



**ADEX MINING INC.**

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

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**August 2, 2019**



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the "**Meeting**") of shareholders of Adex Mining Inc. (the "**Corporation**") will be held at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, ON, M5X 1A4 on Monday, September 9, 2019 at 10:00 a.m. (EST) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2018, together with the auditors' report thereon;
2. to re-appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditors of the Corporation and to authorize the directors to fix the remuneration of the auditors;
3. to elect directors;
4. to consider and, if thought fit, approve a resolution re-approving the Corporation's rolling stock option plan; and
5. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

Copies of the management information circular (the "**Circular**") and form of proxy accompany and form part of this notice of meeting ("**Notice**"). The specific details of the matters proposed to be put before shareholders at the Meeting are set forth in the Circular accompanying and forming part of this Notice. Shareholders are directed to read the Circular carefully in evaluating the matters for consideration at the Meeting.

Only shareholders of record as at August 2, 2019 are entitled to vote their shares at the Meeting, or at any adjournment thereof, either in person or by proxy and only in respect of such matters upon which such shareholders are entitled to vote.

Shareholders who are unable to attend the Meeting in person are requested to complete, sign and date the accompanying form of proxy in accordance with the instructions provided therein and in the Circular and return it in the envelope provided for that purpose in accordance with the instructions and timelines set forth in the Circular.

DATED this 2nd day of August, 2019

By order of the Board,

(Signed) "*Linda Lam Kwan* "  
Chief Executive Officer

## PROXY RELATED INFORMATION

### Solicitation of Proxies

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by and on behalf of the management of Adex Mining Inc. (the "Corporation") for use at the annual and special meeting (the "Meeting") of shareholders (the "Shareholders") of the Corporation to be held at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, ON, M5X 1A4 on Monday, September 9, 2019 at 10:00 a.m. (EST), and at all adjournments or postponements thereof, for the purposes set out in the accompanying Notice of Meeting. The cost of solicitation will be borne by the Corporation.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by the directors and/or officers of the Corporation at nominal cost. Arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares (the "**Common Shares**") of the Corporation held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

### Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy (the "**Management Designees**") are officers and/or directors of the Corporation. **A Shareholder has the right to appoint some other person, who need not be a director, officer or Shareholder, to represent him or her at the Meeting and may do so by crossing out the persons named in the enclosed form of proxy and inserting such other person's name in the blank space provided in the form of proxy or by completing another proper form of proxy.**

In order to be valid, proxies must be deposited with the transfer agent of the Corporation, TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1 not later than 10:00 a.m. (EST) on Thursday, September 5, 2019, or if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting at which the proxy is to be used, or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting.

The document appointing a proxy must be in writing and completed and signed by the Shareholder or his attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as officers, attorneys, executors, administrators, trustees, etc., should so indicate and provide satisfactory evidence of authority.

A Shareholder who has given a proxy has the power to revoke it with respect to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either: (i) by completing and signing a proxy bearing a later date and depositing it as described above; (ii) by depositing an instrument in writing revoking the proxy executed by him or his attorney authorized in writing: (a) with the Corporation at its registered office located at 36 Toronto Street, Suite 850, Toronto, Ontario, M5C 2C5 at any time prior to the close of business on the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used; (b) with TSX Trust Company at any time prior to the close of business on the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used; or (c) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof; or (iii) in any other manner permitted by law.

Please note that Shareholders who receive their meeting materials from Broadridge Investor Communication Solutions ("**Broadridge**") must return the completed proxy forms to Broadridge in order for the proxy to be dealt with.

### **Advice to Beneficial Shareholders**

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares owned by a person (a "**Non-Registered Holder**") are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has distributed copies of this Circular and the accompanying Notice of Meeting, the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2018 together with the auditors' report thereon, and the related Management's Discussion and Analysis, together with the form of proxy (collectively, the "**Meeting Materials**") to the Intermediaries and clearing agencies for onward distribution to Non-Registered Holders of Common Shares. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will often use service companies to forward the Meeting Materials to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) 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 and class of securities beneficially owned by the Non-Registered Holder, but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deposit it as described above; or
- (b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**Voting Instruction Form**") which the Intermediary must follow. Typically, the Non-Registered Holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the Non-Registered Holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives either form of proxy wish to vote at the Meeting in person, the Non-Registered Holder should strike out the persons named in the form of proxy and insert the Non-Registered Holder's name in the blank space provided.

Non-Registered Holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

All references to Shareholders in this Circular and the accompanying proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

The Corporation is not using "notice-and-access" to send its proxy-related materials to Shareholders, and paper copies of such materials will be sent to all Shareholders. The Corporation intends to pay for Intermediaries to deliver the Meeting Materials to objecting Non-Registered Holders.

### **Voting of Proxies**

**Common Shares represented by properly executed proxies will be voted or withheld from voting by the Management Designees on any ballot that may be called for in accordance with the instructions of the Shareholder as indicated on the proxy. In the absence of such instructions, such Common Shares shall be voted:**

- (a) **FOR the re-appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditors of the Corporation and the authorization of the directors to fix the remuneration of the auditors;**
- (b) **FOR the election as directors of the persons nominated by Management and specified under the heading "*Matters to Be Acted Upon at the Meeting – Election of Directors*"; and**
- (c) **FOR the approval of the resolution re-approving the Corporation's rolling stock option plan.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to any amendments to or variations of matters identified in the form of proxy and Notice of Meeting and with respect to any other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting or other matters are properly brought before the Meeting, it is the intention of the Management Designees to vote in accordance with their best judgment on such matters or business. As of the date of this Circular, the directors and officers of the Corporation knew of no such amendments, variations or other matters.

### **DATE OF INFORMATION**

Unless otherwise specified, the information contained in this Circular is given as of August 2, 2019.

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

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of First Preference Shares (the "**Preferred Shares**"), issuable in series, of which 677,211,441 Common Shares and no Preferred Shares are currently issued and outstanding.

At the Meeting, each Shareholder of record will be entitled to one vote for each Common Share held.

The Corporation will prepare a list of all persons who are registered holders of Common Shares as of the close of business on August 2, 2019 (the "**Record Date**") and the number of Common Shares registered in

the name of each person at such time. Each Shareholder is entitled to one vote for each Common Share registered in his name as it appears on the list.

To the knowledge of the directors and executive officers of the Corporation, the only person or company that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to vote at the Meeting is Great Harvest Canadian Investment Company Limited ("**Great Harvest**") which beneficially owns, or controls or directs, directly or indirectly, 554,468,276 Common Shares representing approximately 81.88% of the issued and outstanding Common Shares. Great Harvest is controlled by Yan Kim Po and Linda Lam Kwan. The information as to the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by Great Harvest, and the identity of the controlling shareholders of Great Harvest, not being within the knowledge of the Corporation, has been provided by Great Harvest.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **Financial Statements**

The audited consolidated financial statements of the Corporation for the year ended December 31, 2018, together with the auditors' report thereon, will be placed before the Shareholders at the Meeting for their consideration. No formal action will be taken at the Meeting to approve the financial statements, the requirements of the *Business Corporations Act* (Ontario) having been satisfied by their advance circulation to Shareholders who have requested to receive same. If any Shareholder has questions regarding the financial statements, such questions may be brought forward at the Meeting.

### **Re-Appointment and Remuneration of Auditors**

It is proposed that PricewaterhouseCoopers LLP, Chartered Professional Accountants ("**PwC**") be re-appointed as auditors of the Corporation until the next annual meeting of Shareholders or until their successor is appointed, and that the board of directors of the Corporation (the "**Board**") be authorized to fix the remuneration of the auditors. PwC was first appointed as auditors of the Corporation at the annual meeting of Shareholders held on June 6, 2012.

