



**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
AND  
MANAGEMENT INFORMATION CIRCULAR**

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**ANNUAL GENERAL MEETING TO BE HELD  
Thursday, September 9, 2021**

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**INOMIN MINES INC.**  
**1130 – 400 Burrard Street Vancouver, BC V6C 3A6**

**MANAGEMENT INFORMATION CIRCULAR**  
(as at August 5, 2021, unless indicated otherwise)

**SOLICITATION OF PROXIES**

This management information circular (the “**Information Circular**”) and the accompanying documents (collectively, the “**Meeting Materials**”) are furnished in connection with the solicitation of proxies by the management of Inomin Mines Inc. (the “**Company**”) for use at the Annual General Meeting of the holders of common shares of the Company (“**Shares**”) to be held on **Thursday, September 9, 2021** (the “**Meeting**”) and any adjournment or postponement thereof at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors and regular employees of the Company. All costs of solicitation will be borne by the Company.

**APPOINTMENT AND REVOCATION OF PROXIES**

The individuals named in the accompanying form of proxy are directors and/or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES OR BY COMPLETING ANOTHER FORM OF PROXY.**

To be valid, a proxy must be in writing and executed by the shareholder or its attorney authorized in writing, unless the shareholder chooses to complete the proxy by telephone or the internet as described in the enclosed proxy form. Completed proxies must be received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment or postponement thereof, or at the discretion of the Chairman of the Meeting, delivered to the Chairman of the Meeting prior to the commencement of the Meeting or prior to any re-commencement of the Meeting after an adjournment or postponement.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, Suite 1130, 400 Burrard Street, Vancouver, British Columbia, V6C 3A6, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

**RECORD DATE**

The Board has established the record date (the “**Record Date**”) for the Meeting as the close of business on August 5, 2021. Only Shareholders of record at the close of business on the Record Date will be entitled to notice of the Meeting, or any adjournments or postponements thereof, and to vote at the Meeting. No Shareholders having become Shareholders of record after that time will be entitled to vote at the Meeting, or any adjournments or postponements thereof.

**INFORMATION FOR BENEFICIAL HOLDERS OF SHARES**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Registered shareholders are holders of Shares whose names appear on the Share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Shares. The Shares owned by many shareholders of the Company are not registered on the records of the Company in the shareholders’ own names, but in the name of a securities dealer, bank or other intermediary,

or in the name of a clearing agency (referred to in this Information Circular as an “intermediary” or “intermediaries”). Shareholders who do not hold their Shares in their own names (referred to in this Information Circular as “beneficial holders”) should note that only registered shareholders may vote at the Meeting. A beneficial holder cannot be recognized at the Meeting for the purpose of voting his shares unless he is appointed by the intermediary as a proxyholder.

Applicable regulatory policy requires intermediaries to seek voting instructions from beneficial shareholders. Every intermediary has its own procedures to seek those instructions. Beneficial shareholders should follow those procedures carefully to ensure that their Shares are voted at the Meeting.

The majority of brokers in Canada have delegated authority for obtaining instructions from clients to Broadridge Investor Communication Solutions, Canada (“**Broadridge**”). Broadridge typically applies a special sticker to the proxy forms, or alternatively, prepares a separate “voting instruction” form, mails those forms to beneficial holders, and asks beneficial holders to return the proxy or voting instruction forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions for voting at the Meeting. A beneficial holder who receives a proxy bearing a Broadridge sticker or a voting instruction form cannot deposit that proxy or form on the Meeting date to vote common shares at the Meeting. The proxy or form must be returned to Broadridge in advance of the Meeting in order to allow the shares to be voted by the named proxyholder at the Meeting.

In addition to those procedures, recent amendments to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) allow a non-objecting beneficial holder (“**NOBO**”) to submit to the Company or an applicable intermediary any document in writing that requests that such NOBO or its nominee be appointed as the NOBO’s proxyholder. If such a request is received, the Company or the intermediary, as applicable, must arrange, without expense to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Information Circular, provided that the Company or the intermediary receives such written instructions at least one business day prior to the time at which proxies are to be submitted for use at the Meeting; accordingly, any such request must be received by **11:00 a.m.** (Vancouver time) on **September 7, 2021**.

The Company is not sending the Notice of Meeting, this Information Circular, the form of proxy and the supplemental mailing list request card (collectively, the “**Meeting Materials**”) directly to NOBOs in connection with the Meeting, but rather has distributed copies of the Meeting Materials to clearing agencies and intermediaries for onward distribution to NOBOs.

An objecting beneficial owner (“**OBO**”) is a beneficial holder who has provided instructions to an intermediary holding Shares in an account on behalf of the OBO that the OBO objects to the intermediary disclosing the OBO’s name, address and Share ownership information to the Company to allow the Company to send shareholder materials to the OBO. In accordance with applicable securities law requirements, the Company has distributed copies of the Meeting Materials to the clearing agencies and intermediaries for distribution to OBOs. The Company does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and an OBO will not receive those materials unless the OBO’s intermediary assumes the cost of delivery.

Intermediaries are required to forward the Meeting Materials to non-registered shareholders unless a non-registered shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to non-registered shareholders. Generally, non-registered shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form **which is not signed by the intermediary** and which, when properly completed and signed by the non-registered shareholder and returned to the intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the intermediary must follow; or
- (b) be given a form of proxy **which has already been signed by the intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the non-registered shareholder but which is otherwise not completed by the intermediary. Because

the intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered shareholder when submitting the proxy. In this case, the non-registered shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Company, c/o Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

In either case, the purpose of these procedures is to permit non-registered shareholders to direct the voting of their Shares which they beneficially own. Should a non-registered shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the non-registered shareholder), the non-registered shareholder should strike out the persons named in the form of proxy and insert their own name or such other person's name in the blank space provided. **Non-registered shareholders should carefully follow the instructions of their intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A non-registered shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an intermediary at any time by written notice to the intermediary provided that an intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the intermediary at least seven days prior to the Meeting.

**IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE CONTACT YOUR BROKER OR AGENT WELL IN ADVANCE OF THE MEETING TO DETERMINE HOW YOU CAN DO SO.**

#### **EXERCISE OF DISCRETION**

Shares represented by proxy are entitled to be voted on a show of hands or any poll and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the Shares will be voted or withheld from voting in accordance with the specification so made.

