

**SOLSTICE GOLD CORP.**  
Suite 1600, 925 West Georgia Street,  
Vancouver, British Columbia Canada V6C 3L2  
Tel: 604-622-5040

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of Solstice Gold Corp. (the “**Company**”) will be held at Suite 1600, Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, on Thursday, December 5, 2019 at 10:00 a.m. Pacific Time, for the following purposes:

1. To present the financial statements of the Company, together with the auditor’s report thereon, for the fiscal year ended June 30, 2019;
2. To appoint BDO Canada LLP, Chartered Professional Accountants, as auditor for the Company for the ensuing year and to authorize the directors to set the auditor’s remuneration;
3. To elect directors of the Company for the ensuing year; and
4. To transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting.

Only shareholders of record on October 24, 2019 will be entitled to vote in person at the Meeting. Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.

Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account you are not a registered shareholder.

The audited financial statements for the year ended June 30, 2019, the report of the auditor and related management discussion and analysis will be made available at the Meeting and are available on [www.sedar.com](http://www.sedar.com).

DATED at Vancouver, British Columbia this 31<sup>st</sup> day of October, 2019.

**ON BEHALF OF THE BOARD**

**“David Adamson”**

**DAVID ADAMSON**

Executive Chairman & Director



## INFORMATION CIRCULAR

### FOR THE 2019 ANNUAL GENERAL MEETING OF SHAREHOLDERS

This information is given as of October 31, 2019, unless otherwise noted.

### SOLICITATION OF PROXIES

This information circular (the “Information Circular”) is provided to registered and beneficial owners of the Company’s shares in connection with the solicitation of proxies by the management of **SOLSTICE GOLD CORP.** (the “Company”) for use at the Annual General Meeting (the “Meeting”) of the shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. This Information Circular and other proxy-related materials are not provided to registered or beneficial owners of the Company’s shares under the notice and access provisions of National Instrument 54-101.

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

### PERSONS OR COMPANIES MAKING THE SOLICITATION

**The enclosed instrument of proxy is solicited by management.** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the instrument of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised management in writing that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

### APPOINTMENT AND REVOCATION OF PROXIES

This Information Circular is accompanied by a management instrument of proxy that permits registered shareholders who do not attend the Meeting in person to have their shares voted at the Meeting by a proxyholder appointed by the registered shareholder. The persons named in the accompanying instrument of proxy are directors or officers of the Company. **A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed instrument of proxy. To exercise this right, the shareholder must strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided, or complete another instrument of proxy.**

**The completed instrument of proxy must be dated and signed and the duly completed instrument of proxy must be deposited at the Company’s transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays.**

The instrument of proxy must be signed by the shareholder or by his duly authorized attorney. If signed by a duly authorized attorney, the instrument of proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the shareholder is a corporation, the instrument of proxy must be

signed by a duly authorized attorney, officer, or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives his power, as the case may be, or a notarially certified copy thereof. The Chairman of the Meeting has discretionary authority to accept proxies that do not strictly conform to the foregoing requirements.

**In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked.**

#### **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

On any poll, the persons named as proxyholder in the enclosed instrument of proxy will vote the shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

**In the absence of any direction in the instrument of proxy, it is intended that such shares will be voted in favour of the resolutions placed before the Meeting by management and for the election of the management nominees for directors and auditor, as stated under the headings in this Information Circular.** The instrument of proxy enclosed, when properly completed and deposited, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters that may be properly brought before the Meeting. At the time of printing of this Information Circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any such amendments, variations or other matters should properly come before the Meeting, the proxies hereby solicited will be voted thereon in accordance with the best judgement of the nominee.

#### **NOTICE TO BENEFICIAL HOLDERS OF SHARES**

The following information is of significant importance to shareholders who do not hold shares in their own name. Beneficial shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of shares).

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

Intermediaries are required to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients. There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called "OBOs" for "Objecting Beneficial Owners") and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for "Non-Objecting Beneficial Owners").

Beneficial shareholders who are NOBOs can expect to receive a scannable Voting Instruction Form (a "VIF") from Broadridge Financial Solutions, Inc. ("Broadridge"). These VIFs are to be completed and returned to Broadridge in the envelope provided or by facsimile. In addition, Broadridge provides both telephone and internet voting options, as described in the VIF. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and certain non-registered owners of the securities of the Company. If you are a non-registered owner and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding shares on your behalf. Please return your voting instructions by completing and returning the enclosed VIF in accordance with the instructions contained in the VIF.

