee Summary respecting proxies held by non-management proxyholders (collectively, the “**Proxy Report**”). The determination as to whether a particular matter has been approved, a particular individual has been appointed or a particular resolution has been passed will be made solely on the basis of the voting results set out in the Proxy Report. Since no in person voting will be permitted due to the COVID-19 pandemic and voting results respecting matters set out in the Notice will be determined solely on the basis of the voting results set out in the Proxy Report, **no ballots will be permitted at the Meeting**. All results will be determined by reference to the Proxy Report. Management will advise at the Meeting, the voting results for each matter set out in the Proxy Report and Shareholders will be entitled to request a copy of the Proxy Report from Management after the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting. For the purpose of this paragraph, “person” shall include each person: (a) who has been a director, executive officer or insider of the Company at any time since the commencement of the Company’s last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person as defined in (a) or (b).

RECORD DATE AND QUORUM

The board of directors (the “**Board**”) of the Company has fixed the record date for the Meeting as the close of business on September 8, 2020 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting.

Under the Articles of the Company, the quorum for the transaction of business at a meeting of Shareholders is, one person who is a Shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of shareholders pursuant to the Company’s articles, present in person or by proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

On the Record Date there were 42,905,430 Common Shares issued and outstanding, with each share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting or any adjournment or postponement thereof.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, there are no Shareholders who beneficially own, or exercise control or direction, directly or indirectly, Common Shares carrying 10% or more of the votes attached to Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company's Board, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and discussed below.

Presentation of Financial Statements

The audited consolidated financial statements of the Company for the financial years ended December 31, 2019 and 2018, together with the auditor's report thereon, will be placed before the Meeting.

Election of Directors

The Company proposes to fix the number of directors of the Company at six and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the Common Shares represented by Proxy for the election of any other person or persons as directors.

The following table sets out the names of the director nominees; their positions and offices in the Company; their principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares that each beneficially owns or over which control or direction is exercised.

Name, Residence and Present Position within the Company	Director Since	Number of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised ⁽¹⁾	Principal Occupation ⁽¹⁾
David McMillan ⁽²⁾⁽³⁾⁽⁴⁾ British Columbia, Canada <i>Chairman and Director</i>	November 3, 2003	3,452,882 ⁽⁵⁾	Self-employed venture company consultant
Eric Allison ⁽²⁾⁽³⁾ Georgia, United States <i>Director</i>	April 12, 2017	Nil	Consultant and geologist
Richard Pearce Jr. ⁽⁴⁾ Minas Gerais, Brazil <i>CEO and Director</i>	June 15, 2018	2,201,098 ⁽⁶⁾	Engineer, economist & founding principal of Brasil Insight Capital and Frontera Minerals Group.
Felipe Holzhacker Alves ⁽⁴⁾ Sao Paulo, Brazil <i>Director</i>	June 15, 2018	3,103,862 ⁽⁷⁾	Professional mining engineer. Founder and Chief Executive Officer of Frontera Minerals Group. President of CBRR (Brazilian Commission for Resources & Reserves). Previously a board member of Equinox Gold Corp. (formerly Trek Mining Inc.) and Luna Gold Corp.

Name, Residence and Present Position within the Company	Director Since	Number of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised ⁽¹⁾	Principal Occupation ⁽¹⁾
Daniel Wilton ⁽²⁾⁽³⁾ British Columbia, Canada <i>Director</i>	December 6, 2018	2,000,000 ⁽⁸⁾	Partner at Pacific Road Capital Management. Previously a board member of Equinox Gold Corp. (formerly Trek Mining Inc.) and Luna Gold Corp.
Marc Leduc Colorado, USA <i>Director</i>	March 22, 2019	Nil	Mining engineer and geologist. President and CEO of Luna Gold Corp. from 2015 to 2016.

- (1) The information as to principal occupation, business or employment and 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. Unless otherwise stated above, any nominees named above not elected at the last annual general meeting have held the principal occupation or employment indicated for at least five years.
- (2) Member of the Audit Committee.
- (3) Member of the Governance Committee.
- (4) Member of the Compensation Committee.
- (5) 125,000 of these Common Shares are owned directly and 3,327,882 Common Shares are registered in the name of Sun Tzu Ventures Inc., a private company wholly owned by David McMillan.
- (6) 400,000 of these Common Shares are owned directly, 1,291,098 Common Shares are owned indirectly through Green Bow Capital Ltd. and 510,000 are owned indirectly through Frontera Minerals Inc.
- (7) 2,185,862 of these Common Shares are owned indirectly through H2 Holdings Ltd. and 918,000 are owned indirectly through Frontera Minerals Inc.
- (8) These Common Shares are owned indirectly through Trapline Management Services Inc.