#### **SUCH SHARES WILL BE VOTED FOR EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED BY THE SHAREHOLDER.**

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of common shares with par value. As at the Record Date, the Company has a total of 24,474,264 fully paid and non-assessable common shares issued and outstanding. Each Share carries the right to one vote at the Meeting. **THE COMPANY HAS NO OTHER CLASSES OF VOTING SECURITIES.**

#### **PRINCIPAL SHAREHOLDERS**

Any shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have his or her Shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, the only persons or companies who beneficially owns, or controls or directs, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Company is:

Name	No. of Shares	Percentage
Dean Fraser	2,695,000	11.01%

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

Other than as set forth herein, management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company since the commencement of the Company's last completed financial year, or of any proposed nominee for election as a director of the Company, or of any associate or affiliate of any of such persons, in any manner to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## FINANCIAL STATEMENTS

The audited consolidated financial statements for the financial year ended March 31, 2021 and the report of the auditor thereon will be placed before the shareholders at the Meeting, but no vote thereon is required. These documents are available upon request or they can be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or on its website at <https://inominmines.com>.

## ELECTION OF DIRECTORS

The Board of Directors presently consists of five (5) directors and it is intended to elect five (5) directors for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next Annual General Meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia) (the "**Act**").

Pursuant to Section 224 of the Act, the Company is required to have an Audit Committee. As at the date hereof, the members of the Audit Committee are L. John Peters, George A. Pietrobon and William Yeomans.

The following table sets out the names of the nominees for election as directors, the province or state and the country in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company, and the number of common shares of the Company or any of its subsidiaries beneficially owned by each, or controlled or directed, directly or indirectly, as at the date hereof.

Name, Position, Province/State and Country of Residence <sup>(1)(2)</sup>	Principal Occupation or Employment <sup>(1)</sup>	Period as a Director of the Company	No. of Shares <sup>(1)</sup>
Evilio J. Gomez-Garcia <sup>(1)(2)</sup> President, Chief Executive Officer and Director New Westminster, BC Canada	Chief Executive Officer and President of the Company since March 2017; Business Consultant	Since August 23, 2012	1,776,000 <sup>(3)</sup>

Name, Position, Province/State and Country of Residence <sup>(1)(2)</sup>	Principal Occupation or Employment <sup>(1)</sup>	Period as a Director of the Company	No. of Shares <sup>(1)</sup>
George A. Pietrobon <sup>(1)(2)</sup> Chief Financial Officer and Director Vancouver, BC Canada	Chief Financial Officer of the Company since August 2012; Self-employed Chartered Professional Accountant	Since August 23, 2012	515,000 <sup>(4)</sup>
Ari M. Shack <sup>(1)(2)</sup> Corporate Secretary and Director Vancouver, BC Canada	Corporate/Commercial Lawyer with Affinity Law Group	Since August 23, 2012	320,000 <sup>(5)</sup>
L. John Peters <sup>(1)(2)</sup> Director West Kelowna, BC Canada	P.Geo., Professional Geologist	Since June 5, 2019	0
William Yeomans <sup>(1)(2)</sup> Director West Kelowna, BC Canada	P.Geo., Professional Geologist	Since October 9, 2019	0

- (1) The information as to province/state and country of residence, principal occupation and Shares beneficially owned is not within the knowledge of the management of the Company and has been furnished by the respective nominees as at the Record Date. The description of the principal occupation or employment is for the past five years.
- (2) None of the proposed nominees for election as a director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity.
- (3) Of these, 1,095,000 are held by Oro Grande Capital Inc., a company controlled by Mr. Gomez-Garcia.
- (4) Of these, 300,000 are held by Biltmore Properties Ltd., a company controlled by Mr. Pietrobon.
- (5) These Shares are held by AMS Law Corporation, a company controlled by Mr. Shack.

## Orders & Bankruptcies

None of the proposed nominees for election as a director of the Company:

- (a) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
- (i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, which order was in effect for a period of more than 30 consecutive days (an “**Order**”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,
- (b) is, as at the date of this Information Circular, or has been, within ten 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 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;

- (c) has, within the ten 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;
- (d) 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
- (e) 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.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101, Disclosure of Corporate Governance Practices, requires all companies to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company’s approach to corporate governance is set out below.

### Board of Directors

The Board currently consists of five (5) Directors: Evilio J. Gomez-Garcia (President & Chief Executive Officer), George A. Pietrobon (Chief Financial Officer), Ari M. Shack (Corporate Secretary), L. John Peters and William Yeomans.

The Guidelines suggest that the Board of Directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors. A director is “independent” if the individual has no direct or indirect material relationship with the Company which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment whether on the Board or a committee of the Board. Notwithstanding the foregoing, an individual who is, or has been within the last three years, an employee or executive officer of the Company is considered to have a material relationship with the Company. Of the current Board, Evilio J. Gomez-Garcia, George A. Pietrobon and Ari M. Shack are not independent, as they are executive officers of the Company.

### Other Directorships

The following table sets forth the directors of the Company who currently serve as directors of other reporting issuers:

Name of Director	Name of Reporting Issuers	Exchange
William Yeomans	Damara Gold Corp.	TSX Venture

### Mandates

The Board of Directors is responsible for supervising management in carrying on the business and affairs of the Company. Directors are required to act and exercise their powers with reasonable prudence in the best interests of the Company. In discharging its mandate, the Board is responsible for the oversight and review of the development of, among other things, the following matters:

- (1) the strategic planning process of the Company;

- (2) identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
- (3) planning for succession of management;
- (4) the Company's policies regarding communications with its shareholders and others, and
- (5) the integrity of the internal controls and management information systems of the Company.

In carrying out its mandate, the Board relies primarily on management to provide it with regular detailed reports on the operations of the Company and its financial position. The Board reviews and assesses these reports and other information provided to it at meetings of the full Board and of its Committees.

Management personnel regularly attend Board meetings to provide information and answer questions. Directors also consult from time to time with management. At least annually, the Board reviews management's report on its business and strategic plan and any changes with respect to risk management and succession planning.