Beneficial shareholders who are OBOs will not receive the materials unless their intermediary assumes the costs of delivery. In the event that voting instructions are requested from OBOs, such instructions will typically be sought by the shareholder receiving either a form of proxy or a voting instruction form. If a form of proxy is supplied to you by your broker, it will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in Canada and the United States. Broadridge obtains voting instructions by mailing a voting instruction form (the "Broadridge VIF") which appoints the same persons as the Company's proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a beneficial shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting.

If you plan to vote in person at the Meeting:

- nominate yourself as the appointee to attend and vote at the Meeting by printing your name in the space provided on the enclosed voting instruction form. Your vote will be counted at the Meeting so do NOT complete the voting instructions on the form;
- sign and return the form, following the instructions provided by your nominee; and
- register with the Scrutineer when you arrive at the Meeting.

You may also nominate yourself as appointee online, if available, by typing your name in the “Appointee” section on the electronic ballot.

If you bring your voting instruction form to the Meeting, your vote will not count. Your vote can only be counted if you have completed, signed and returned your voting instruction form in accordance with the instructions above and attend the Meeting and vote in person.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

As of October 31, 2019, there were 69,534,906 common shares (the “Common Shares”) without par value issued and outstanding, each share carrying the right to one vote. At a general meeting of the Company, on a show of hands, every shareholder present in person has one vote and, on a poll, every shareholder has one vote for each Common Share of which he/she/it is the holder.

Only shareholders of record at the close of business on October 24, 2019 (the “Record Date”), will be entitled to have their shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, as of the Record Date, no person beneficially owns or controls or directs, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

To the knowledge of the directors and officers of the Corporation, as at the date of this Circular, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the Common Shares, other than as set out below:

Name of Shareholder	Number of Common Shares <sup>(1)(2)</sup>	Percentage of Common Shares <sup>(1)(2)</sup>
Kevin Reid	11,640,600	16.74%

Notes:

(1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been obtained by the Corporation from publicly disclosed information and/or furnished by the relevant shareholder.

(2) On a non-diluted basis.

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

Other than as disclosed elsewhere in this Information Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Information Circular, “informed person” means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

Other than as disclosed elsewhere in this Information Circular, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

## VOTES NECESSARY TO PASS RESOLUTIONS

Under the Company's Articles, the quorum for the transaction of business at a meeting of the shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

## STATEMENT OF EXECUTIVE COMPENSATION

### Definitions

For the purpose of this Information Circular:

“**CEO**” means each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

“**CFO**” means each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments, including stock appreciation rights, deferred share units and restricted stock units, granted or issued by the Company or any of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

“Named Executive Officer” or “NEO” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer, other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation exceeded \$150,000, calculated as prescribed, for that financial year;
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

### Compensation Excluding Compensation Securities

Particulars of compensation, excluding compensation securities, paid to each NEO and director in the most recently completed financial year is set out in the table below. There were no other executive officers of the Company, or any of its subsidiaries, whose total compensation was, individually, more than \$150,000 for the financial year ended June 30, 2019.

Name and position	Year ending	Salary, consulting fee, retainer or commission (\$) <sup>(8)</sup>	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
David Adamson <sup>(1) (3)</sup> <i>Executive Chairman &amp; Director</i>	06/30/19	250,000	N/A	N/A	Nil	Nil	250,000
	06/30/18	187,500	N/A	N/A	Nil	Nil	187,500
David Fischer <sup>(2)</sup> <i>CFO</i>	06/30/19	90,000	Nil	N/A	Nil	Nil	90,000
	06/30/18	3,115	Nil	N/A	Nil	Nil	3,115
Martin Tunney <sup>(3)</sup> <i>President &amp; Director</i>	06/30/19	210,000	Nil	N/A	Nil	Nil	210,000
	06/30/18	148,750	Nil	N/A	Nil	Nil	148,750
Ian Russell <sup>(7)</sup> <i>VP Exploration</i>	06/30/19	175,000	Nil	N/A	Nil	Nil	175,000
	06/30/18	Nil	Nil	N/A	Nil	Nil	Nil
Michael Leskovec <sup>(1)</sup> <i>Director</i>	06/30/19	Nil	Nil	N/A	Nil	Nil	Nil
	06/30/18	Nil	Nil	N/A	Nil	Nil	Nil
Chad Ulansky <sup>(1)</sup> <i>Director</i>	06/30/19	Nil	Nil	N/A	Nil	Nil	Nil
	06/30/18	Nil	Nil	N/A	Nil	Nil	Nil