To the knowledge of the Company, no proposed director of the Company is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to an order that was issued while the 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 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.

For the purposes of subsection (a) above, “order” means:

- (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 more than 30 consecutive days.

Except as disclosed herein, to the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in the that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or executive officer;
- (c) has 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
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

David McMillan was a director of Barkerville Gold Mines Ltd. (“**Barkerville**”). On August 14, 2012, the British Columbia Securities Commission (the “**BCSC**”) issued a cease trade order against Barkerville for failure to file a National Instrument 43-101 compliant technical report supporting first time disclosure of a change in mineral resources on a mineral property owned by Barkerville. The cease trade order was revoked on July 15, 2013 after Barkerville filed a technical report supporting the disclosure of a change in mineral resources that was compliant with National Instrument 43-101.

Appointment of Auditor

Management is recommending that Shareholders vote to appoint Manning Elliott LLP, Chartered Professional Accountants, of 11th Floor, 1050 West Pender Street, Vancouver, British Columbia, V6E 3S7, as the Company’s auditor until the next annual meeting of Shareholders and to authorize the directors to fix the remuneration to be paid to the auditor. Manning Elliott LLP were first appointed as the Company’s auditor in 2007.

Approval of Stock Option Plan

At the Meeting, Shareholders will be asked to approve the continuation of the Company’s 2014 stock option plan (the “**Plan**”). The Plan is a 10% rolling stock option plan prepared in accordance with and subject to the rules and policies of the TSX Venture Exchange (the “**TSXV**”). The purpose of the Plan is to provide incentive to employees, directors, officers, management companies and consultants who provide services to the Company and reduce the cash compensation the Company would otherwise have to pay.

The Plan complies with the current policies of the TSXV. Under the Plan, a maximum of 10% of the Company’s issued and outstanding shares are proposed to be reserved at any time for issuance on the exercise of stock options.

The following summary of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan.

1. **Eligible Participants.** Options may be granted under the Plan to directors or officers of the Company or an affiliate of the Company (collectively, the “**Directors**”), employees of the Company (collectively, the “**Employees**”) consultants of the Company or its affiliate (collectively, the “**Consultants**”) or Management Company Employees (as that term is defined in Policy 4.4 of the TSXV’s Corporate Finance Manual). The board of directors of the Company (the “**Board**”), in its discretion, determines which of the Directors, Employees, Consultants or Management Company Employees will be awarded Options under the Plan.
2. **Number of Shares Reserved.** The number of Common Shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding Common Shares of the Company from time to time at the date of granting of Options (including all options granted by the Company prior to the adoption of the Plan and under the Plan). Options which are cancelled or expire prior to exercise continue to be issuable under the Plan.

3. Limitations. Under the Plan, the aggregate number of options granted to any one person in a 12 month period must not exceed 5% of the issued and outstanding shares of the Company, calculated on the date the option is granted. The aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued and outstanding shares of the Company, calculated at the date the option is granted. The aggregate number of options granted to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding shares of the Company in any 12 month period, calculated at the date an option is granted to any such person.
4. Term of Options. Subject to the termination and change of control provisions noted below, the terms of any Option granted under the Plan is determined by the Board and may not exceed ten years from the date of grant.
5. Exercise Price. The exercise price of Options granted under the Plan is determined by the Board, provided that it is not less than the Discounted Market Price, as that term is defined in the TSXV's Corporate Finance policy manual or such other minimum price as is permitted by the TSXV in accordance with the policies from time to time, or, if the Common Shares are no longer listed on the TSXV, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of Options granted to insiders may not be decreased without disinterested shareholder approval at the time of the proposed amendment.
6. Vesting. All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the TSXV, if applicable, or as may be imposed by the Board.
7. Termination. Any Options granted pursuant to the Plan will terminate upon the earliest of:
 - (a) such date as the Board has fixed when the Option is granted, provided that the date is no more than one year from the date on which the holder ceases to be eligible (the "**Cessation Date**") to hold the Option;
 - (b) the end of the term of the Option;
 - (c) if the Cessation Date is as a result of dismissal for cause or regulatory sanction, then immediately on the Cessation Date; or
 - (d) if the Cessation Date is as a result of death or disability, then the date that is one year from the date of such death or disability.