The Board discharges specific responsibilities directly through its Audit Committee. The Board of Directors has adopted a written charter for the Committee (see "Audit Committee – Audit Committee's Charter").

### **Orientation and Continuing Education**

The Company does not provide a formal orientation and education program for new directors; however, any new directors will be given the opportunity to familiarize themselves with the Company, the current directors and members of management. Directors are also encouraged and given the opportunity for continuing education.

### **Ethical Business Conduct**

The Board has not, to date, adopted a formal written Code of Business Conduct and Ethics. The current limited size of the Company's operations, and the small number of officers and employees, allow the Board to monitor, on an ongoing basis, the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

### **Nomination of Directors**

The Company does not have a stand-alone nomination committee. The Board selects new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President. The Board monitors, but does not formally assess, the performance of individual Board members or committee members or their contributions.

### **Compensation**

The Board's compensation committee consists of L. John Peters, William Yeomans and Evilio J. Gomez-Garcia. The committee reviews and provides recommendations to the Board regarding employment, consulting or other compensation arrangements between the Company and any director or senior officer of the Company or between any subsidiary of the Company and any director or senior officer must be considered and approved by the Company's independent directors.

### **Other Board Committees**

The Company has one standing committee, the Audit Committee. Please refer to the "Audit Committee" section.

## **Assessments**

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The entire Board is responsible for selecting new directors and assessing current directors. A proposed director's credentials are reviewed in advance of a Board meeting by one or more members of the Board prior to the proposed director's nomination.

## **AUDIT COMMITTEE**

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

The text of the Company's Audit Committee Charter is attached as Appendix 1 to this Circular.

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

As at the date hereof, the members of the Audit Committee are George A. Pietrobon, L. John Peters and William Yeomans. Mr. Peters and Mr. Yeomans are independent directors of the Company within the meaning of independence set out in National Instrument 52-110 *Audit Committees* ("**NI 52-110**"). Mr. Pietrobon is not independent pursuant to NI 52-110 as he is an executive officer of the Company. Each of the members of the Audit Committee is financially literate within the meaning of NI 52-110 in that he 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 reasonably be expected to be raised by the Company's financial statements.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year did the board of directors of the Company decline to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

### **Relevant Education and Experience**

The education and experience of the current members of the Audit Committee that is relevant to the performance of their responsibilities as an Audit Committee member is described below:

#### *L. John Peters*

Mr. Peters holds a Bachelor of Science degree from the University of Western Ontario (1984) and has been a member of the Association of Professional Engineers and Geoscientists, BC since 1992. Mr. Peters has over 25 years' experience in mineral exploration and production both domestically and internationally.

#### *George A. Pietrobon*

Mr. Pietrobon holds a Bachelor of Commerce degree from the University of British Columbia (1975) and has been a member of the Institute of Chartered Accountants since 1978. Mr. Pietrobon has considerable business, accounting and audit experience, with both public and private companies, including experience performing audits for publicly listed companies.

#### *William Yeomans*

Mr. Yeomans holds an Honours Bachelor of Science degree from the Queen's University (1982) and has been a member of the Association of Professional Engineers and Geoscientists, BC since 2002. Mr.

Yeomans has over 35 years' experience in mineral exploration and production both domestically and internationally.

### Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on an exemption under section 2.4, 6.1.1(4) or (5), or granted under Part 8 of NI 52-110.

### Pre-Approval Policies and Procedures

As at the date of this Circular, the Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services.

### External Auditor Service Fees

The following table sets out, by category, the fees billed by Baker Tilly WM LLP (formerly Wolrige Mahon Collins Barrow LLP), the Company's auditors, for the years ended March 31, 2021 and March 31, 2020:

	Year ended March 31, 2021	Year ended March 31, 2020
Audit fees <sup>(2)</sup>	\$TBD <sup>(1)</sup>	\$14,584
Audit-related fees <sup>(3)</sup>	\$0	\$0
Tax fees <sup>(4)</sup>	\$0	\$0
All other fees <sup>(5)</sup>	<u>\$0</u>	<u>\$0</u>
Total	<u>\$TBD</u>	<u>\$14,584</u>

(1) As at the date of this Information Circular, the Company's auditors have not yet rendered their invoice for audit fees related to the fiscal year ended March 31, 2021.

(2) "Audit fees" include the aggregate fees billed in each financial year for audit fees.

(3) "Audit-related fees" include the aggregate fees billed in each financial year for assurance and related services to the performance of the audit or review of the Company's financial statements not already disclosed under "Audit Fees".

(4) "Tax fees" are the aggregate fees billed by the auditor for tax compliance, tax advice and tax planning.

(5) "All Other Fees" include aggregate fees billed for products or services not already reported in the above table.

### Exemption for Venture Issuers

As a venture issuer, the Company is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## EXECUTIVE COMPENSATION

### Definitions

For the purposes of this Statement of Executive Compensation:

- (a) "Chief Executive Officer" means each individual who served as chief executive officer of the Company or acted in a similar capacity during the most recently completed financial year;
- (b) "Chief Financial Officer" means each individual who served as chief financial officer of the Company or acted in a similar capacity during the most recently completed financial year;
- (c) "Named Executive Officers" means each of the following individuals:
- (i) a Chief Executive Officer;
  - (ii) a Chief Financial Officer;
  - (iii) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive

- (iv) Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individual, more than \$150,000.00 for that financial year; and each individual who would be an Name Executive Officer under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

### **Director and Named Executive Officer Compensation**

The table below sets forth all compensation earned by, paid to, or accrued and payable to each Named Executive Officer and Director of the Company for the Company's two most recently completed financial years.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year Ended March 31</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Evelio J. Gomez-Garcia, Chief Executive Officer and Director	2020	Nil	Nil	Nil	Nil	36,000.00 <sup>(1)</sup>	36,000.00
	2021	Nil	Nil	Nil	Nil	36,000.00 <sup>(1)</sup>	36,000.00
George A. Pietrobon, Chief Financial Officer and Director	2020	Nil	Nil	Nil	Nil	24,000.00 <sup>(1)</sup>	24,000.00
	2021	Nil	Nil	Nil	Nil	24,000.00 <sup>(1)</sup>	24,000.00
Ari M. Shack, Corporate Secretary and Director	2020	12,000.00 <sup>(1)</sup>	Nil	Nil	Nil	Nil	12,000.00
	2021	12,000.00 <sup>(1)</sup>	Nil	Nil	Nil	Nil	12,000.00
L. John Peters Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
William Yeomans Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- <sup>(1)</sup> All compensation paid on account of services provided as officers to the Company. See "Employment, Consulting and Management Agreements". No compensation was paid on account of being directors.