**The Management Designees, if not expressly directed to the contrary in the form of proxy, will vote such proxies in favour of the re-appointment of PwC as auditors of the Corporation and the authorization of the Board to fix the remuneration of the auditors.**

Based on the representations of PwC, neither that firm nor any of its partners has any direct financial interest or any material indirect financial interest in the Corporation or its subsidiary.

### **Election of Directors**

In accordance with the articles of incorporation of the Corporation, the Board must consist of a minimum of three and a maximum of 10 directors. The Board has been authorized by a special resolution passed by the Shareholders to set the number of directors within such minimum and maximum. The Board has determined that the number of directors to be elected at the Meeting is six.

**The Management Designees, if not expressly directed to the contrary in the form of proxy, will vote such proxies in favour of the election as directors of the persons nominated by Management whose names are set forth below.** Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Management Designees

reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets forth the name and municipality of residence for each person proposed to be nominated for election as a director, the positions and offices with the Corporation now held by him or her, his or her present principal occupation, the date that he or she was elected as a director and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by him or her.

| <b>Name and Municipality of Residence</b>                                  | <b>Position</b>                      | <b>Principal Occupation</b>                                                                                                                                                                                                                                                                                                                             | <b>Date Elected as a Director</b> | <b>Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b> |
|----------------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Norman M. Betts <sup>(2)(3)(4)</sup><br>Fredericton, New Brunswick, Canada | Lead Independent Director            | Associate Professor, Faculty of Business Administration, University of New Brunswick                                                                                                                                                                                                                                                                    | August 2, 2007                    | Nil                                                                                                                |
| William B. Burton <sup>(2)(4)(5)</sup><br>Toronto, Ontario, Canada         | Director                             | Retired; Director of Erdene Resource Development Corporation (a mineral exploration company)                                                                                                                                                                                                                                                            | January 9, 2007 <sup>(6)</sup>    | 11,164,283 <sup>(7)</sup>                                                                                          |
| Henry Wong <sup>(2)</sup><br>Hong Kong, China                              | Director                             | Group Financial Controller at Great Harvest (Holdings) Limited (holding company of a group of companies engaged conglomerate businesses)                                                                                                                                                                                                                | October 1, 2017                   | Nil                                                                                                                |
| Linda Lam Kwan<br>Hong Kong, China                                         | Chief Executive Officer and Director | Chief Executive Officer, Great Harvest Maeta Group Holdings Limited (holding company of a group of companies engaged in marine transportation services businesses); and Director of various private companies principally engaged in the trading and processing of mineral resources, investing in mineral resource companies, and property investments | October 14, 2010                  | 554,468,276 <sup>(8)</sup>                                                                                         |

|                                                                           |                       |                                                                                                                                                                                                                                                                                                                                          |                  |                            |
|---------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------|
| Yan Kim Po <sup>(5)</sup><br>Hong Kong, China                             | Chairman,<br>Director | Chairman, Great Harvest Maeta Group Holdings Limited (holding company of a group of companies engaged in marine transportation services businesses); and Director of various private companies principally engaged in the trading and processing of mineral resources, investing in mineral resource companies, and property investments | October 14, 2010 | 554,468,276 <sup>(8)</sup> |
| Joe Kin Foon Tai <sup>(3)(4)</sup><br>Vancouver, British Columbia, Canada | Director              | Executive Director, Goldpac Investments Ltd. (consulting company); Director of Axmin Inc. (a mineral exploration company); Director of China Goldcorp Ltd.; and Director of Colt Resources Inc.                                                                                                                                          | June 17, 2011    | Nil                        |

Notes:

- (1) The information as to the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the current directors, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (2) Member of the Audit Committee.
- (3) Member of the Nomination and Corporate Governance Committee.
- (4) Member of the Compensation Committee.
- (5) Member of the Technical Committee.
- (6) William B. Burton previously served as a director of the Corporation from December 31, 1992 until March 30, 2000.
- (7) The 11,164,283 Common Shares owned, or controlled or directed, directly or indirectly, by William B. Burton represent approximately 1.65% of the issued and outstanding Common Shares.
- (8) These Common Shares are held by Great Harvest which, in addition, holds a Share Purchase Right entitling it to acquire up to 60,000,000 additional Common Shares in certain circumstances. Yan Kim Po and Linda Lam Kwan are the controlling shareholders of Great Harvest. The 554,468,276 Common Shares held by Great Harvest represent approximately 81.88% of the issued and outstanding Common Shares.

*Ownership of Common Shares*

The current directors of the Corporation as a group own, or control or direct, directly or indirectly, an aggregate of 565,632,559 Common Shares, representing approximately 83.52% of the issued and outstanding Common Shares.

*Cease Trade Orders and Bankruptcies*

Except as disclosed below or elsewhere in this Circular, no proposed director of the Corporation:

- (a) is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (any such order, an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or
- (c) has, within 10 years before the date hereof, 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 its assets.

Joe Kin Foon Tai was a director, President and CEO of ChineseWorldNet.com Inc. and on August 13, 2009, while serving in those capacities, a cease trade order was issued against such company for failing to file year end reports (such cease trade order was revoked as of January 19, 2010). Mr. Tai resigned as a director, President and CEO of ChineseWorldNet.com Inc. in April 28, 2014. He was also a director of Medifocus Inc., on August 9, 2011, the date a cease trade order was issued by the British Columbia Securities Commission and on August 16, 2011, the date a cease trade order was issued by Ontario Securities Commission and on August 19, 2011, the date a cease trade order was issued by the TSXV, all due to the failure of such company to file its audited annual financial statements and other related documents for the fiscal year ended March 31, 2011, (such cease trade orders were revoked by the British Columbia Securities Commission on December 22, 2011, the Ontario Securities Commission on December 22, 2011 and the TSXV on May 16, 2012). Mr. Tai resigned as a director of Medifocus Inc. in November, 2012.

Norman M. Betts was a director of Starfield Resources Inc. ("**Starfield**") from March 2006 until June 2013. On March 7, 2013, Starfield filed a Notice of Intention to Make a Proposal (the "**Notice**") under the *Bankruptcy and Insolvency Act* (Canada). The Notice provided Starfield with protection from its creditors while it undertook a sale and investment solicitation process in respect of its assets, undertakings and property. On June 7, 2013, the Ontario Superior Court of Justice (Commercial List) issued an order approving a sale of substantially all of Starfield's assets. Starfield subsequently determined that it would not be able to put forward a viable proposal and, effective June 28, 2013, was deemed to have made an assignment in bankruptcy for failure to file a proposal before the time for doing so passed pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada).

### *Penalties and Sanctions*

Except as disclosed elsewhere in this Circular, no proposed director of the Corporation has been subject to:

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

### **Re-Approval of Stock Option Plan**

At the annual and special meeting of Shareholders held on April 20, 2007, the Shareholders approved a rolling stock option plan (the "**Stock Option Plan**") for the Corporation. The Stock Option Plan was re-approved by Shareholders at each of the annual and special meetings of Shareholders held on April 25, 2008, April 24, 2009, July 29, 2010, June 17, 2011, June 6, 2012, August 13, 2013, November 10, 2014, February 2, 2016, May 2, 2017 and July 12, 2018. Options to purchase up to 10% of the total number of Common Shares issued and outstanding from time to time are issuable pursuant to the Stock Option Plan. This is a "rolling" plan ceiling as the number of options which may be granted pursuant to the Stock Option Plan will increase as the number of Common Shares which are issued and outstanding increases. If an option expires or is otherwise terminated for any reason, the number of Common Shares in respect of that expired or terminated option shall again be available for the purposes of the Stock Option Plan. Pursuant to the policies of the TSX Venture Exchange, the Shareholders are required to approve on a yearly basis stock option plans which have a "rolling" plan ceiling.