<b>Name and position</b>	<b>Year ending</b>	<b>Salary, consulting fee, retainer or commission (\$)<sup>(8)</sup></b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Chris Taylor <sup>(1)</sup> <i>Director &amp; Former CEO</i> <sup>(4)</sup>	06/30/19	Nil	Nil	N/A	Nil	Nil	Nil
	06/30/18	47,250	Nil	N/A	Nil	Nil	47,250
Bob Singh <sup>(6)</sup> <i>Former VP Exploration</i>	06/30/19	24,000	Nil	N/A	Nil	Nil	24,000
	06/30/18	112,000	Nil	N/A	Nil	Nil	112,000
Tony Ricci <sup>(5)</sup> <i>Former CFO</i>	06/30/19	Nil	Nil	N/A	Nil	Nil	Nil
	06/30/18	77,025	Nil	N/A	Nil	91,852	168,877

## Notes:

- (1) Chris Taylor, Chad Ulansky, David Adamson and Michael Leskovec were appointed to the Board of Directors on September 18, 2017.
- (2) David Fischer was appointed as CFO of the Company on June 19, 2018.
- (3) Martin Tunney and David Adamson's employment commenced October 1, 2017, and as such they did not receive a salary for the entire fiscal year.
- (4) Chris Taylor served as the CEO of the Company until December 31, 2017, in accordance with the terms of the Consulting Agreement discussed under "Employment, consulting and management agreements"
- (5) Tony Ricci left his role as CFO of the Company effective June 18, 2018. Consulting fees and a termination payment of \$90,000 were paid to Nicmar Capital Corp., a company wholly owned by Mr. Ricci.
- (6) Bob Singh resigned as VP Exploration of the Company September 1, 2018. Consulting fees were paid to North Face Software, a company wholly owned by Mr. Singh.
- (7) Ian Russell was appointed as VP Exploration of the Company on September 1, 2018.
- (8) Management have taken voluntary temporary pay reductions which become effective during the month of November 2019. The aggregate average salary reduction of approximately 40% is for a period of up to 12 months.

### Stock Options and Other Compensation Securities

Particulars of compensation securities granted or issued to each NEO and director in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries is set out in the table below:

<b>Name and Position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities, and percentage of class</b>	<b>Date of issue or grant (mm/dd/yy)</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant<sup>(3)(4)</sup> (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry date (mm/dd/yy)</b>
David Adamson <i>Executive Chairman &amp; Director</i>	Stock Options	1,500,000 <sup>(1)</sup>	01/15/2018	0.25	0.255	0.20	01/15/25
David Fischer <i>CFO</i>	Stock Options	400,000 <sup>(1)</sup>	06/19/2018	0.25	0.25	0.20	06/19/25
Martin Tunney <i>President &amp; Director</i>	Stock Options	1,115,000 <sup>(1)</sup>	01/15/2018	0.25	0.255	0.20	01/15/25
Bob Singh <i>Former VP Exploration</i>	Stock Options	800,000 <sup>(1)</sup>	01/15/2018	0.25	0.255	0.20	01/15/25
Ian Russell <i>VP Exploration</i>	Stock Options	1,100,000	09/01/2018	0.25	0.20	0.20	09/01/25
Michael Leskovec <i>Director</i>	Stock Options	200,000 <sup>(1)</sup>	01/15/2018	0.25	0.255	0.20	01/15/25
Chad Ulansky <i>Director</i>	Stock Options	75,000 <sup>(1)</sup>	01/15/2018	0.25	0.255	0.20	01/15/25
Chris Taylor <i>Director &amp; Former CEO</i>	Stock Options	800,000 <sup>(1)</sup>	01/15/2018	0.25	0.255	0.20	01/15/25

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant (mm/dd/yy)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant <sup>(3)(4)</sup> (\$)	Closing price of security or underlying security at year end (\$)	Expiry date (mm/dd/yy)
Tony Ricci <i>Former CFO</i>	Stock Options	400,000 <sup>(2)</sup>	01/15/2018	0.25	0.255	0.20	06/18/20

Notes:

- (1) Fifty percent of the optioned shares vested on the date of issue, with the remaining fifty percent to vest and become eligible for exercise in equal six monthly instalments over two years.
- (2) In accordance with the Consulting Agreement between the Company and Nicmar Capital Corp., a company wholly owned by Tony Ricci, Mr. Ricci's options vested immediately upon the date his employment ceased and will expire two years from that date.
- (3) No compensation securities were re-priced, cancelled or replaced, extended or otherwise materially modified during the most recently completed financial year.
- (4) Represents the closing price for the Company's shares on May 14, 2018, its first day of trading on the TSX Venture Exchange (the "TSX-V" or the "Exchange").