### **Stock Options and Other Compensation Securities**

No Named Executive Officer or Director of the Company was granted or issued any compensation securities in the most recently completed financial year.

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

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

Incentive stock options may be granted to directors, consultants, officers and employees of the Company in accordance with the Company's stock option plan previously approved by the shareholders of the Company at the last annual general meeting and the policies of the TSX Venture Exchange. The Company is requesting renewed approval of its stock option plan at the Meeting (see "Approval of Stock Option Plan" below).

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

Management services for the Company are performed pursuant to the following management contracts entered into by the Company effective April 1, 2017:

- Agreement with Oro Grande Capital Inc., a company controlled by Evilio J. Gomez-Garcia, to provide CEO services to the Company for a fee of \$3,000 per month plus applicable GST. The services to be provided by Oro Grande Capital Inc. must be provided by Mr. Gomez-Garcia. The Company may terminate the agreement without cause on payment of a termination fee equal to 3 months fees plus an additional month for each year services were provided. In the event of a change of control transaction, Oro Grande Capital Inc. is entitled to elect to terminate the agreement within 90 days which would require the Company to pay a termination fee equal to 6 months fees.
- Agreement with Biltmore Properties Ltd., a company controlled by George Pietrobon, to provide CFO services to the Company for a fee of \$2,000 per month plus applicable GST. The services to be provided by Biltmore Properties Ltd. must be provided by Mr. Pietrobon. Either party may terminate the agreement on provision of 30 days' notice in writing.
- Agreement with Ari M. Shack to provide Corporate Secretary services to the Company for a fee of \$1,000 per month plus applicable GST. Either party may terminate the agreement on provision of 30 days' notice in writing.

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

The compensation paid by the Company is designed to compensate its Directors and executive officers for contributions to the Company and to reward management performance by aligning a component of the compensation with the Company's business performance and share value.

The Company does not have a formal compensation committee. The Company's board of directors informally discusses and approves compensation to be paid by the Company, ensuring that total compensation paid is fair and reasonable and is consistent with the Company's compensation philosophy, however, all employment, consulting or other compensation arrangements between the Company and any director or senior officer of the Company or between any subsidiary of the Company and any director or senior officer must be considered and approved by the Company's independent directors. Compensation paid by the Company can be broken into three key elements: (i) base salary, fees and benefits; (ii) cash bonuses; and (iii) stock options. A description each element of compensation is set forth below.

### **Base Fees**

Base fee compensation levels are designed to compensate and reward Named Executive Officers for the services they provide to the Company. In setting base compensation levels, consideration is given to such factors as level of responsibility, experience, expertise, the amount of time devoted to the affairs of the Company and the amount comparable businesses pay to their Named Executive Officers.

### **Bonus Plan**

Bonus levels, if any, will be established by the board of directors of the Company. Bonus awards for executive officers are discretionary and bonuses are not foreseen to be paid until the Company grows significantly.

### **Stock Options**

The Company's stock option plan provides for the grant of stock options to directors, executive officers and key employees and consultants of the Company and its subsidiaries for the purpose of advancing the interests of the Company and its shareholders through the motivation, attraction and retention of these individuals.

The board of directors of the Company determines the size of stock option grants and the terms and conditions of the options forming part of such grants. The existing number and terms of the outstanding options are taken into account when granting new options.

Details of the Company's Stock Option Plan are provided below under "Approval of Stock Option Plan".

### **Pension Disclosure**

The Company does not have in place any pension plan or deferred compensation plan that provides for payments or benefits at, following or in connection with retirement.

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

#### **Share Option Plan**

The only equity compensation plan which the Company has in place is its stock option plan which was previously approved by the shareholders of the Company at the last Annual General Meeting of the Company. The stock option plan provides that the number of Shares issuable under the plan, together with all other Shares issuable under previously issued stock options may not exceed 10% of the total number of issued and outstanding Shares at the date of grant.

The following table sets out, as of the end of the Company's financial year ended March 31, 2021, all information required with respect to compensation plans under which equity securities of the Company are authorized for issuance:

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)</b>
Equity compensation plans approved by security holders	1,540,000	\$0.08	18,426
<b>Total</b>	<b>1,540,000</b>	<b>\$0.08</b>	<b>907,426</b>

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

No director, executive officer, employee or former director, executive officer or employee or any of their respective associates or affiliates or any proposed nominee for election as a director of the Company is or has been at any time since the beginning of the last completed financial year, indebted to the Company or any of its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Company or any of its subsidiaries.

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

Other than as disclosed in this Information Circular, no informed person of the Company, proposed nominee for election as a director, or any associate or affiliate of the foregoing, had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries since the commencement of the Company's last financial year.

### **APPOINTMENT OF AUDITORS**

The management of the Company will recommend at the Meeting to appoint Baker Tilly WM LLP (formerly, Wolrige Mahon Collins Barrow LLP) as auditors of the Company and to authorize the directors to fix their remuneration. Baker Tilly WM LLP was first appointed auditors of the Company on March 11, 2013. **Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-**

**appointment of Baker Tilly WM LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.**

## **MANAGEMENT CONTRACTS**

During the most recently completed financial year, no management functions of the Company were, to any substantial degree, performed by a person or company other than the directors or executive officers of the Company. See “Employment, Consulting and Management Agreements” for information with regard to the management contracts.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **Approval of Stock Option Plan**

The shareholders passed a resolution at the Company’s last Annual General Meeting adopting a stock option plan (the “**Stock Option Plan**”) for the Company. The policies of the TSX Venture Exchange require the shareholders to readopt the Stock Option Plan at each of the Company’s Annual General Meetings. Therefore, the shareholders will be asked to pass an ordinary resolution reaffirming the adoption of the Stock Option Plan.