Disinterested Shareholder approval will be sought in respect of any material amendment to the Plan.

Shareholder Approval

Shareholders will be asked at the Meeting to approve with or without variation the following ordinary resolution:

"BE IT RESOLVED THAT:

- (a) the Company's 2014 Stock Option Plan be approved, and that in connection therewith a maximum of 10% of the Company's issued and outstanding Common Shares at the time of each grant be approved for granting as options; and
- (b) the Board of the Company be authorized in its absolute discretion to administer the Plan and amend or modify the Plan in accordance with its terms and conditions and with the policies of the TSX Venture Exchange; and
- (c) any director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution."

A copy of the Plan is available at the records office of the Company at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada until the business day immediately preceding the date of the Meeting, and a copy will also be made available at the Meeting.

OTHER BUSINESS

As of the date of this Information Circular, management of the Company knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

EXECUTIVE COMPENSATION

For the purposes set out below a “**Named Executive Officer**” or “**NEO**” means:

- (a) the Company’s chief executive officer (“**CEO**”);
- (b) the Company’s chief financial officer (“**CFO**”);
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under subsection (c) above but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

As at December 31, 2019, the end of the most recently completed financial year of the Company, the Company had two NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

An NEO or director of the Company is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly by the NEO or director.

Director and Named Executive Officer Compensation

The following table is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company to each NEO and director for each of the Company’s two most recently completed financial years.

Table of compensation excluding compensation securities							
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 (\$)
Richard Pearce⁽¹⁾ <i>Director and CEO</i>	2019	\$175,315	\$Nil	\$Nil	\$Nil	\$Nil	\$175,315
	2018	\$45,000	\$Nil	\$Nil	\$Nil	\$Nil	\$45,000
Justin Blanchet⁽²⁾ <i>CFO</i>	2019	\$48,000	\$Nil	\$Nil	\$Nil	\$Nil	\$48,000
	2018	\$48,000	\$Nil	\$Nil	\$Nil	\$Nil	\$48,000
David McMillan <i>Director and Chairman</i>	2019	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2018	\$45,000	\$Nil	\$Nil	\$Nil	\$Nil	\$45,000

Table of compensation excluding compensation securities							
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 (\$)
Eric Allison ⁽³⁾ <i>Director and Former CEO</i>	2019	\$107,000	\$Nil	\$Nil	\$Nil	\$Nil	\$107,000
	2018	\$90,000	\$Nil	\$Nil	\$Nil	\$Nil	\$90,000
Felipe Holzacker ⁽⁴⁾ Alves <i>Director</i>	2019	\$83,296	\$Nil	\$Nil	\$Nil	\$Nil	\$83,296
	2018	\$45,000	\$Nil	\$Nil	\$Nil	\$Nil	\$45,000
Daniel Wilton ⁽⁵⁾ <i>Director</i>	2019	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2018	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Marc Leduc ⁽⁶⁾ <i>Director</i>	2019	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2018	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Allen Ambrose ⁽⁷⁾ <i>Former Director</i>	2019	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2018	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Graydon Kowal ⁽⁸⁾ <i>Former Director</i>	2019	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2018	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil

(1) Mr. Pearce was appointed as a director of the Company on June 15, 2018 and as the CEO of the Company on June 10, 2019.

(2) Mr. Blanchet was appointed as the CFO of the Company on October 1, 2017.

(3) Mr. Allison was appointed as a director of the Company on April 12, 2017 and acted as the CEO of the Company from July 26, 2017 to June 10, 2019.

(4) Mr. Alves was appointed as a director of the Company on June 15, 2018.

(5) Mr. Wilton was appointed as a director of the Company on December 5, 2018.

(6) Mr. Leduc was appointed as a director of the Company on March 22, 2019.

(7) Mr. Ambrose acted as a director of the Company from May 30, 2017 to June 13, 2019.