As at the financial year ended June 30, 2019, there were no other compensation securities held by any director or NEO, except as disclosed in the table above.

No stock options were exercised by any of the NEOs or directors during the year ended June 30, 2019.

### Stock Option Plans and Other Incentive Plans

#### *Stock Option Plan*

The Company has in place a Fixed Incentive Stock Option Plan dated for reference November 20, 2017 (the "Plan") for the benefit of directors, officers, employees, management company employees and consultants of the Company. The Plan provides that the directors of the Company may grant options to purchase Common Shares on terms that the directors may determine. Initial Shareholder approval of the Plan was not required because the Plan was implemented by the Company prior to its listing on the TSX-V. The Plan will be subject to Shareholder approval if and when the Company decides to amend the number of shares reserved for issuance under the Plan.

The purpose of this Plan is to advance the interests of the Company, through the grant of Options, by:

- (a) Providing an incentive mechanism to foster the interest of Eligible Persons in the success of the Company and its Affiliates;

- (b) Encouraging Eligible Persons to remain with the Company or its Affiliates; and
- (c) Attracting new Directors, Officers, Employees and Consultants.

The key features of the Plan are as follows:

- (a) The aggregate number of Common Shares that may be reserved for issuance pursuant to Options shall not exceed 20% of the outstanding Common Shares at the time of listing of the Common Shares on the Exchange, less the aggregate number of Common Shares then reserved for issuance pursuant to any Other Share Compensation Arrangement. If an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.
- (b) The number of Common Shares reserved for issuance to any one person in any 12 month period under this Plan and any Other Share Compensation Arrangement shall not exceed 5% of the outstanding Common Shares at the time of the grant, unless the Company has obtained Disinterested Shareholder Approval to exceed such limit.
- (c) Subject to a minimum exercise price of \$0.05 per Common Share, the exercise price per Common Share for an Option shall not be less than the “Discounted Market Price”, as calculated pursuant to the policies of the Exchange, or such other minimum price as may be required or permitted by the Exchange.
- (d) This Plan, the grant and exercise of Options hereunder and the Company’s obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any governmental or regulatory agency as may, in the opinion of counsel to the Company, be required.
- (e) Every Option shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant.
- (f) The Board shall determine the manner in which an Option shall vest and become exercisable.
- (g) Options may not be assigned or transferred.

### **External Management Contracts**

Neither Chris Taylor or Tony Ricci are/were employees of the Company, but rather derive their compensation indirectly through consulting agreements as described in “Employment, Consulting and Management Agreements below”.

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

Except as disclosed below, no services were provided to the Company during the most recently completed financial year by a director or named executive officer, or any other party who provided services typically

provided by a director or named executive officer, pursuant to any employment, consulting or management agreement between the Company and any other party. Except as disclosed below, the Company has no agreement or arrangement with any director, named executive officer or any other party with respect to any change of control of the Company or any severance, termination or constructive dismissal of any director, named executive officer or any other party, or any incremental payments triggered by any such change of control, severance, termination or constructive dismissal.

The Corporation has entered into an employment agreement with David Adamson pursuant to which Mr. Adamson provides his services as Executive Chairman of the Corporation in consideration of an annual base salary of \$250,000 (2018 - \$250,000). The agreement includes a severance clause, which provides for payment of 18 months of base salary, 50% of most recent bonus and benefits if Mr. Adamson is terminated without cause. If Mr. Adamson is terminated without cause, any options granted will immediately vest and will have an expiry date the earlier of two years from the date of termination or the then existing expiry date of the Options. In the event of a change in control Mr. Adamson will have the right to resign and receive payment of amounts owed, 24 months base salary, 50% of most recent bonus and benefits. On change in control all unvested options will vest immediately and will have an expiry date the earlier of two years from the date of change in control or the then existing expiry date of the options.

The Corporation has entered into an employment agreement with Martin Tunney pursuant to which Mr. Tunney provides his services as President of the Corporation in consideration of an annual base salary of \$210,000 (2018 - \$210,000). The agreement includes a severance clause, which provides for payment of 18 months of base salary, 50% of most recent bonus and benefits if Mr. Tunney is terminated without cause. If Mr. Tunney is terminated without cause, any options granted will immediately vest and will have an expiry date the earlier of two years from the date of termination or the then existing expiry date of the Options. In the event of a change in control Mr. Tunney will have the right to resign and receive payment of amounts owed, 24 months base salary, 50% of most recent bonus and benefits. On change in control all unvested options will vest immediately and will have an expiry date the earlier of two years from the date of change in control or the then existing expiry date of the options.