#### Purpose

The purpose of the Stock Option Plan is to allow the Company to grant options to directors, officers, consultants, employees and service providers, as additional compensation, and as an opportunity to participate in the profitability of the Company. The granting of such options is intended to align the interests of such persons with that of the Company. Options will be exercisable over periods of up to ten years as determined by the Board and are required to have an exercise price no less than the Market Price as defined in the Stock Option Plan prevailing on the day that the option is granted. Pursuant to the Stock Option Plan, the Board may from time to time authorize the issue of options to directors, officers and employees of and consultants to the Company and its subsidiaries or employees of companies providing management services to the Company or its subsidiaries (other than persons engaged in Investor Relations activities). The Stock Option Plan will be a “rolling” plan reserving a maximum of 10% of the issued shares of the Company at the time of a stock option grant. The Stock Option Plan will not contain any vesting provisions. In addition, no more than 5% of the issued shares of the Company may be granted to any one individual in any 12-month period. The Stock Option Plan must be approved by a majority of the votes cast by shareholders at the Meeting. The policies of the TSX Venture Exchange require the Company to obtain shareholder approval of the Stock Option Plan annually at the Annual General Meeting of the Company.

The full text of the Stock Option Plan is attached as Appendix “2” to this Information Circular. The Stock Option Plan is subject to TSX Venture Exchange Acceptance and amendments may be required accordingly.

Shareholders will be asked to pass the following ordinary resolutions:

#### **“RESOLVED THAT:**

1. the Company’s share option plan (the “**Plan**”), as described in the Information Circular of the Company dated August 10, 2021, be and is hereby ratified, confirmed and approved, subject to acceptance by the TSX Venture Exchange;
2. the Company be authorized to grant stock options pursuant and subject to the terms and conditions of the Plan, entitling the option holders to purchase up to that number of common shares that is equal to 10% of the issued and outstanding capital of the Company at the time of the grant; and
3. any one director or officer of the Company be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all

such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions and to complete all transactions in connection with the continuation of the Plan.”

An ordinary resolution requires the approval of a simple majority (50% plus one vote) of the votes cast by those Shareholders of the Company, who, being entitled to, vote in person or by proxy at an Annual General Meeting of the Company.

**Management of the Company recommends that the Shareholders vote FOR the approval of the Plan, and the persons named in the enclosed form of proxy intend to vote for such approval at the Meeting unless otherwise directed by the Shareholders appointing them.**

#### **OTHER BUSINESS**

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

#### **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 at its offices located at 1130 – 400 Burrard Street, Vancouver, BC V6C 3A6 to request a copy of any document of the Company that is referred to herein, and to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year.

DATED at Vancouver, British Columbia, this 10<sup>th</sup> day of August, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Evilio J. Gomez-Garcia”*

**Evilio J. Gomez-Garcia  
President & Chief Executive Officer**

**APPENDIX 1****CHARTER****AUDIT COMMITTEE OF****THE BOARD OF DIRECTORS OF INOMIN MINES INC.**Organization

There shall be a committee of the board of directors (the "Board") of Inomin Mines Inc. (the "**Company**") known as the Audit Committee (the "**Committee**"). This charter shall govern the operations of the Committee.

Membership and Qualifications

The membership of the Committee shall be appointed by the Board and shall consist of at least three directors, the majority of whom will be non-officers (the "**Independent Directors**").

Each independent member of the Committee shall be, while at all times a member of the Committee, free of any relationship that, in the opinion of the Board, would interfere with the member's individual exercise of independent judgment.

Each member of the Committee shall be, while at all times a member of the Committee, generally knowledgeable in financial and auditing matters, specifically possessing the ability to read and understand fundamental financial statements including the Company's balance sheet, statement of operations and statement of cash flows.

The Board shall appoint one member of the Committee as chair. The chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting to the Board. The chair will also maintain regular liaison with the Company's Chief Executive Officer, Chief Financial Officer and lead independent audit partner.

Role

The Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, reporting practices, systems of internal accounting and financial controls, the annual independent audit of the Company's financial statements, and the legal compliance and ethics programs of the Company as established by management and the Board shall also perform any other related duties as directed by the Board. In fulfilling this role, the Committee is expected to maintain free and open communications with the independent auditor and management of the Company and shall meet at least once each quarter.

While the Committee has the responsibilities and powers set forth below in this charter under the headings "Authority" and "Responsibilities and Processes", it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements are fairly presented and are in accordance with generally accepted accounting principles. Management is responsible for the preparation of financial statements in accordance with generally accepted accounting principles. It is the role of the independent auditor to audit the financial statements.

Authority

The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Company. The Committee has the power to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties. The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company and for any advisors employed by the Committee as well as for the

payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

### Responsibilities and Processes

The Committee's primary responsibilities include:

- Overseeing the Company's financial reporting process on behalf of the Board and reporting the results or findings of its oversight activities to the Board.
- Having sole authority to appoint, retain and oversee the work of the Company's independent auditor and establishing the compensation to be paid to the independent auditor. The Company's independent auditor shall report directly to the Committee.
- Establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and/or auditing matters for the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.
- Pre-approving all audit services and permissible non-audit services as may be amended from time to time.
- Overseeing the Company's system to monitor and manage risk, and legal and ethical compliance programs, including the establishment and administration (including the grant of any waiver from) a written code of ethics applicable to each of the Company's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to react more effectively to changing conditions and circumstances. The Committee shall take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices and ethical behavior.

The following shall be the principal recurring processes of the Committee relating to its oversight responsibilities. These processes are set forth as a guide, with the understanding that the Committee may supplement them as appropriate and is not intended to be a comprehensive list of all the actions that the Committee will take in discharging its duties. These processes are:

- Discussing with the independent auditor the objectivity and independence of the auditor and any relationships that may impact the auditor's objectivity or independence and receiving from the independent auditor disclosures regarding its independence and written affirmation that the independent auditor is in fact independent, and taking any action, or recommending that the Board take appropriate action to oversee the independence of the independent auditor.
- Overseeing the independent auditor relationship by discussing with the auditor the nature and scope of the audit process, receiving and reviewing audit reports, and providing the auditor full access to the Committee to report on any and all appropriate matters. The Committee has the sole authority to resolve disagreements, if any, between management and the independent auditor.
- Discussing with the independent auditor and the Company's financial and accounting personnel, together and in separate sessions, the adequacy and effectiveness of the accounting and financial controls of the Company and eliciting recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures may be desirable.
- Providing sufficient opportunity for the independent auditor to meet with the members of the Committee without members of management present. Among the items to be discussed in these meetings are the independent auditor's evaluation of the Company's financial and accounting personnel and the cooperation that the independent auditor received during the course of the audit.