The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, employees and other service providers by providing them with the opportunity, through stock options, to acquire a proprietary interest in the Corporation and benefit from the growth of the Corporation. Options issued under the Stock Option Plan are non-assignable and non-transferable and may be granted for a term not exceeding ten years.

The Stock Option Plan is administered by the Board or a committee established by the Board for that purpose (the "**Committee**"). The Stock Option Plan may be amended, subject to regulatory approval, or terminated by the Board or the Committee at any time, but such amendment or termination will not alter the terms or conditions of any option awarded prior to the date of such amendment or termination. Any option outstanding when the Stock Option Plan is amended or terminated will remain in effect until it is exercised or expires or is otherwise terminated in accordance with the provisions of the Stock Option Plan.

The Stock Option Plan provides that other terms and conditions, including vesting provisions, may be attached to a particular stock option at the discretion of the Board or the Committee, provided that if required by any stock exchange on which the shares of the Corporation trade, options issued to consultants which provide investor relations activities must vest in stages over not less than 12 months with no more than one-quarter of the options vesting in any three-month period. All option grants are to be evidenced by the execution of a written option agreement between the Corporation and the optionee which shall give effect to the provisions of the Stock Option Plan.

Options may be granted under the Stock Option Plan only to directors, officers, employees and other service providers of the Corporation subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. The number of Common Shares reserved for issuance to any one individual pursuant to the Stock Option Plan within any one year may not exceed 5% of the issued and outstanding Common Shares at the date of such grant.

The maximum number of Common Shares which may be reserved for issuance under the Stock Option Plan, any other employee stock option plans or options for services within a one-year period:

- (a) to insiders shall be 10% of the number of Common Shares outstanding at the time of the grant (on a non-diluted basis);
- (b) to any insider shall be 5% of the number of Common Shares outstanding at the time of the grant (on a non-diluted basis);
- (c) to any consultant to the Corporation shall be 2% of the number of Common Shares outstanding at the time of the grant (on a non-diluted basis); and
- (d) to all employees or consultants who provide investor relations activities shall be 2% of the number of Common Shares outstanding at the time of the grant (on a non-diluted basis).

Options granted under the Stock Option Plan will be for a term not to exceed ten years from the date of their grant. In the event an optionee ceases to be a service provider of the Corporation (other than by reason of death), the option will expire on the earlier of the expiry date stated in the option agreement executed in respect to such grant (the "**Fixed Expiry Date**") and 90 days following the date of termination (unless such period is extended by the Board or the Committee and approval is obtained from the stock exchange on which the shares of the Corporation trade), unless the optionee is an employee or consultant of the Corporation providing investor relations activities, in which case the option will expire on the earlier of the Fixed Expiry Date and 30 days following the date of termination (unless such period is extended by the Board or the Committee and approval is obtained from the stock exchange on which the shares of the Corporation trade).

In the event of death of an optionee, the option will be exercisable by the personal representatives of the optionee within, but only within, the period of one year next succeeding the optionee's death (unless such period is extended by the Board or the Committee and approval is obtained from the stock exchange on which the shares of the Corporation trade).

The price at which an optionee may purchase a Common Share upon the exercise of an option will be as set forth in the option agreement executed in respect of such option and, in any event, will not be less than the market price of the Common Shares as of the date of the grant of the option (the "**Grant Date**") less any discounts from the market price allowed by the TSX Venture Exchange, subject to a minimum exercise price of \$0.05. The market price of the Common Shares means the closing price on the last trading day immediately preceding the Grant Date or as otherwise determined in accordance with the terms of the Stock Option Plan. The approval of disinterested shareholders is required for any reduction in the exercise price of a previously granted option to an insider of the Corporation.

Common Shares will not be issued pursuant to options granted under the Stock Option Plan until they have been fully paid for.

A copy of the Stock Option Plan may be obtained upon request from the Corporation at 36 Toronto Street, Suite 850, Toronto, ON M5C 2C5.

At the Meeting, Shareholders will be asked to consider and, if thought fit, approve a resolution, substantially in the form attached hereto as Schedule "A", to re-approve the Stock Option Plan and authorize the issuance under the Stock Option Plan of options to acquire up to 10% of the number of Common Shares issued and outstanding from time to time. In order to be approved by Shareholders, the resolution must be approved by a majority of the votes cast at the Meeting.

Management is of the opinion that the Stock Option Plan will continue to be beneficial to the Corporation as it provides the Corporation with flexibility to grant options and permits the Corporation to continue to attract, retain and motivate directors, officers, employees and other service providers. **The Management Designees, if not expressly directed to the contrary in the form of proxy, will vote such proxies in favour of the resolution re-approving the Corporation's Stock Option Plan.**

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

Except as disclosed below or elsewhere in this Circular, to the knowledge of the directors and executive officers of the Corporation, no person who has been a director or executive officer of the Corporation at any time since January 1, 2018, no proposed nominee for election as a director of the Corporation, and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

Certain of the directors and executive officers of the Corporation have been granted options under the Stock Option Plan and all directors and executive officers will be eligible to be granted options under the Stock Option Plan in the future. See "*Matters to Be Acted Upon at the Meeting – Re-Approval of Stock Option Plan*".

#### **EXECUTIVE COMPENSATION**

The information contained below is provided as required under Form 51-102F6 - *Statement of Executive Compensation*.

##### **Summary Compensation Table**

The following table contains information about the compensation awarded to, earned by, paid to or payable to, the Corporation's "**Named Executive Officers**", being its former Interim President and Chief Executive Officer, Yan Kim Po and its former Interim Chief Financial Officer, Douglas Bolton, as well as its current President and Chief Financial Officer, Linda Lam Kwan, and its current Chief Financial Officer, Olga Balanovskaya, for each of the fiscal years ended December 31, 2018, 2017 and 2016. Douglas Bolton and Olga Balanovskaya are not employees of the Corporation as their services are provided on a consultant basis.

| Name and Principal Position                                           | Year | Salary (\$) | Share-Based Awards (\$) | Option-Based Awards (\$) | Non-Equity Incentive Plan Compensation (\$) |                           | Pension Value (\$) | All Other Compensation (\$) | Total Compensation (\$) |
|-----------------------------------------------------------------------|------|-------------|-------------------------|--------------------------|---------------------------------------------|---------------------------|--------------------|-----------------------------|-------------------------|
|                                                                       |      |             |                         |                          | Annual Incentive Plans                      | Long-Term Incentive Plans |                    |                             |                         |
| Yan Kim Po, Chairman, former Chief Executive Officer <sup>(1)</sup>   | 2018 | Nil         | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | Nil                     |
|                                                                       | 2017 | 168,750     | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | 168,750                 |
|                                                                       | 2016 | 225,000     | 11,919                  | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | 236,919                 |
| Douglas Bolton, former Interim Chief Financial Officer <sup>(2)</sup> | 2018 | Nil         | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | Nil                     |
|                                                                       | 2017 | 27,000      | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | 27,000                  |
|                                                                       | 2016 | 39,020      | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | 39,020                  |
| Linda Lam Kwan, Chief Executive Officer <sup>(3)</sup>                | 2018 | Nil         | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | Nil                     |
|                                                                       | 2017 | 18,000      | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | 18,000                  |
|                                                                       | 2016 | 24,000      | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | 24,000                  |
| Olga Balanovskaya, Chief Financial Officer <sup>(4)</sup>             | 2018 | 37,800      | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | 37,800                  |
|                                                                       | 2017 | 9,450       | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | 9,450                   |
|                                                                       | 2016 | Nil         | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | Nil                     |