The Corporation has entered into an employment agreement with Ian Russell pursuant to which Mr. Russell provides his services as Vice President Exploration of the Corporation in consideration of an annual base salary of \$210,000 (2018 – N/A). The agreement includes a severance clause, which provides for payment of 18 months of base salary, 50% of most recent bonus and benefits if Mr. Russell is terminated without cause. If Mr. Tunney is terminated without cause, any options granted will immediately vest and will have an expiry date the earlier of two years from the date of termination or the then existing expiry date of the Options. In the event of a change in control Mr. Russell will have the right to resign and receive payment of amounts owed, 24 months base salary, 50% of most recent bonus and benefits. On change in control all unvested options will vest immediately and will have an expiry date the earlier of two years from the date of change in control or the then existing expiry date of the options.

The Corporation has entered into an employment agreement with David Fischer pursuant to which Mr. Fischer provides his services as Chief Financial Officer of the Corporation in consideration of an annual base salary of \$90,000 (2018 – \$90,000) for 50% of full working time. The agreement includes a severance clause, which provides for payment of 12 months of base salary, 50% of most recent bonus and benefits if Mr. Fischer is terminated without cause. If Mr. Fischer is terminated without cause, any options granted will immediately vest and will have an expiry date the earlier of two years from the date of termination or the then existing expiry date of the Options. In the event of a change in control Mr. Fischer will have the

right to resign and receive payment of amounts owed, 12 months base salary, 50% of most recent bonus and benefits. On change in control all unvested options will vest immediately and will have an expiry date the earlier of two years from the date of change in control or the then existing expiry date of the options.

The management team of David Adamson, David Fischer, Marty Tunney and Ian Russell have taken voluntary temporary pay reductions which become effective during the month of November 2019. The aggregate average salary reduction of approximately 40% is for a period of up to 12 months.

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

Compensation of the Company's Named Executive Officers and directors is determined by the full Board, based on the recommendations of the Compensation Committee. Compensation is determined based on factors considered relevant and appropriate, including the level of service provided, the background and expertise of the individual director or officer, amounts paid by other companies in similar industries at similar stages of development, and compensation levels necessary to attract, retain and develop management of a high calibre. Compensation is typically reviewed annually by the Compensation Committee and the Board, usually in the first fiscal quarter, but may also be reviewed on an ad hoc basis as the need arises.

The Company's compensation structure has two primary components, cash compensation and share-based compensation in the form of incentive stock options. Cash compensation has two components, base salary and bonuses.

The Company may grant stock options pursuant to its stock option plan to officers and directors on an ad hoc basis, based on the same subjective performance criteria referred to in the foregoing and other performance criteria considered relevant by the Board.

The Company regards the strategic use of incentive stock options as a significant component of its compensation structure. In evaluating option grants, the Board evaluates a number of factors including, but not limited to: (i) the number of options already held by or issued to an individual; (ii) a fair balance between the number of options held by an individual and those held by or issued to other directors or officers, in light of their responsibilities and objectives; and (iii) the value of the options (generally determined using a Black-Scholes analysis) as a component of the individual's overall compensation.

A Compensation Committee has been established by the directors of the Company, the current members of which are Chad Ulansky (Chair) and Michael Leskovec. Both Chad Ulansky and Michael Leskovec are independent within the meaning of NI 52-110.

No significant events occurred during the most recently completed financial year that significantly affected compensation. While the Board considers amounts paid by other companies in similar industries at similar stages of development in determining compensation, no specifically selected peer group has been identified as a comparable. No significant changes were made to the Company's compensation policies since the commencement of the most recently completed financial year.

### **Pension Disclosure**

The Company does not have a pension plan.

## CORPORATE GOVERNANCE

### General

“Corporate Governance” refers to the process and structure used to direct and manage the business and affairs of a corporation. The objective is to enhance shareholder value, including ensuring the financial viability of the business. Corporate governance processes and structures define the division of power among the shareholders, the board of directors and management, and establish ways to ensure accountability. They also take into account how the direction and management of the business will affect other stakeholders such as employees, customers, suppliers and communities.

The Canadian Securities Administrators have adopted two National Instruments, 58-201 *Corporate Governance Guidelines* (“NI 58-201”) and 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”).

NI 58-201 sets forth a set of guidelines or “best practices” for reporting issuers to consider when evaluating their own corporate governance practices. Recognizing that not all of the guidelines set forth in NI 58-201 will be appropriate for all companies, full implementation of the guidelines is not mandated by either NI 58-201 or the TSX Venture Exchange. NI 58-101 mandates the disclosure of the corporate governance practices actually implemented by a reporting company, in certain prescribed disclosure documents.