- Discussing with management their review of the adequacy of the Company's disclosure controls and procedures, the effectiveness of such controls and procedures and any findings following such review.
- Reviewing the Company's system to monitor, assess and manage risk and legal and ethical compliance program.
- Reviewing and discussing with management and the independent auditor prior to the filing of the Company's annual report:
  1. The Company's annual financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis".
  2. The selection, application and effects of the Company's critical accounting policies, practices and the reasonableness of significant judgments and estimates made by management.
  3. Alternative and preferred treatment of financial information under generally accepted accounting principles.
  4. All material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material, current or future, effect on the financial condition of the Company.
  5. Any material written communications between the independent auditor and management.
  6. The independent auditor's audit of the financial statements and its report thereon.
  7. Any significant finding and recommendations of the independent auditor and management's responses thereto.
  8. Any significant changes in the independent auditor's audit plan.
  9. Any serious difficulties or disputes with management encountered during the course of the audit.
  10. Any related significant findings and recommendations of the independent auditor together with management's responses thereto.
  11. Other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
- Preparing a report to be included in the Company's Information Circulars that states the Committee has:
  1. Analyzed and discussed the audited financial statements with management;
  2. Discussed with the independent auditor the auditor's independence;
  3. Considered the audit and non-audit services provided by the independent auditor, and the fees paid for such services; and

- The Committee shall review in advance all announcements of interim and annual financial results, as well as any periodic guidance to be publicly released by the Company and discuss such announcements with management and the independent auditors.
- Reviewing and discussing with management and the independent auditor prior to the filing of the Company's Quarterly Report:
  1. the Company's interim financial statements and related footnotes and other financial information, including the information in the "Management's Discussion and Analysis".
  2. The selection, application and effects of the Company's critical accounting policies, practices and the reasonableness of significant judgments and estimates made by management.
  3. Alternative and preferred treatment of financial information under generally accepted accounting principles.
  4. All material arrangements, off-balance sheet transactions and relationship with any unconsolidated entities or any other persons which may have a material current or future effect on the financial condition of the Company.
- Reviewing and either approving or disapproving all related party transactions.
- Submitting the minutes of all meetings of the Committee to, or discussing the matters discussed at each committee meeting with, the Board.
- Reviewing and assessing the adequacy of this charter annually and recommend any proposed changes to the Board for its approval.

The Chairman of the Committee, or another Committee member designated by the Chairman, is authorized to act on behalf of the Committee with respect to required Committee responsibilities which arise between regularly scheduled Committee meetings, with the independent auditors and management, as well as the pre-approval of non-audit services provided by the independent auditors, as necessary, as contemplated by the Committee's policies. Any such pre-filing discussions and preapprovals shall be reported to the Committee at a subsequent meeting.

**APPENDIX 2**  
**STOCK OPTION PLAN**

**INOMIN MINES INC. STOCK**  
**OPTION PLAN**

## 1. INTERPRETATION

### 1.1 Definitions. In the Plan:

- (a) **“Administrator”** means, initially, the Secretary of the Company and thereafter will mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time.
- (b) **“Board”** means the board of directors of the Company, or any committee thereof to which the board of directors of the Company has delegated the power to administer and grant options under the Plan.
- (c) **“Cause”** means:
  - (i) in the case of an individual regularly employed with the Company or any of its subsidiaries, Cause as such term is defined in the written employment or consulting agreement between the Company and the individual or if there is no written employment agreement or Cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the individual is employed;
  - (ii) in the case of an Employee or Consultant, the termination of employment or the consulting or service provider contract as a result of an order made by any Regulatory Authority having jurisdiction to so order; or
  - (iii) in the case of a Director, ceasing to be a director as a result of (1) ceasing to meet the qualifications set out in the *Business Corporations Act* (British Columbia); (2) a resolution having been passed by the shareholders of the Company; or (3) an order made by any Regulatory Authority having jurisdiction to so order.
- (d) **“Company”** means Inomin Mines Inc. and its successors.
- (e) **“Consultant”** means, in relation to the Company, an individual or Consultant Company, other than an Employee or a Director of the Company, that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a Distribution;
  - (ii) provides the services under a written contract between the Company or the affiliate and the individual or the Consultant Company;
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company; and
  - (iv) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (f) **“Consultant Company”** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.

- (g) **“Directors”** means directors, senior officers or Management Company Employees of the Company, or directors, senior officers and Management Company Employees of the Company’s subsidiaries to whom stock options can be granted in reliance on a Prospectus exemption under the applicable Securities Laws.
- (h) **“Employee”** means:
- (i) an individual who is considered an employee of the Company or its subsidiary under the Income Tax Act (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source); or
  - (ii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum of 15 hours per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over details and methods of work as an employee of the Company, but for whom income deductions are not made at source.
- (i) **“Exercise Price”** means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of Section 4.
- (j) **“Expiry Date”** means the date an Option expires and terminates as determined by paragraph 3.1(b), subject to early termination by section 3.4.
- (k) **“Insider”** means:
- a) a director or senior officer of the Company;
  - b) a director or senior officer of a company that is an insider or subsidiary of the Company;
  - c) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company; or
  - d) the Company itself if it holds any of its own securities.
- (l) **“Grant Date”** means the date specified as such in an Option Agreement.
- (m) **“Management Company Employee”** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in investor relations activities.
- (n) **“Market Price”** of Shares at any Grant Date means the last closing price per Share less any discount permitted by the policies of the stock exchange on which the Company’s shares are listed on the trading day immediately preceding the day
- (i) on which the Company announces the grant of option; or
  - (ii) if the grant is not announced, the last closing price per Share on the trading day immediately preceding the Grant Date,

or if the Shares are not listed on any stock exchange **“Market Price”** of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.