Notes:

- (1) Yan Kim Po was a Chief Executive Officer of the Corporation from November 20, 2012 to September 30, 2017. His base salary was \$225,000 per year and was not compensated for serving as a director of the Corporation.
- (2) Douglas Bolton was an Interim Chief Financial Officer of the Corporation from May 29, 2013 to September 30, 2017.
- (3) Linda Lam Kwan was appointed Chief Executive Officer of the Corporation effective October 1, 2017. She is not compensated for serving as a Chief Executive Officer. Her compensation as a director was \$24,000 per year until September 30, 2017. Effective October 1, 2017, her compensation for serving as a director was suspended.
- (4) Olga Balanovskaya was appointed Chief Financial Officer of the Corporation effective October 1, 2017.

During the year ended December 31, 2018, the Company's Board of Directors approved the forgiveness of certain director's fees and the Chief Executive Officer's compensation payable as at September 30, 2017 (\$401,300). The Directors and Chief Executive Officer for which the director's fees and compensation have been forgiven are members of management of Great Harvest, the company's controlling shareholder. Accordingly, the forgiveness of these expenses has been recognized in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2018. In addition, subsequent to September 30, 2017, the Company has not been charged by its certain Directors and the Chief Executive Officer (representatives of Great Harvest) for certain director's fees and for the Chief Executive Officer's compensation. Accordingly, the Company has not recognized expenses for these costs.

### Outstanding Share-Based and Option-Based Awards Granted to Named Executive Officers

The following table sets forth certain information, in relation to Named Executive Officers, regarding share-based and option-based awards outstanding as of December 31, 2018:

| Name              | Option-Based Awards                                     |                            |                        |                                                               | Share-Based Awards                                       |                                                                        |                                                                                      |
|-------------------|---------------------------------------------------------|----------------------------|------------------------|---------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
|                   | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$) | Number of Shares or Units of Shares that have not Vested | Market or Payout Value of Share-Based Awards that have not Vested (\$) | Market or Payout Value of Vested Share-Based Awards not paid out or distributed (\$) |
| Yan Kim Po        | Nil                                                     | Nil                        | Nil                    | Nil                                                           | Nil                                                      | Nil                                                                    | Nil                                                                                  |
| Douglas Bolton    | Nil                                                     | Nil                        | Nil                    | Nil                                                           | Nil                                                      | Nil                                                                    | Nil                                                                                  |
| Linda Lam Kwan    | Nil                                                     | Nil                        | Nil                    | Nil                                                           | Nil                                                      | Nil                                                                    | Nil                                                                                  |
| Olga Balanovskaya | Nil                                                     | Nil                        | Nil                    | Nil                                                           | Nil                                                      | Nil                                                                    | Nil                                                                                  |

Notes:

### Incentive Plan Awards Value Vested or Earned by Named Executive Officers During the Years Ended December 31, 2018 and 2017

The following table sets forth certain information, in relation to Named Executive Officers, regarding the value vested or earned in connection with incentive plan awards during the years ended December 31, 2018 and 2017:

| Name              | Year | Option-Based Awards Value Vested During the Year <sup>(1)</sup><br>(\$) | Share-Based Awards Value Vested During the Year<br>(\$) | Non-Equity Incentive Plan Compensation Value Earned During the Year<br>(\$) |
|-------------------|------|-------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------------|
| Yan Kim Po        | 2018 | Nil                                                                     | Nil                                                     | Nil                                                                         |
|                   | 2017 | Nil                                                                     | Nil                                                     | Nil                                                                         |
| Douglas Bolton    | 2018 | Nil                                                                     | Nil                                                     | Nil                                                                         |
|                   | 2017 |                                                                         |                                                         |                                                                             |
| Linda Lam Kwan    | 2018 | Nil                                                                     | Nil                                                     | Nil                                                                         |
|                   | 2017 | Nil                                                                     | Nil                                                     | Nil                                                                         |
| Olga Balanovskaya | 2018 | Nil                                                                     | Nil                                                     | Nil                                                                         |
|                   | 2017 | Nil                                                                     | Nil                                                     | Nil                                                                         |

Notes:

- (1) Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

### Termination and Change of Control Benefits

The Corporation does not have any compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive a payment from the Corporation or its subsidiary, including periodic payments or instalments in the event of (i) the resignation, retirement or any other termination of any such Named Executive Officer's employment with the Corporation and its subsidiary, (ii) a change of control of the Corporation or its subsidiary or (iii) a change in the responsibilities of such Named Executive Officer following a change in control.

### Director Compensation Table

The following table contains information about the compensation awarded to, earned by, paid to or payable to, the Corporation's directors, other than its Named Executive Officers, the compensation of whom is detailed above under "*Executive Compensation - Summary Compensation Table*", for the fiscal years ended December 31, 2018 and 2017:

| Name              | Year | Fees Earned (\$) | Share-Based Awards (\$) | Option-Based Awards (\$) | Non-Equity Incentive Plan Compensation (\$) |                           | Pension Value (\$) | All Other Compensation (\$) | Total (\$) |
|-------------------|------|------------------|-------------------------|--------------------------|---------------------------------------------|---------------------------|--------------------|-----------------------------|------------|
|                   |      |                  |                         |                          | Annual Incentive Plans                      | Long-Term Incentive Plans |                    |                             |            |
| Norman M. Betts   | 2018 | 43,200           | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | 43,200     |
|                   | 2017 | 42,200           | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | 1,000                       | 43,200     |
| Henry Wong        | 2018 | Nil              | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | Nil        |
|                   | 2017 | Nil              | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | Nil        |
| Joe Kin Foon Tai  | 2018 | 33,400           | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | 33,400     |
|                   | 2017 | 29,400           | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | 29,400     |
| William B. Burton | 2018 | 37,467           | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | Nil                         | 37,467     |
|                   | 2017 | 37,200           | Nil                     | Nil                      | Nil                                         | Nil                       | Nil                | 1,000                       | 38,200     |

The directors of the Corporation are entitled to receive directors' fees in the amount of \$2,000 per month for their services as directors. The following additional compensation is paid for specific additional roles and responsibilities on the Board:

- The Chairman of the Board is entitled to receive an additional fee of \$625 per month.
- The Lead Independent Director is entitled to receive an additional fee of \$500 per month.
- The chair of the Technical Committee is entitled to an additional fee of \$250 per month.
- Members of the Technical Committee are entitled to an additional fee of \$83 per month.
- The chair of the Audit Committee is entitled to an additional fee of \$150 per month.
- Members of the Audit Committee are entitled to an additional fee of \$100 per month.
- The Chair of the Nomination and Corporate Governance Committee is entitled to an additional fee of \$150 per month.
- Members of the Nomination and Corporate Governance Committee are entitled to an additional fee of \$100 per month.

- The Chair of the Compensation Committee is entitled to an additional fee of \$150 per month.
- Members of the Compensation Committee are entitled to an additional fee of \$100 per month.

Yan Kim Po and Linda Lam Kwan waive all Board-related fees to which he is entitled as a director and committee member.