As the business of the Company is straightforward, the Company is at an early stage of development and its Board is relatively small, the Company’s Corporate Governance practices are at an early stage of evolution. The following describes the Company’s approach to corporate governance, in compliance with NI 58-101.

### Board of Directors

The Company’s Board consists of a total of five directors, being David Adamson, Martin Tunney, Chris Taylor, Chad Ulansky and Michael Leskovec. David Adamson, Martin Tunney, and Chris Taylor are not independent because they all hold or have held executive positions within the Company over the previous three years.

### Directorships

The following directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer
David Adamson	Constantine Metal Resources Ltd.
Michael Leskovec	Canadian Orebodies Inc.
Chad Ulansky	Dunedin Ventures Inc., Metalex Ventures Ltd, Cantex Mine Development Corp., Northern Uranium Corp.
Chris Taylor	New Carolin Gold Corp., Great Bear Resources, Dunedin Ventures Inc.

**Orientation and Continuing Education**

The Company does not have a formal process of orientation for new Board members. However, the Company does orient and educate new Board members by providing background information, conducting personal meetings and responding to questions, during the early stages of a new Board member's involvement with the Company.

The Company does not have a formal process of continuing education for directors. Generally, the Company expects that existing and new Board members will have a familiarity with the business of mineral exploration and development. Professional advisors may be invited to attend Board meetings, as needed. The Company also relies on the relatively straightforward nature of its business, and the established qualifications and expertise of its Board members.

**Ethical Business Conduct**

The Board has adopted a Code of Business Ethics for the Company's directors, officers and employees with respect to ethical business conduct. A full copy of the Code of Business Ethics and other Corporate Governance policies are posted on its website at <https://www.solsticegold.com/corporate/corporate-governance/> and under its SEDAR profile at [www.sedar.com](http://www.sedar.com). To the greatest extent possible, the Company attempts to attract and retain individuals with a well-developed personal code of ethical conduct in both their business and personal lives.

In considering a transaction in which a director has a material interest, the director is required to disclose the nature and extent of his interest to the Board and to abstain from voting on any resolution pertaining to the transaction.

**Nomination of Directors**

The Nominating Committee consists of Michael Leskovec (Chair), David Adamson and Chad Ulansky. Potential candidates for appointment to the Board are considered by the Board as a whole, in reliance on the recommendations from the Nominating Committee. The Board recognizes that, in accordance with good corporate governance practices, it is desirable to appoint additional members who are independent, and gives weight to this consideration in its Board appointments.

**Compensation**

The Company's Board has a Compensation Committee consisting of Chad Ulansky (Chair) and Michael Leskovec. The Compensation Committee sets cash compensation for the Company's CEO and CFO. Stock options are set by the Compensation Committee and then granted by the full Board. Further particulars concerning the compensation of the Company's directors and officers are set forth under "Oversight and Description of Director and Named Executive Officer Compensation".

**Other Board Committees**

In addition to its Audit, Compensation and Nominating Committees, the Board has a Corporate Governance Committee consisting of Michael Leskovec (Chair), David Adamson and Chad Ulansky. In addition to the

business and affairs of the Company, the Corporate Governance Committee oversees the Code of Conduct and Whistleblower Policy.

### Assessments

The Board has no specific procedures for regularly assessing the effectiveness and contribution of the Board, its committees or individual directors. As the business of the Company is relatively straightforward and its Board relatively small, it is expected that a significant lack of performance on the part of a committee or individual director would become readily apparent, and could be dealt with on a case-by-case basis. With respect to the Board as a whole, the Board monitors its performance on an ongoing basis, and as part of that process considers the overall performance of the Company and input from its shareholders.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Company's compensation plans under which equity securities of the Company are authorized for issuance at the end of the Company's most recently completed financial year.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (c)</b>
Equity compensation plans approved by securityholders	8,701,659	\$0.23	4,650,858
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>8,701,659</b>	<b>\$0.23</b>	<b>4,650,858</b>

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No executive officer, director, employee, former executive officer, former director, former employee, proposed nominee for election as a director, or associate of any such person has been indebted to the Company or its subsidiaries at any time since the commencement of the Company's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company or its subsidiaries at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth in the following.

The Company’s Audit Committee is governed by an Audit Committee Charter. A copy of the Audit Committee Charter is attached as Schedule “A” to this Information Circular.

### Composition of the Audit Committee

The Company’s Audit Committee is comprised of three directors, Martin Tunney, Michael Leskovec and Chad Ulansky. Both Chad Ulansky and Michael Leskovec are “independent” as defined in NI 52-110. Also as defined in NI 52-110, all of the Audit Committee members are “financially literate”.