- (o) **“Option”** means a specific option to purchase Shares granted pursuant to a particular Option Agreement.
- (p) **“Option Agreement”** means an agreement, in the form attached hereto as Schedule A, by which the Company grants to a Purchaser an Option with respect to Option Shares.
- (q) **“Option Shares”** means the aggregate number of Shares which a Purchaser may purchase pursuant to the provisions of an Option Agreement, adjusted from time to time in accordance with the provisions of Section 4.
- (r) **“Plan”** means this stock option plan.
- (s) **“Purchaser”** means the person specified as such in an Option Agreement and his or her respective heirs, executors and administrators.
- (t) **“Regulatory Authorities”** means all stock exchanges, inter-dealer quotation networks and other organized trading facilities on which the Company’s Shares are listed and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company.
- (u) **“Rolling Stock Option Plan”** means a stock option plan reserving a maximum of 10% of the issued shares of the Company at the time of the stock option grant, with no vesting provisions.
- (v) **“Shares”** means the Common shares without par value in the capital of the Company as constituted on the date hereof provided that, if there is any adjustment pursuant to Section 4, “Shares” will thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- (w) **“Termination Date”** means in the case of the termination of the Purchaser’s employment or consulting or management company contract with the Company by either party for any reason other than death, the date that one party delivers written notice of termination of the Purchaser’s employment or contract to the other party.

1.2 Gender and Number. Words denoting the masculine gender include the feminine gender and words denoting the singular include the plural and vice versa.

1.3 Interpretation by Board. Any question of interpretation of the Plan or any Option will be determined by the Board in good faith, and any such determination will be final and binding on all parties.

## 2. GRANT OF OPTIONS

2.1 Grant of Options. The Board will, from time to time in its sole discretion, determine those Directors, Employees and Management Company Employees, if any, to whom Options are to be granted. The terms of any such Options will be determined by the Board, but within the limitations set out in the Plan.

2.2 Limits on Shares Issuable on Exercise of Options. The number of Shares reserved for issuance under the Plan and all of the Company’s other previously established or proposed share compensation arrangements:

- (a) in aggregate shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis;

- (b) to any one Optionee within a 12 month period shall not exceed 5% of the total number of issued and outstanding Shares on a non-diluted basis;
- (c) to any Consultant within a 12 month period, shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on a non-diluted basis; and
- (d) in aggregate must not exceed 2% of the issued shares of the Company in any 12 month period to persons conducting investor relations activities, calculated at the date an option is granted to any such person.

2.3 Vesting. Options granted to Consultants performing Investor Relations Activities shall vest as follows:

<u>Time Since Grant of Option</u>	<u>Percentage of Options Which Vest</u>
3 months	25%
6 months	25%
9 months	25%
12 months	25%

- 2.4 Exercise Price. The Exercise Price under each Option Agreement will be determined by the Board, based on, and in any event not less than, the Market Price of the Shares on the Grant Date, less such discount, if any, as may be determined by the Board and permitted by the Regulatory Authorities.
- 2.5 Maximum Number of Shares under Options. Subject to adjustment as provided for under Section 4 of the Plan, the number of Shares that will be available for purchase pursuant to Options granted under the Plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant. This Plan will not alter the terms or conditions of any existing options or impair any right of any Purchaser pursuant to any existing option awarded prior to the Plan.
- 2.6 Lapsed Options. Any Shares not acquired by a Purchaser under an Option that has expired or lapsed may be made the subject of a further Option pursuant to the provisions of the Plan.
- 2.7 Time for Exercise. The time for exercise of an Option will be as set out in Section 3 and will not in any case exceed 5 years from the Grant Date.
- 2.8 Option Agreement. The Options will be confirmed by the execution of an Option Agreement. Each Purchaser will have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Purchaser. For stock options to Employees, Consultants, Consulting Companies or Management Company Employees, the Company is representing herein and in the applicable Option Agreement that the Purchaser is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement will constitute conclusive evidence that it has been completed in compliance with the Plan.

### 3. **EXERCISE OF OPTIONS**

3.1 Time of Exercise.

- (a) Subject to section 3.4, an Option may be exercised to purchase any number of Shares up to the number of unissued Option Shares any time after the Grant Date up to 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date and shall not be exercisable thereafter; and

(b) Unless otherwise determined by the Board at the time of the grant of an Option, Options will be granted for a term of 5 years, subject to expiry as provided in paragraph 3.4.

3.2 Hold Period. Shares issued on exercise of Options granted under this Plan shall be subject to any resale restrictions or hold period imposed by applicable securities legislation and exchange policies. The share certificate representing the Option Shares will contain the legend required by such securities legislation or exchange policies.

3.3 Manner of Exercise. An Option may be exercised by a Purchaser in whole or in part by delivering to the Administrator of the Company at its registered office or such other place as may be designated by the Company from time to time, a written notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the aggregate Exercise Price. Upon notice and payment, there will be a binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Purchaser's cheque payable to the Company, in the amount of the aggregate Exercise Price will constitute payment of the Exercise Price unless the cheque is not honoured upon presentation in which case the Option will not have been validly exercised.

Upon receipt of such notice and payment, the Company will forthwith instruct its Transfer Agent to issue such Shares in the name of the Purchaser and deliver a share certificate therefor to the Purchaser.

3.4 Termination of Option. A Purchaser may exercise an Option in whole or in part at any time or from time to time prior to the expiry date of the Option provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum number of Shares in respect of which a Purchaser may exercise part of any Option held by such Purchaser. Any Option or part thereof not exercised prior to the Expiry Date will terminate and become null, void and of no effect as of 4:00 p.m. local time in Vancouver, British Columbia on the Expiry Date. The Expiry Date of an Option will be the earlier of the last day of the term fixed by the Board in accordance with paragraph 3.1(b) and the date established, if applicable, in subparagraphs (a) to (e) below:

(a) Death. If the Purchaser, or if the Purchaser is a Company, the principal of the Purchaser, should die while he or she is still entitled to exercise the Option, then the Option granted, or such part thereof as remains unexercised, may be exercised by the legal representative of the Purchaser and the Expiry Date for the Option or such part thereof as remains unexercised, will be the first anniversary of the date of the Purchaser's death.