All directors are reimbursed by the Corporation for travel and other out-of-pocket expenses incurred in attending directors and shareholders' meetings and meetings of Board committees and are entitled to meeting fees of \$800 per meeting. Directors are also entitled to receive compensation to the extent that they provide services to the Corporation at rates that would be charged by such directors for such services to arm's length parties. The directors of the Corporation participate in the insurance and indemnification arrangements described below. See "*Directors' and Officers' Insurance*".

**Outstanding Share-Based and Option-Based Awards Granted to Directors (Other Than Directors who are Named Executive Officers)**

The following table sets forth certain information, in relation to the directors of the Corporation, other than the Named Executive Officers, regarding share-based and option-based awards outstanding as of December 31, 2018:

|                   | Option-Based Awards                                     |                            |                        |                                                               | Share-Based Awards                                       |                                                                        |                                                                                      |
|-------------------|---------------------------------------------------------|----------------------------|------------------------|---------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Name              | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$) | Number of Shares or Units of Shares that have not Vested | Market or Payout Value of Share-Based Awards that have not Vested (\$) | Market or Payout Value of Vested Share-Based Awards not paid out or distributed (\$) |
| Yan Kim Po        | Nil                                                     | Nil                        | Nil                    | Nil                                                           | Nil                                                      | Nil                                                                    | Nil                                                                                  |
| Norman M. Betts   | Nil                                                     | Nil                        | Nil                    | Nil                                                           | Nil                                                      | Nil                                                                    | Nil                                                                                  |
| Henry Wong        | Nil                                                     | Nil                        | Nil                    | Nil                                                           | Nil                                                      | Nil                                                                    | Nil                                                                                  |
| Joe Kin Foon Tai  | Nil                                                     | Nil                        | Nil                    | Nil                                                           | Nil                                                      | Nil                                                                    | Nil                                                                                  |
| William B. Burton | Nil                                                     | Nil                        | Nil                    | Nil                                                           | Nil                                                      | Nil                                                                    | Nil                                                                                  |

**Incentive Plan Awards Value Vested or Earned During the Years Ended December 31, 2018 and 2017 by Directors (Other Than Directors who are Named Executive Officers)**

The following table sets forth certain information, in relation to the directors of the Corporation, other than the Named Executive Officers, regarding the value vested or earned in connection with incentive plan awards during the years ended December 31, 2018 and 2017:

| <b>Name</b>       | <b>Year</b> | <b>Option-Based Awards Value Vested During the Years<sup>(1)</sup> (\$)</b> | <b>Share-Based Awards Value Vested During the Year (\$)</b> | <b>Non-Equity Incentive Plan Compensation Value Earned During the Year (\$)</b> |
|-------------------|-------------|-----------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------------|
| Norman M. Betts   | 2018        | Nil                                                                         | Nil                                                         | Nil                                                                             |
|                   | 2017        | Nil                                                                         | Nil                                                         | Nil                                                                             |
| Yan Kim Po        | 2018        | Nil                                                                         | Nil                                                         | Nil                                                                             |
|                   | 2017        | Nil                                                                         | Nil                                                         | Nil                                                                             |
| Henry Wong        | 2018        | Nil                                                                         | Nil                                                         | Nil                                                                             |
|                   | 2017        | Nil                                                                         | Nil                                                         | Nil                                                                             |
| Joe Kin Foon Tai  | 2018        | Nil                                                                         | Nil                                                         | Nil                                                                             |
|                   | 2017        | Nil                                                                         | Nil                                                         | Nil                                                                             |
| William B. Burton | 2018        | Nil                                                                         | Nil                                                         | Nil                                                                             |
|                   | 2017        | Nil                                                                         | Nil                                                         | Nil                                                                             |

Notes:

- (1) Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

**Compensation Discussion and Analysis**

The Corporation has established a compensation program for its Named Executive Officers which is designed to achieve the following key objectives:

- attract the most qualified and experienced executives available to create shareholder value and drive the continued development of the Corporation and its current and future mineral exploration and mining assets;
- retain qualified executives and provide appropriate short-term and long-term financial incentives with the goals of increasing the Corporation's performance and encouraging the achievement of stated milestones with respect to the development of the Corporation's current and future mineral exploration and mining assets; and
- appropriately incentivize the Named Executive Officers to achieve specific corporate milestones or benchmarks such as completion of equity financings.

Compensation for the Corporation's Named Executive Officers consists of the following three components: (i) base cash consulting fees; (ii) cash bonus payments for achievement of stated milestones or benchmarks; and (iii) options granted pursuant to the Corporation's Stock Option Plan. The Corporation does not provide its Named Executive Officers with perquisites or personal benefits. The Corporation also does not provide any additional compensation to its Named Executive Officers for serving as directors of the Corporation, other than the directors' fees to which a Named Executive Officer is entitled in his or her capacity as a director.

The Corporation's process for determining executive compensation is based on board discussion and negotiation with candidates. The Corporation has not yet adopted formal compensation criteria or analysis.

With respect to the base compensation of Yan Kim Po in his capacity as the Interim President and Chief Executive Officer of the Corporation until September 30, 2017, he was entitled to a salary in the amount of \$225,000 per annum. These amounts were agreed upon between Yan Kim Po and the Corporation taking into account the following considerations:

- Yan Kim Po's prior experience as a director of various private companies principally engaged in the trading and processing of mineral resources, investing in mineral resource companies and property investments; and
- The current market reward structure and compensation to Presidents and Chief Executive Officers.

Linda Lam Kwan is an appointed Chief Executive Officer of the Corporation effective October 1, 2017. She is not compensated for serving as a Chief Executive Officer. Her compensation as a director was \$24,000 per year until September 30, 2017.

During the year ended December 31, 2018, the Company's Board of Directors approved the forgiveness of certain director's fees and the Chief Executive Officer's compensation payable as at September 30, 2017 (\$401,300). The Directors and Chief Executive Officer for which the director's fees and compensation have been forgiven are members of management of Great Harvest, the company's controlling shareholder. Accordingly, the forgiveness of these expenses has been recognized in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2018. In addition, subsequent to September 30, 2017, the Company has not been charged by its certain Directors and the Chief Executive Officer (representatives of Great Harvest) for certain director's fees and for the Chief Executive Officer's compensation. Accordingly, the Company has not recognized expenses for these costs.

The payment of bonuses during any given annual fiscal period is made at the discretion of the Compensation Committee if and when the Named Executive Officers achieve certain milestones, such as the completion of a major equity financing or a significant operational milestone. Significant operational milestones (benchmarks) include, but are not limited to, completion of an exploration and drilling program, upgrading of mine site infrastructure, and finalization of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* technical reports or studies providing an economic assessment of the mineral deposits located at the Corporation's mineral properties. The granting of options to the Named Executive Officers under the Corporation's Stock Option Plan provides an appropriate long-term incentive to management to create shareholder value. Options are granted to the Named Executive Officers in numbers which recognize on a reasonable basis their specific contribution to the Corporation in their capacities as executive officers of the Corporation. Previous grants of options to Named Executive Officers are taken into consideration by the Compensation Committee when considering new option grants.

The compensation of the independent directors, which includes directors' fees, meeting fees, per diem rates and the granting of options under the Corporation's Stock Option Plan, is determined by the non-independent directors in the Compensation Committee. The payment of the monthly directors' fees to the

directors recognizes their contributions to the Corporation in their capacities as directors and members of the various committees of the Board, including the Compensation Committee, the Audit Committee, the Nomination and Corporate Governance Committee and the Technical Committee.