### Relevant Education and Experience

The experience of the Audit Committee members is set forth in the following.

- **Martin Tunney:** Mr. Tunney’s 15 years of experience in the mineral industry are very well-rounded. He began as a mining engineer working for Inco and then Newmont in Canada and the Southwestern USA. He started his capital markets experience with Raymond James Investment Banking and later joined CIBC in their Global Mining Team. He has worked on transactions of all sizes including some of the largest gold and base metals transactions of the last decade. He is experienced in all aspects of M&A, financing, streaming, royalties and has played a key role in financings exceeding \$1.5 billion. He spent 4 years at NewCastle Gold as Vice President of Technical Service and Vice President of Corporate Development where he was instrumental in the dramatic increase in shareholder value. His work led to the eventual development of a multimillion ounce resource and sale of the company. He holds a Bachelor of Arts from Bishop’s University and a Bachelor of Applied Science (Mineral Engineering) from the University of Toronto.
- **Michael Leskovec:** Mr. Leskovec is a Chartered Professional Accountant with over sixteen years of financial experience with publicly listed companies and capital markets. He currently serves as the Chief Financial Officer of Nighthawk Gold Corp. (TSX:NHK), the Chief Financial Officer of Fountain Asset Corp. (TSXV:FA) and as a Vice-President of Northfield Capital Corporation (TSXV:NFD/A), where he has gained experience working with publicly listed companies, assisting with investment analysis, financings, corporate structuring and go public transactions in Canada. Mr. Leskovec earned his Chartered Professional Accountant, Chartered Accountant (CPA, CA) designation while working in the audit and assurance practice for Smith Nixon LLP and has his Honours Bachelor of Accounting (BAcc) Degree from Brock University.
- **Chad Ulansky:** Mr. Ulansky is a professional geologist and is currently President and CEO of Metalex Ventures Ltd. and Cantex Mine Development Corp., as well as serving as director of several public and private mineral exploration companies. Mr. Ulansky has diamond

exploration experience that includes the original Ekati diamond discovery and has since spanned fifteen countries on four continents.

All of the foregoing individuals have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the company's financial statements.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), Section 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Section 6.1.1(5) (*Events Outside Control of Member*), Section 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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

No specific policies or procedures have been adopted with respect to the provision of non-audit services by the Company's external auditor although, under the Company's Audit Committee Charter, such services are required to be approved by the Audit Committee.

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

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

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

<b>Financial Year Ending</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>
2019	\$20,020 <sup>(4)</sup>	-	\$5,248	-
2018	\$30,380	-	\$2,000	-

Notes:

- (1) Fees charged for assurance and related services 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.
- (4) Interim fees paid to filing date of information circular Exemption in Section 6.1 of NI 52-110

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

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Election of Directors

Each director of the Company is elected annually and holds office until the next annual general meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by proxy will, on a poll, be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the persons nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations and the number of shares of the Company which each beneficially owns, or controls or directs, directly or indirectly, as of the date of this Information Circular:

Name of Nominee, Residence and Present Positions Held	Principal Occupation	Director Since	Number of Shares Beneficially Owned, Controlled or Directed <sup>(1)</sup>
<b>David Adamson</b> <sup>(4)(5)</sup> British Columbia, Canada <i>Executive Chairman &amp; Director</i>	Economic Geologist PhD	September 18, 2017	2,643,167
<b>Martin Tunney</b> <sup>(2)</sup> Ontario, Canada <i>President &amp; Director</i>	Professional Engineer	April 4, 2018	554,000
<b>Michael Leskovec</b> <sup>(2)(3)(4)</sup> British Columbia, Canada <i>Director</i>	Chief Financial Officer of Nighthawk Gold Corp.	September 18, 2017	86,666
<b>Chad Ulansky</b> <sup>(2)(3)(4)</sup> British Columbia, Canada <i>Director</i>	Professional Geologist	September 18, 2017	Nil
<b>Chris Taylor</b> British Columbia, Canada <i>Director</i>	Professional Geologist and CEO of Dunedin Ventures Inc.	September 18, 2017	300,616

## Notes:

- (1) The information as to Common Shares beneficially owned or controlled has been provided by the nominees themselves. Unless otherwise indicated, such shares are held directly.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Corporate Governance Committee & Nominating Committee.
- (5) Includes 169,000 shares held by 0761585 BC Ltd, 30,000 shares held by 523576BC Ltd., Company's controlled by Mr. Adamson and 200,000 shares held by family members.