(b) Ceasing to hold Office. If the Purchaser holds his or her Option as a Director and then ceases to be a Director other than by reason of death, the Expiry Date for the Option, or any part thereof as remains unexercised, will be the 30th day following the date the Purchaser ceases to be a Director unless the Purchaser ceases to be a Director for Cause, in which case the Expiry Date will be the date that the Purchaser ceases to be a Director.

(c) Ceasing to be Employee, Consultant or Management Company Employee. If the Purchaser holds his or her Option as an Employee, Consultant, or Management Company Employee of the Company and then ceases to be an Employee or Consultant of the Company or, in the case of a Management Company or Consultant Company, the Purchaser's employer ceases to be engaged by the Company other than by reason of death, the Expiry Date for the Option or such part thereof as remains unexercised will be the 30th day following the Termination Date unless the Purchaser ceases to be an Employee or Consultant for Cause, or in the case of a Management Company Employee or Consultant Company, the Purchaser's employer ceases to be engaged by the Company for cause in which case the Expiry Date shall be the Termination Date.

- (d) Ceasing to be an Individual Engaged in Investor Relations Activities. If the Purchaser holds his or her Option as an individual engaged in Investor Relations Activities for the Company and then ceases to be an individual engaged in Investor Relations Activities for the Company other than by reason of death, the Expiry Date of the Option or such part as remains unexercised will be the 5th day following the Termination Date unless the Purchaser ceases to be an individual engaged in Investor Relations Activities for cause, in which case the Expiry Date shall be the Termination Date.
- (e) Holding Company Ceasing to be Wholly-Owned. If the Purchaser holds his or her Option indirectly through a wholly-owned holding company, the Expiry Date will be the date the Purchaser ceases to wholly-own such holding company.

Notwithstanding anything else contained in the Plan and subject to any necessary approval from the Company's shareholders and the Regulatory Authorities, the Board may in its discretion (a) extend the Expiry Date of any Option, provide that in no case will an Option be exercisable later than the tenth anniversary of the Grant Date; or (b) alter or change the vesting terms applicable to an Option.

#### 4. **ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF OPTION SHARES TO PREVENT DILUTION OF PURCHASER'S INTEREST**

- 4.1 Share Reorganization. Whenever the Company issues Shares to holders of all or substantially all of its Shares, by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being a "Share Reorganization") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation:
  - (a) the Exercise Price will be adjusted to a price per Share which is the product of:
    - (i) the Exercise Price in effect immediately before the effective date or record date; and
    - (ii) a fraction the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
  - (b) the number of Option Shares purchasable pursuant to the Plan will be adjusted by multiplying (i) the number of Option Shares purchasable pursuant hereto immediately before such effective date or record date, by (ii) a fraction which is the reciprocal of the fraction described in subparagraph (a) (ii).
- 4.2 Special Distribution. Subject to the prior approval of Regulatory Authorities, whenever the Company issues by way of a dividend or otherwise distributes to holders of all or substantially all of its Shares;
  - (a) shares of the Company, other than the Shares;
  - (b) evidences of indebtedness;
  - (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or

- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being a "Special Distribution"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, the Exercise Price will be reduced by such amount, if any, as is determined by the Board to be appropriate in order to properly reflect any diminution in value of the Shares as a result of such Special Distribution, and the number of Option Shares purchasable pursuant hereto will, if appropriate and as determined by the Board, be correspondingly increased.

4.3 Corporate Reorganization. Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in paragraph 4.1 or 4.2;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being a "**Corporate Reorganization**"), the Purchaser will be entitled to purchase, at the times, for the consideration, and subject to the terms and conditions set out in the Plan and the Option Agreement, and will accept, in lieu of the Shares which he or she would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that holders of Common shares are entitled to receive as a result of the Corporate Reorganization or, if appropriate, as otherwise determined by the Board.

5 **MISCELLANEOUS**

- 5.1 Right to Employment. Neither the Plan nor any of the provisions hereof will be deemed to give a Purchaser the right to be retained in the employ of the Company or any subsidiary of the Company or to interfere with the right of the Company to terminate the Purchaser's employment at any time.
- 5.2 Termination, Amendment and Waiver. The Board may from time to time amend any provision of the Plan, subject to any necessary approval of the Regulatory Authorities, provided that no such amendment materially impairs any of the rights of any Purchaser under any Option then outstanding. The Board may terminate the Plan at any time, provided that such termination will not alter the terms or conditions of any Option or impair any of the rights of any Purchaser under any Option then outstanding.
- 5.3 No Assignment. An Option may be exercised only by the Purchaser, and is not assignable or transferable.
- 5.4 Conflict. In the event of any conflict between the provisions of the Plan and an Option Agreement, the provisions of the Plan will govern.
- 5.5 Governing Law. The Plan and each Option Agreement issued pursuant to the Plan will be governed by and construed in accordance with the laws of the province of British Columbia.
- 5.6 Time of Essence. Time is of the essence of the Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

- 5.7 Entire Agreement. The Plan and Option Agreement set out the entire agreement between the Company and the Purchasers relative to the subject matter hereof and supersede all prior agreements, undertakings and understandings, whether oral or written.
- 5.8 Headings for Reference Only. The headings of sections and paragraphs are included solely for convenience or reference and as a matter of convenience and in no way define, limit or enlarge the scope or meaning of the Plan or any provision hereof.
- 5.9 Necessary Approvals. The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval shall only be exercised upon the receipt of such approval. Disinterested shareholder approval (as required by the Exchanges) will be obtained for any reduction in the exercise process of any Option granted under this Plan if the Purchaser is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Purchaser for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by a Purchaser to the Company shall be immediately refunded to the Purchaser by the Company.
- 5.10 Administration of the Plan. The Directors shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. The interpretation and construction of any provision of the Plan by the Directors shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.
- 5.11 Income Taxes. As a condition of and prior to participation in the Plan any Purchaser shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.
- 5.12 Form of Notice. A notice given to the Company shall be in writing, signed by the Purchaser and delivered to the head business office of the Company.
- 5.13 No Representation or Warranty. The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.
- 5.14 Compliance with Applicable Law. If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.
- 5.15 Rights of Purchasers. A Purchaser shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any rights to receive dividends, warrants or rights under any rights offering).

- END OF PLAN -