The granting of options to the directors of the Corporation who are not Named Executive Officers under the Corporation's Stock Option Plan provides an appropriate long-term incentive to these directors to provide proper oversight to the Corporation with a view to maximizing shareholder value. Options granted to the directors of the Corporation who are not Named Executive Officers are awarded in numbers which recognize, on a reasonable basis, their contributions to the Corporation in their capacities as directors and members of the various committees of the Board, including the Compensation Committee, the Audit Committee, the Nomination and Corporate Governance Committee and the Technical Committee. Previous grants of options awarded to the directors of the Corporation who are not Named Executive Officers are taken into consideration when considering new option grants.

The Compensation Committee and the Board have considered the implications of risks associated with the Corporation's compensation policies and practices and have not identified any risks arising from the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation. The components of the Corporation's executive compensation are fairly straightforward and include base cash consulting fees, short term cash bonus payments and long term options.

The Corporation does not currently have a policy that restricts executive officers or directors from purchasing financial instruments, including 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 the Corporation's equity securities. Any such purchases would be required to be disclosed in insider report filings, and to date no such purchases have been disclosed.

### **Compensation Governance**

The Corporation's Compensation Committee is comprised of three directors of the Corporation, being Norman M. Betts, William B. Burton and Joe Kin Foon Tai, each of whom is independent. Each of the members of the Compensation Committee has relevant direct experience in matters of executive compensation through their work with and acting as directors of publicly traded mining companies. The skills and experience of the members of the committee enable the committee to make decisions on the suitability of compensation policies and practices.

The Compensation Committee is solely responsible for the compensation program for the Corporation's Named Executive Officers. At the request of the Compensation Committee, the other directors and the President and Chief Executive Officer may, from time to time, provide recommendations to the Compensation Committee with respect to the compensation program for the Corporation's Named Executive Officers.

The deliberations of the Compensation Committee are private and are intended to advance the three key objectives of the compensation program for the Corporation's Named Executive Officers described above.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes the number of Common Shares authorized for issuance under the Corporation's Stock Option Plan, being the only existing equity compensation plan of the Corporation, as at December 31, 2018:

| <b>Plan Category</b>                                      | <b>Number of Securities to be Issued Upon Exercise of Outstanding Options<sup>(1)</sup></b> | <b>Weighted-Average Exercise Price of Outstanding Options<sup>(1)</sup></b> | <b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding the Options Reflected Under the First Column)<sup>(1)</sup></b> |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity Compensation Plans Approved by Securityholders     | Nil                                                                                         | Not Applicable                                                              | 67,721,144                                                                                                                                                                 |
| Equity Compensation Plans Not Approved by Securityholders | Nil                                                                                         | Not Applicable                                                              | Nil                                                                                                                                                                        |

Notes:

- (1) All of these securities are issuable under the Corporation's Stock Option Plan. Options to purchase up to 10% of the total number of Common Shares issued and outstanding from time to time are issuable pursuant to the Stock Option Plan. See "Matters to be Acted Upon at the Meeting – Re-Approval of Stock Option Plan" for a description of the material features of the Stock Option Plan.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No present or former officer, director or employee of the Corporation or the Corporation's subsidiary has any outstanding indebtedness to the Corporation, the Corporation's subsidiary or another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or the Corporation's subsidiary.

## DIRECTORS' AND OFFICERS' INSURANCE

The directors and officers of the Corporation are covered under a directors' and officers' insurance policy that provides an aggregate limit of liability applicable to the insured individuals of \$5,000,000, inclusive of costs to defend claims. The annual premium paid for this policy in 2018 and 2017 was \$10,800 (excluding applicable taxes), the entire amount of which was paid by the Corporation. The estimated amount of this premium paid in respect of the directors of the Corporation was \$6,750 and the estimated amount of this premium paid in respect of the officers of the Corporation was \$4,050. The directors' and officers' insurance policy is subject to a deductible in the amount of \$25,000 in respect of all claims arising out of any single wrongful act or related wrongful acts.

The by-laws of the Corporation also provide for the indemnification of the directors and officers of the Corporation from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain usual limitations.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed below or elsewhere in this Circular, to the knowledge of the directors and executive officers of the Corporation, none of the Corporation's directors, executive officers, Shareholders beneficially owning, or controlling or directing, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, proposed directors, nor any associate or affiliate of any of the foregoing, have any material interest, direct or indirect, in any transaction since January 1, 2014 or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Corporation or its subsidiary.

On July 8, 2016, Great Harvest, the controlling shareholder of the Company, and the Company entered into a loan agreement whereby Great Harvest extended a loan to the Company in the amount of US\$1,000,000. The loan could be advanced in one or more instalments. The first instalment of US\$200,000 was received on July 29, 2016; the second instalment of US\$200,000 was received on October 11, 2016; the third instalment of US\$200,000 was received on February 27, 2017; the fourth instalment of US\$150,000 was received on May 17, 2017; the fifth instalment of US\$100,000 was received on September 5, 2017 and the sixth instalment was received on November 14, 2017. The loan is unsecured and bears interest at the rate of 8% per annum. On December 31, 2017, the repayment of this loan together with accrued interest was extended to December 31, 2018. On April 26, 2019, Great Harvest, the controlling shareholder approved an extension for the repayment of this loan together with the accrued interest to December 31, 2020.

On January 18, 2018, Great Harvest, the controlling shareholder of the Company, and the Company entered into a loan agreement whereby Great Harvest agreed to provide a new loan to the Company in the amount of up to US\$600,000. The loan could be advanced in one or more instalments. The first instalment of US\$150,000 was received on January 26, 2018; the second instalment of US\$150,000 was received on March 28, 2018, the third instalment of US\$100,000 was received on May 30, 2018, the fourth instalment of US\$100,000 was received on August 16, 2018, and the fifth instalment of US\$100,000 was received on December 3, 2018. The loan is unsecured and bears interest at the rate of 8% per annum. The loan and interest became due and payable on January 19, 2019. On April 26, 2019, Great Harvest, the controlling shareholder approved an extension for the repayment of this loan together with the accrued interest to December 31, 2020.

As at December 31, 2018, the Company accrued \$231,542 (\$86,227 - at December 31, 2017) for interest on the outstanding loans. The interest payable was included in accrued liabilities.

On March 4, 2019, Great Harvest agreed to advance or otherwise make available to the Company a loan in the principal of up to US\$600,000. The Company is allowed to borrow the loan in one or more instalments at any time and from time to time within one year by issuing a Drawdown Notice. The loan bears interest at the rate of 8% per annum and the Company shall repay the total amount of instalments advanced under the loan in full on March 5, 2020. On March 5, 2019, the Company issued a Drawdown Notice for an initial instalment amount of US\$150,000 which was subsequently advanced by Great Harvest.

Great Harvest is controlled by Yan Kim Po and Linda Lam Kwan, each of whom is a director of the Corporation. Linda Lam Kwan is also the President and Chief Executive Officer of the Corporation and Chairman of the Board. As noted above, Great Harvest beneficially owns, or controls or directs, directly or indirectly, 554,468,276 Common Shares, representing approximately 81.88% of the issued and outstanding Common Shares of the Corporation.

## MANAGEMENT CONTRACTS

No management functions of the Corporation are performed to any substantial degree by persons other than the directors or executive officers of the Corporation.

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("NI 52-110") requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information relating to the Corporation's Audit Committee and its relationship with the Corporation's independent auditors.