(8) Mr. Kowal acted as a director of the Company from January 31, 2014 to March 22, 2019.

There is no compensation awarded to, earned by, paid to, or payable to, a NEO or director of the Company, in any capacity with respect to the Company, by another person or company for each of the Company's two most recently completed financial years.

Stock Options and Other Compensation Securities

The following table contains information on all compensation securities granted or issued to each director and NEO by the Company or its subsidiaries in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Richard Pearce <i>Director and CEO</i>	Stock Options	90,000	June 17, 2019	\$0.15	\$0.065	\$0.04	June 17, 2024

The following table contains information on outstanding options of the Company held by held by each NEO or director on the last day of the most recently completed financial year.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Richard Pearce <i>Director and CEO</i>	Stock Options	90,000	June 17, 2019	\$0.15	\$0.065	\$0.04	June 17, 2024
		100,000	July 30, 2018	\$0.45	\$0.45	\$0.04	July 30, 2023
David McMillan <i>Director</i>	Stock Options	600,000	May 30, 2017	\$0.30	\$0.30	\$0.04	May 30, 2020
		100,000	July 30, 2018	\$0.45	\$0.45	\$0.04	July 30, 2023
Eric Allison <i>Director</i>	Stock Options	300,000	May 30, 2017	\$0.30	\$0.30	\$0.04	May 30, 2020
		150,000	July 30, 2018	\$0.45	\$0.45	\$0.45	July 30, 2023
Justin Blanchet <i>CFO</i>	Stock Options	150,000	July 30, 2018	\$0.45	\$0.45	\$0.04	July 30, 2023
Felipe Holzacker Alves <i>Director</i>	Stock Options	100,000	July 30, 2018	\$0.45	\$0.45	\$0.04	July 30, 2023
Daniel Wilton <i>Director</i>	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Marc Leduc <i>Director</i>	Nil	N/A	N/A	N/A	N/A	N/A	N/A

No compensation securities were exercised by a director or NEO during the Company's most recently completed financial year.

Stock option plans and other incentive plans

See "Approval of Stock Option Plan" above for the material terms of the Company's Plan. The Plan was previously approved by Shareholders at the annual general meeting held on January 31, 2019, and will be placed before the Meeting for Shareholder approval.

The Company has no Incentive Plan in place and therefore there were no awards made under any incentive plan to the NEOs during the Company's most recently completed financial year. An "Incentive Plan" is a plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period.

Employment, Consulting and Management Agreements

On May 30, 2019, the Company entered into a term sheet employment agreement with Richard Pearce pursuant to which the Company agreed to retain Mr. Pearce to act as the President and the CEO of the Company until June 9, 2021. In consideration his services, the Company agreed to (i) pay Mr. Pearce a base salary of US\$15,000 per month, payable in Brazil R\$ converted at monthly average FX, provided the Company's treasury does not fall below \$100,000 cash; (ii) pay Mr. Pearce an annual cash bonus based on key performance indicators with a target range of 25% to 100% of his annual base salary, as recommended by the Company's Compensation Committee and approved by the Board; and (iii) issue a total of 1,500,000 stock options to Mr. Pearce during the term of the agreement with 25% vesting immediately and an additional 25% vesting every six months thereafter, at a strike price to be negotiated based on market price and exercisable for a term of five years from the date of grant. In the case of termination for cause, vested options will be exercisable within 90 days after termination. In the case of termination without cause, all unvested options will immediately vest and be exercisable within 12 months after termination, and the Company will pay Mr. Pearce an amount equal to 6 months base salary if the termination occurs within the first 12 months of the agreement or pay him 12 months base salary plus pro rata of his previous annual bonus if the termination occurs after 12 months. In the case of termination as a result of a change of control, all unvested options will immediately vest, and the Company will pay Mr. Pearce an amount equal to two times the number of months base salary if the change of control occurs within the first six months of the agreement or two times his base salary plus previous annual bonus if the change of control occurs after 12 months.

On October 1, 2017, the Company entered into a consulting agreement with Red Fern Consulting Ltd. ("**Red Fern**") pursuant to which the Company agreed to pay Red Fern \$4,000 per month plus GST to retain Justin Blanchet to provide accounting and administrative services to the Company and to act as the CFO of the Company. The consulting agreement is for a term commencing on October 1, 2017 for a minimum of eight months (the "**Term**"). The Term will be automatically renewed at the end of each consecutive Term unless otherwise agreed by the parties no later than one month prior to the end of the Term. The consulting agreement may be terminated by the Company or Red Fern on sixty days' notice to the other party.