The terms of office of those nominees who are presently directors will expire as of the date of the Meeting. All of the directors who are elected at the Meeting will have their term of office expire at the next Annual General Meeting of the Company, unless terminated earlier.

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

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or;
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer.

For the purposes of the preceding paragraph, "order" means 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, and which, in each case, was in effect for a period of more than 30 consecutive days.

No proposed director of the Company, at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company or personal holding company of a proposed director has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Company or personal holding company of a proposed director 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.

The above information was provided by management of the Company.

### **Appointment of Auditor**

The shareholders will be asked to appoint BDO Canada LLP, 925 West Georgia Street, Suite 600, Vancouver, BC V6C 3L2 to serve as the auditor of the Company until the close of the next annual general meeting of the shareholders, and to authorize the directors to fix the auditor's remuneration.

### **ADDITIONAL INFORMATION**

Additional Information concerning the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial Information concerning the Company is provided in the Company's comparative financial statements and Management's Discussion and Analysis for the financial year ended June 30, 2019.

Shareholders wishing to obtain a copy of the Company's financial statements and Management's Discussion and Analysis may contact the Company as follows:

Solstice Gold Corp.  
Suite 550 - 800 West Pender Street, Vancouver,  
British Columbia, Canada, V6C 2V6  
Attention: David Fischer, Chief Financial Officer & Corporate Secretary  
Telephone: 604-351-7181  
Fax: (778) 327-6675

### **BOARD APPROVAL**

The contents of this Information Circular have been approved and its mailing has been authorized by the directors of the Company.

**DATED** at Vancouver, British Columbia as at the 31<sup>st</sup> day of October, 2019.

### **ON BEHALF OF THE BOARD**

**(signed) "David Adamson"**

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**DAVID ADAMSON**

Executive Chairman & Director

## Schedule "A"

### SOLSTICE GOLD CORP. (the "Company")

#### AUDIT COMMITTEE CHARTER

##### 1.1 Purpose

The overall purpose of the Audit Committee (the "**Committee**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements of the Company and related financial information, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. In performing its duties, the committee will maintain effective working relationships with the Board of Directors (the "**Board**"), management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

##### 1.2 Composition, Procedures and Organization

1. The Committee shall consist of at least three members of the Board.
2. At least two (2) members of the Committee shall be independent<sup>(1)</sup> and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
3. All of the members of the Committee shall be "financially literate"<sup>(2)</sup>
4. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

<sup>1</sup> "Independent" member of an audit committee means a member who has no direct or indirect material relationship with the Company. A "material relationship" means a relationship which could, in the view of the Company's board of directors, reasonably interfere with the exercise of a member's independent judgment.

<sup>2</sup> "Financially literate" individual is an individual who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting

*issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.*

5. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
6. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present.
7. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
8. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee;
  - (c) management representatives may be invited to attend all meetings, except private sessions with the external auditors; and
  - (d) the proceedings of all meetings will be minuted.
9. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.
10. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee by election from among its number. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains in office. Subject to the above, each member of the Committee shall hold office as such until the next Annual General Meeting of the Shareholders after his/her election.
11. The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

### **1.3 Roles and Responsibilities**

1. The overall duties and responsibilities of the Committee shall be as follows:

- (a) assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) approve in advance provision by the external auditors of services other than auditing;
  - (e) review with the external auditors, upon completion of their audit:
    - (i) contents of their report;
    - (ii) scope and quality of the audit work performed;
    - (iii) adequacy of the Company's financial and auditing personnel;
    - (iv) cooperation received from the Company's personnel during the audit;
    - (v) internal resources used;
    - (vi) significant transactions outside of the normal business of the Company;
    - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - (viii) the non-audit services provided by the external auditors;
  - (f) discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles;
  - (g) implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management; and
  - (h) review any significant disagreements between management and the external auditor regarding financial reporting.

3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:
  - (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
  - (b) review and approve the internal audit plan; and
  - (c) review significant internal audit findings and recommendations, and management's response thereto.
  
4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
  - (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (c) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
  
5. The Committee is also charged with the responsibility to:
  - (a) review the Company's quarterly financial statements and related financial information, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - (i) the annual report to shareholders;
    - (ii) the annual information form, if required;
    - (iii) annual and interim MD&A;
    - (iv) prospectuses;
    - (v) news releases discussing financial results of the Company; and
    - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
  - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;

- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review and report on the integrity of the Company's consolidated financial statements;
- (f) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (g) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
- (h) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (i) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information;
- (j) review and recommend updates to the charter and receive approval of changes from the Board;
- (k) review the minutes of any audit committee of subsidiary companies; and
- (l) perform other functions as requested by the full Board.