### The Audit Committee's Charter

The Corporation's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as Schedule "B".

### Composition of the Audit Committee

The Corporation's Audit Committee is currently comprised of three directors of the Corporation being Norman M. Betts, William B. Burton and Henry Wong. Each of Norman M. Betts and William B. Burton is independent as defined in NI 52-110. Henry Wong is not considered to be independent by virtue of his employment with an affiliate of Great Harvest and the ownership of Common Shares by Great Harvest of approximately 81.88% of the outstanding Common Shares. All three members of the Audit Committee are financially literate as defined in NI 52-110.

### Relevant Education and Experience

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member is described below.

Norman M. Betts holds a Bachelor of Business Administration degree from the University of New Brunswick and a PhD in Management (area of concentration: accounting and finance) from Queen's University School of Business. He has been a chartered accountant since 1981 and in 2001 he was named a fellow of the New Brunswick Institute of Chartered Accountants. He is currently a Professor in the Faculty of Business Administration at the University of New Brunswick. Mr. Betts has extensive public company experience, serving as a director and Chair of the Audit Committee of Tanzanian Royalty Exploration Corporation (TSX:TNX, NYSE:TRX) and a director and Chair of the Audit Committee of 49 North Resources (TSX-V:FNR). He also serves as a director and a member of the Audit and Finance Committee of the Bank of Canada.

William B. Burton graduated with an Honours Bachelor of Sciences (B.Sc.) in Geology from Dalhousie University in Halifax in 1973. He founded the Corporation in 1992, was its Chief Executive Officer from 1994 to 1998, and oversaw the acquisition of the Mount Pleasant Property in 1995. He has been a director of Erdene Resource Development (TSX:ERD) since 2003. Erdene Resource Development is focused on the definition of late stage gold and copper projects in Mongolia. He has held executive positions in various publicly traded companies in Canada involved in mineral exploration and development around the globe. With 40 years of experience in the minerals sector, he has both hands on experience as a geologist and as an executive. From 1996 to 1998, he was the Vice-President of Exploration of International Pursuit evaluating gold properties in Asia, including Mongolia, and was the President of Mongolian Goldfields

Corporation from 1996 to 1997. Most recently, as President, CEO and founder of MagIndustries Corp., he lead the completion of feasibility studies to develop a solution potash mine operation after many years of exploration and development of extensive carnallite deposits in the Republic of Congo. Mr. Burton is a member of the Institute of Corporate Directors and completed the Audit Committee effectiveness course in December 2012.

Wong Kwok Keung joined the Board of the Corporation effective October 1, 2017. Mr. Wong holds a Master of Science in Finance Analysis and a Master of Corporate Governance and is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He is also associate member of Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and administrators. Prior to joining the Corporation, Mr. Wong has over 18 years of hands-on and diversified working experience in several Hong Kong Listed companies and well known organizations across jewellery trading, property leasing and development, garment and electronics manufacturing in the Greater China and Asia Pacific regions.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemptions contained in section 2.4 or Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided to the Corporation and its subsidiary by the Corporation's external auditors where the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total fees payable by the Corporation and its subsidiary to the auditors in the fiscal year in which the non-audit services were provided and certain other requirements are met. Part 8 permits the Corporation 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 Audit Committee has adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of the Corporation's auditors to provide non-audit services as required by those policies and procedures.

### **External Auditors Service Fees (By Category)**

The fees billed by the Corporation's external auditors in each of the last three fiscal years are as follows:

| <b>Fiscal Year Ended</b> | <b>Audit Fees</b> | <b>Audit Related Fees<sup>(1)</sup></b> | <b>Tax Fees<sup>(2)</sup></b> | <b>All Other Fees<sup>(3)</sup></b> |
|--------------------------|-------------------|-----------------------------------------|-------------------------------|-------------------------------------|
| December 31, 2018        | \$32,000          | \$Nil                                   | \$Nil                         | \$Nil                               |
| December 31, 2017        | \$30,000          | \$Nil                                   | \$Nil                         | \$Nil                               |
| December 31, 2016        | \$30,000          | \$Nil                                   | \$Nil                         | \$Nil                               |

Notes:

- (1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column. These services included review of quarterly financial statements and documents relating to the Rights Offering.

## Exemption

The Corporation is relying on the exemption in section 6.1 of NI 52-110 for venture issuers which allows for an exemption from Part 5 (Reporting Obligations) of NI 52-110 and permits the use of the short form of disclosure relating to its Audit Committee set out in Form 52-110F2.

## CORPORATE GOVERNANCE

The Corporation is required to provide in this Circular the following disclosure of its corporate governance practices in accordance with National Instrument 58-101 - *Disclosure of Corporate Governance Practices*:

1. **Board of Directors** – There are currently six members of the Corporation's Board. Norman M. Betts, William B. Burton, and Joe Kin Foon Tai are independent directors of the Corporation, and Yan Kim Po, Linda Lam Kwan and Henry Wong are not independent. William B. Burton is a former President and Chief Executive Officer of the Corporation, but resigned from such position on March 31, 2000. Yan Kim Po and Linda Lam Kwan are no longer considered to be independent as a result of the increase in the ownership of Common Shares by Great Harvest to approximately 81.88% of the outstanding Common Shares effective February 11, 2015. Henry Wong is not considered independent due to his employment with Great Harvest (Holdings) Limited, an affiliate of Great Harvest by virtue of common control.
2. **Directorships** – Norman M. Betts is a director and Chair of the Audit Committee of Tanzanian Royalty Exploration Corporation (TSX:TNX, NYSE:TRX) and a director and Chair of the Audit Committee of 49 North Resources Inc. (TSX-V:FNR). He also serves as a member of the Audit and Finance Committee of the Bank of Canada. William B. Burton is a director of Erdene Resource Development Corporation (TSX:ERD). Yan Kim Po is a director and the Chairman of the Board, the Chairman of the Remuneration Committee and the Chairman of the Nominating Committee, and Linda Lam Kwan is a director, of Great Harvest Maeta Group Holdings Limited (HKG:3683). Joe Kin Foon Tai is a director of China Goldcorp Ltd. (TSX-V:CAU.H), Colt Resources Inc. (TSX.V:GTP) and Axmin Inc. (TSX-V:AXM). Except for Norman M. Betts, William B. Burton, Yan Kim Po, Linda Lam Kwan and Joe Kin Foon Tai, no current director of the Corporation is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction.
3. **Orientation and Continuing Education** – The Board has deferred the development of a Corporate Governance Policy until the 2017 fiscal year. The Board has reviewed a draft policy in 2012 which provides for one of the mandates of the Nomination and Corporate Governance Committee to be the creation of an orientation program for new directors. The Board has not currently established a formal continuing education program for directors.
4. **Ethical Business Conduct** – The directors understand their fiduciary obligations as directors of a public company. The Board has reviewed a draft policy and has deferred the adoption of a Code of Business Conduct and Ethics until the 2019 fiscal year.