Other than disclosed herein, the Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or a NEO.

Oversight and Description of Director and NEO Compensation

The objective of the Company's compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its executive officers based on their skill and experience levels and the existing stage of development of the Company. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, the Company's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Company does not provide medical, dental, pension or other benefits to the executive officers. The Board of Directors has not considered the implications of the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long term stability.

The base compensation of the executive officers is reviewed and set annually by the Board. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board from time to time determine the stock option grants to be made pursuant to the Company's Stock Option Plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

The salary for each NEO is primarily determined having regard to his position, responsibilities, the assessment of such individual's performance and overall Company performance as presented by management to the Board of Directors. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships, or capital raising efforts. Grants of stock options are intended to enforce and encourage the executive officer's commitment to the Company's growth and the enhancement of share value and to reward executive officers for the Company's performance. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives.

The Company does not have a formal policy prohibiting a NEO or a director of the Company from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director of the Company. However, there is an understanding that the NEOs and directors of the Company will not purchase such financial instruments, and no NEO or director of the Company has purchased such financial instruments as of the date of this Management Information Circular.

Compensation for the two most recently completed financial years should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive stock options in accordance with the policies of the TSX Venture Exchange.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of the Company's most recently completed financial year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuances under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders (Stock Option Plan)	2,590,000	\$0.38	1,700,543
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	2,590,000	-	1,700,543

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, employees, proposed nominees for election as directors and their associates, or any former executive officers, directors and employees of the Company or any of its subsidiaries,

- (a) is or at any time since the beginning of the most recently completed financial year of the company has been, indebted to the Company or any of its subsidiaries; or
- (b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below, since the commencement of the Company's most recently completed financial year, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by anyone other than the directors or executive officers of the Company or subsidiary.

STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day to day management of the Company. The Canadian Securities Administrators ("CSA") have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA has implemented National Instrument 58-101 Disclosure of Corporate Governance Practices ("**NI 58-101**"), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board currently consists of six directors: David McMillan, Eric Allison, Richard Pearce Jr., Felipe Holzacker Alves, Daniel Wilton, and Marc Leduc. It is proposed that all six directors be nominated at the Meeting.

A director is independent if he or she has no direct or indirect "material relationship" with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. Two directors, Richard Pearce Jr., CEO, and David McMillan, Chairman of the Company, are considered not independent.

Other Directorships

The following table sets forth the current directors of the Company who are directors of other reporting issuers:

Name	Name of other reporting issuer
David McMillan	Canadian Mining Corp. Guardian Exploration Inc.
Eric Allison	US Lithium Corp.
Richard Pearce Jr.	N/A
Felipe Holzacker Alves	N/A
Daniel Wilton	First Mining Gold Corp.
Marc Leduc	N/A

Orientation and Continuing Education

Orientation of new members of the Board is conducted by informal meetings with members of the Board, briefings by management, and the provision of copies of or access to the Company's documents.

The Company has not adopted formal policies respecting continuing education for Board members. The Company encourages directors to undertake continuing education the costs of which are borne by the Company.

Ethical Business Conduct

The Board has not adopted a formal code of business conduct and ethics. The Board is of the view that the fiduciary duties placed on individual directors by the Company's governing legislation and common law together with corporate statutory restrictions on an individual director's participation in Board decisions 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 general meeting. The Board takes in to account the number of directors required to carry out the Board's duties effectively and to maintain diversity of views and experience.

The Board has not established a nominating committee and this function is currently performed by the Board as a whole.

Compensation

The Board has established a Compensation Committee comprised of Felipe Alves, David McMillan and Richard Pearce Jr. The Compensation Committee is responsible for reviewing and determining the adequacy and form of compensation paid to the Company's executives and key employees. The Compensation Committee evaluates the performance of the Chief Executive Officer and other senior management measured against the Company's business goals and industry compensation levels.

Board Committees

The Board has no committees other than the Audit Committee, Governance Committee and Compensation Committee.