5. **Nomination of Directors** – The Nomination and Corporate Governance Committee is responsible for identifying new candidates to serve as directors, including candidates to fill any vacancies on the Board. It will consider candidates submitted by directors, officers, employees, shareholders and others and may retain search firms for the purposes of identifying suitable candidates who meet the level of personal and professional integrity and ability it deems appropriate for directors of the Corporation.
6. **Compensation** – The steps taken to determine the compensation of the directors and Named Executive Officers of the Corporation are set forth above under "*Executive Compensation – Compensation Discussion and Analysis*".
7. **Other Board Committees** – In addition to the Audit Committee, the Nomination and Corporate Governance Committee and the Compensation Committee, the Board has a Technical Committee. The Technical Committee is responsible for reviewing the metallurgical and geological information and formulating guidelines and policies for the Corporation with respect to ensuring the health and safety of all of the Corporation's employees at its flagship property, the Mount Pleasant Mine property in New Brunswick, and for working to ensure the health and safety of the communities surrounding the Mount Pleasant Mine property by monitoring compliance by the Corporation with all applicable environmental and workplace health and safety guidelines of the Province of New Brunswick. The Board has no intention at this time of establishing any other standing committees of the Board.
8. **Assessments** – The Nomination and Corporate Governance Committee regularly assesses the performance of the directors and the Board and its committees as a whole with respect to their effectiveness and contribution.

## **ADDITIONAL INFORMATION**

Financial information is provided in the Corporation's comparative financial statements and its management's discussion and analysis for the year ended December 31, 2018. Copies of the Corporation's financial statements for the year ended December 31, 2018, together with the report of the auditors thereon, management's discussion and analysis for the year ended December 31, 2018, and this Circular are available upon written request from the Chief Financial Officer of the Corporation, 36 Toronto Street, Suite 850, Toronto, Ontario, M5C 2C5. These documents and additional information concerning the Corporation are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **APPROVAL OF DIRECTORS**

This Circular and the mailing of same to Shareholders have been approved by the Board.

Date: August 2, 2019

By order of the Board,

(Signed) "*Linda Lam Kwan*"  
Chief Executive Officer

## **SCHEDULE "A"**

### **RESOLUTION OF THE SHAREHOLDERS OF ADEX MINING INC. (THE "CORPORATION") RE-APPROVING THE CORPORATION'S ROLLING STOCK OPTION PLAN**

#### **BE IT RESOLVED THAT:**

1. the Corporation's rolling stock option plan (the "**Stock Option Plan**") be and is hereby re-approved as the stock option plan of the Corporation;
2. the number of common shares of the Corporation issuable pursuant to the Stock Option Plan shall continue to be set at 10% of the number of common shares of the Corporation issued and outstanding from time to time, subject to any limitations imposed by applicable regulations, laws, rules and policies; and
3. any director and/or officer of the Corporation be and is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such deeds, documents, instruments and assurances and to do or cause to be done all such other acts and things as such director and/or officer of the Corporation may determine to be necessary or desirable to carry out the terms of this resolution, the execution and delivery of any such deed, document, instrument or assurance or the doing of any such act or thing being conclusive evidence of such determination.

## **SCHEDULE "B"**

### **ADEX MINING INC. (the "Corporation")**

#### **AUDIT COMMITTEE CHARTER**

##### **I. OVERALL PURPOSE / OBJECTIVES**

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of the Corporation to assist the Board in fulfilling its oversight responsibilities relating to the financial accounting and reporting process and the internal controls of the Corporation.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

##### **II. COMPOSITION**

The Committee and its membership shall meet all applicable law or stock exchange requirements, including, without limitation, those requirements of all applicable securities regulatory authorities, any stock exchange on which securities of the Corporation are listed for trading, the *Business Corporations Act* (Ontario) (the "**OBCA**") and all other applicable regulatory authorities.

The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as the Chair. The Committee members shall be elected annually at the first meeting of the Board following the annual general meeting of shareholders of the Corporation.

A majority of the members of the Committee shall be "Independent Directors" and shall be "Financially Literate" (as such terms are defined in the Board Charter), unless the requirements of any applicable securities regulatory authorities, any stock exchange on which securities of the Corporation are listed for trading, the OBCA or other applicable regulatory authority require a greater proportion of members of the Committee who are "Independent Directors", "Financially Literate" or have other attributes or qualifications.

##### **III. MEETINGS**

The Committee shall meet (i) at least quarterly, (ii) at the discretion of the Chair or a majority of its members, as circumstances dictate, or (iii) as may be required by applicable law or stock exchange requirements.

Meetings of the Committee may be called by the Chair of the Committee or the Chair of the Board. Subject to the by-laws of the Corporation, the time and place at which meetings of the Committee shall be held, and the procedures at such meetings, shall be determined from time to time by the Committee.

A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.

The Committee shall keep minutes of its meetings, which shall be submitted to the Board. The Committee, from time to time, may appoint any person, who need not be a member, to act as a secretary at any meeting.

The Committee, from time to time, may invite such directors, officers and employees of the Corporation and its subsidiaries as the Committee may see fit to attend at meetings of the Committee.

Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. Subject to Part V of this Charter, all decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

If and whenever a vacancy shall exist on the Committee, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

#### **IV. RESPONSIBILITIES AND DUTIES**

##### **A. Financial Accounting and Reporting Process and Internal Controls**

The Committee shall:

- (a) review the annual audited financial statements of the Corporation as to their compliance with applicable International Financial Reporting Standards ("IFRS") and report thereon to the Board and recommend to the Board whether or not such financial statements should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall discuss significant issues regarding, among other things, accounting principles and practices and judgments of management with the external auditors and management as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out;
- (b) review the interim financial statements of the Corporation as to their compliance with applicable IFRS and report thereon to the Board and recommend to the Board whether or not such financial statements should be approved prior to their being filed with the appropriate regulatory authorities;
- (c) assess the integrity of internal controls and financial reporting procedures of the Corporation, ensure the implementation of such controls and procedures and review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response;
- (d) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures;
- (e) review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including, without limitation, interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses such information;

- (f) prepare any report of the Committee required to be included in the Corporation's annual report, management information circular or similar public disclosure documents;
- (g) meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, the Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate;
- (h) inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks;
- (i) review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses;
- (j) ensure that there is an appropriate standard of corporate conduct including, if applicable, adopting a corporate code of ethics for senior financial personnel;
- (k) provide oversight of any related party transactions entered into by the Corporation; and
- (l) establish procedures in accordance with Appendix A of this Charter for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

## **B. External Auditors**

The Committee shall:

- (a) recommend to the Board the external auditors to be nominated, set the compensation for the external auditors, provide oversight of the external auditors and ensure that the external auditors report directly to the Committee;
- (b) select and monitor the independence and performance of the Corporation's external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors;
- (c) be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (d) pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors;
- (e) monitor and assess the relationship between management and the external auditors;

- (f) review the external auditors' audit plan, including the scope, procedures and timing of the audit, and review the results of the annual audit with the external auditors, including matters related to the conduct of the audit;
- (g) obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors;
- (h) review the fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis; and
- (i) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

**C. Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and applicable law or stock exchange requirements, as the Committee or the Board deems necessary or appropriate.

**V. AUTHORITY**

The Committee shall have the authority to:

- (a) conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Corporation, or outside legal counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee;
- (b) engage at the expense of the Corporation, special legal, accounting or other consultants or experts to assist in the performance of the Committee's duties;
- (c) have unrestricted access to the books and records of the Corporation;
- (d) set and pay the compensation for advisors employed by the Committee; and
- (e) communicate directly with the internal and external auditors.

**VI. LIMITATION OF RESPONSIBILITY**

While the Committee has the responsibilities and duties provided by this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with IFRS. This is the responsibility of management (with respect to whom the Committee performs an oversight function) and the external auditors.

**APPENDIX A**  
**Procedures for Receipt of Complaints and Submissions**  
**Relating to Accounting Matters**

1. The Corporation shall inform employees on the Corporation's intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the "**Complaints Officer**") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve the interim and annual financial statements of the Corporation.
4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.