Assessments

The Board, its committees and individual directors are not regularly assessed with respect to their effectiveness and contribution. The Board believes that such assessments are more appropriate for companies of a larger size and complexity which may have significantly larger boards of directors. Where appropriate the chair of the Board meets with individual directors to discuss their contribution and that of the other directors. Arising from such meetings, if appropriate, the Board considers procedural and substantive changes to increase the effectiveness of the Board, its committees and members.

AUDIT COMMITTEE

Audit Committee Disclosure

Pursuant to the Section 224(1) of the British Columbia *Business Corporations Act* and National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”), the Company is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the company as a venture issuer, to disclose annually its information circular certain information concerning the composition of its audit committee and its relationship with its independent auditor, as set forth below.

The primary function of the audit committee (the “**Committee**”) is to assist the Board in fulfilling its financial oversight responsibilities by reviewing (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the systems for internal corporate controls which have been established by the Board and management; and (c) overseeing the Company’s financial reporting processes generally. In meeting these responsibilities the Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the company’s Board. The Committee is also mandated to review and approve all material related party transactions.

The Audit Committee’s Charter

The Company has adopted a Charter of the Audit Committee of the Board of Directors a copy of which is annexed hereto as Schedule “A”.

Composition of the Audit Committee

The Committee is comprised of the following members: Daniel Wilton (Chair), David McMillan, and Eric Allison. Each of the audit Committee members are considered to be financially literate as defined by NI 52-110 in that each Committee member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee are elected by the Board at its first meeting following the annual shareholders’ meeting. Unless a chair is elected by the full Board, the members of the Committee designate a chair by a majority vote of the full Committee membership.

Relevant Education and Experience

David McMillan – Mr. McMillan has over 40 years of experience in the investment and corporate finance industry. Mr. McMillan has acted as a director and officer of numerous mineral exploration companies and has extensive experience with the financial and accounting aspects of the industry in which the Company operates.

Daniel Wilton - Mr. Wilton has 25 years of experience in M&A, corporate finance and principal investing in the mining sector. Mr. Wilton was most recently a Partner at Pacific Road Capital Management, a mining-focused private equity investment firm. Prior to joining Pacific Road, Mr. Wilton’s previous roles included Managing Director and Head of the Global Mining and Metals Group at National Bank Financial Inc. and other corporate finance and M&A roles at global institutions based in London, Toronto and New York.

Eric Allison – Mr. Allison is a geologist and business development consultant with over 38 years' experience in the natural resource industry and has worked for a number of major companies including Texaco, Suburban Propane Exploration, Amax Inc., Cyprus Amax Minerals, and Sempra Commodities. He has extensive experience in mergers, acquisitions and divestitures, and has served on the board of directors of several wholly owned subsidiaries of the above listed companies and managed an internal investment fund focused on equity and debt investments in junior mining companies. He also has several years' experience as an investment banker and research analyst specializing in TSX and ASX listed junior mining companies. He obtained his Bachelor of Science degree in geology from Brown University (1978) and Master of Science degree from the University of Georgia (1980).

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

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

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*), which provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), which provides an exemption from the requirements for the composition of the audit committee if a circumstance arises that affects the business or operations of the venture issuer, 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 venture issuer;
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*), which provides an exemption from the requirements for the composition of the audit committee for if an audit committee member becomes a control person of the venture issuer or of an affiliate of the venture issuer for reasons outside the member's reasonable control;
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*), which provides an exemption from the requirements for the composition of the audit committee 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 is required to fill the vacancy; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*) of NI 52-110, which permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board, and where applicable the Committee, on a case-by-case basis.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2019	\$21,000	\$Nil	\$1,050	\$Nil
December 31, 2018	\$14,125	\$Nil	\$743.75	\$750

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website at www.sedar.com.

Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for its most recently completed financial year, and available online at www.sedar.com. Shareholders may request additional copies by (i) mail to #1200 – 750 West Pender Street, Vancouver, BC V6C 2T8; or (ii) telephone to: 778-773-4560.

BY ORDER OF THE BOARD OF DIRECTORS

"David McMillan"
Chairman

Schedule “A”

AUDIT COMMITTEE CHARTER

PURPOSE OF THE COMMITTEE

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of the Company is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company’s articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles (“**GAAP**”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with GAAP.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

AUTHORITY AND RESPONSIBILITIES

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company’s Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Company’s accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
 - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
 - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.