

# **TRANSATLANTIC MINING CORPORATION**

**Suite 800-1199 West Hastings Street  
Vancouver, BC V6E 3T5**

<b>ANNUAL</b>	<b>2017 Notice of Annual General Meeting of Shareholders</b>
<b>GENERAL</b>	<b>2018 Notice of Annual General Meeting of Shareholders</b>
<b>MEETINGS</b>	<b>Management Information Circular</b>

**Location:** **Suite 800-1199 West Hastings Street  
Vancouver, BC V6E 3T5**

**Time:** **11:00 A.M. PST for the 2017 AGM  
11:30 A.M. PST for the 2018 AGM**

**Date:** **Thursday, December 20, 2018**

**INFORMATION CIRCULAR  
FOR THE 2017 AND 2018 ANNUAL  
GENERAL MEETINGS OF SHAREHOLDERS**

This information is given as of November 15, 2018

**SOLICITATION OF PROXIES**

This 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 TRANSATLANTIC MINING CORPORATION (the "Company") for use at the 2017 Annual General Meeting and the 2018 Annual General Meeting (each a "Meeting" and together the "Meetings") of the shareholders of the Company, to be held at the time and place and for the purposes set forth in the accompanying Notices 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.

**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 for each Meeting which permits registered shareholders who do not attend a Meeting in person to have their shares voted at that Meeting by a proxyholder appointed by the registered shareholder. The persons named in the accompanying instrument of proxy are directors or other representatives of the Company. **A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meetings 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 Trust Company of Canada, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, at least 48 hours before the time of the Meetings 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 will 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 Meetings 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 Meetings. 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 Meetings. However, if any such amendments, variations or other matters should properly come before the Meetings, the proxies hereby solicited will be voted thereon in accordance with the best judgement of the nominee.

### **ADVICE 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 Meetings 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").

The Company is taking advantage of the provisions of National Instrument 54-101 of the Canadian Securities Administrators, which permit it to directly deliver proxy-related materials to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form (a “VIF”) from Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone and internet voting options, as described in the VIF. Computershare 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.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for delivering these materials to you and executing your proper voting instructions. 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 Meetings. 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 Meetings.

If you plan to vote in person at a 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 a 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 in person.

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

At the close of business on November 15, 2018 85,639,916 common shares without par value were 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 share of which he is the holder.

Only shareholders of record at the close of business on November 15, 2018, will be entitled to have their shares voted at the Meetings or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, the following persons beneficially own, or control or direct, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company:

<b>Name of Shareholder</b>	<b>Number of Shares</b>	<b>Percentage of Issued and Outstanding</b>
Bernie Sostak	14,916,878	17.42%
Alfan Mithani	11,833,590	13.82%
Saira Mithani	11,833,590	13.82%

#### **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 Meetings.

#### **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 in the following and 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 2106 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.

### Shares for Debt Transaction

In November 2018, the Company closed a shares-for-debt transaction pursuant to which it issued a total of 15,608,735 common shares at \$0.10 per share and 2,538,734 warrants exercisable at \$0.15 per warrant to settle debt in the total amount of \$1,560,873 (the “Transaction”). Two of the participants in the Transaction were informed persons, as follows:

<b>Name and Position of Creditor</b>	<b>Amount of Debt Settled (\$)</b>	<b>Number of Common Shares Received</b>	<b>Number of Warrants Received</b>
Bernie Sostak <i>CEO &amp; Director</i>	\$1,200,000	12,000,000	Nil
Ray Perry <i>Director</i>	\$50,000	500,000	Nil

### Private Placement

In November 2018, the Company closed the final tranche of a private placement of 48,334,660 units at \$0.10 per unit. Each unit consisted of one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional common share, exercisable at a price of \$0.15 for a period of three years. Three of the purchasers under the private placement were informed persons, as follows:

<b>Name and Position of Placee</b>	<b>Number of Units Beneficially Purchased</b>
Bernie Sostak <sup>(1)</sup> <i>CEO &amp; Director</i>	2,600,000
Alfan Mithani <i>Insider</i>	11,833,590
Saira Mithani <i>Insider</i>	11,833,590



<b>Name and position</b>	<b>Year ending</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Robert Tindall <sup>(3)</sup> Former President, CEO & Director	12/31/17	10,000	Nil	Nil	Nil	Nil	10,000
	12/31/16	240,000	Nil	Nil	Nil	Nil	240,000
	12/31/15	240,000	Nil	Nil	Nil	Nil	240,000
Michael Hulmes <sup>(4)</sup> Director	12/31/17	45,000	Nil	Nil	Nil	Nil	45,000
	12/31/16	Nil	Nil	Nil	Nil	Nil	Nil
	12/31/15	Nil	Nil	Nil	Nil	Nil	Nil
Steve Hodgson <sup>(5)</sup> Former Director	12/31/17	Nil	Nil	Nil	Nil	Nil	Nil
	12/31/16	50,000	Nil	Nil	Nil	Nil	50,000
	12/31/15	60,000	Nil	Nil	Nil	Nil	60,000
Ray Parry <sup>(6)</sup> Chairman & Director	12/31/17	60,000	Nil	Nil	Nil	Nil	60,000
	12/31/16	Nil	Nil	Nil	Nil	Nil	Nil
	12/31/15	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Mr. Sostak acted as Executive Chairman from December 29, 2014 to January 20, 2017. Mr. Sostak has served as a director since May 7, 2013, and as CEO since January 20, 2017. The amount is expressed in CAD.
- (2) Mr. Tollstam has acted as CFO since July 4, 2014.
- (3) Mr. Tindall acted as President, CEO and a director from July 4, 2014 to January 20, 2017. The amount is expressed in CAD.
- (4) Mr. Hulmes has served as a director since December 8, 2015. The amount is expressed in AUD.
- (5) Mr. Hodgson served as a director from March 2, 2015 to November 7, 2016. The amount is expressed in CAD.
- (6) Mr. Parry has acted as Executive Chairman since January 20, 2017 and has served as a director since November 7, 2016. The amount is expressed in AUD.

## 2016 Stock Options and Other Compensation Securities

Particulars of compensation securities granted or issued to each NEO and director in the 2016 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:

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date (\$)
Bernie Sostak CEO, Director & Former Chairman	Options	500,000 <sup>(1)</sup>	June 22, 2016	\$1.00 <sup>(1)</sup>	\$0.60 <sup>(1)</sup>	\$0.40 <sup>(1)</sup>	June 22, 2021
Kenneth Tollstam CFO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Robert Tindall Former President, CEO & Director	Options	250,000 <sup>(1)</sup>	June 22, 2016	\$1.00 <sup>(1)</sup>	\$0.60 <sup>(1)</sup>	\$0.40 <sup>(1)</sup>	June 22, 2021
Michael Hulmes Director	Options	250,000 <sup>(1)</sup>	June 22, 2016	\$1.00 <sup>(1)</sup>	\$0.60 <sup>(1)</sup>	\$0.40 <sup>(1)</sup>	June 22, 2021
Steve Hodgson Former Director	Options	250,000 <sup>(1)</sup>	June 22, 2016	\$1.00 <sup>(1)</sup>	\$0.60 <sup>(1)</sup>	\$0.40 <sup>(1)</sup>	June 22, 2021
Ray Parry Chairman & Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

<sup>(1)</sup> The amount shown reflects a 10:1 share consolidation effective May 3, 2017.

At the end of the 2016 financial year, stock options on a total of 1,250,000 shares were held by NEOs and directors of the Company.



Name and Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise (\$)	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Kenneth Tollstam CFO	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robert Tindall Former President, CEO & Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michael Hulmes Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Steve Hodgson Former Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ray Parry Chairman & Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### Stock Option Plan

The Company has a Stock Option Plan that enables the Board of Directors to grant stock options to directors, officers and other qualified persons, on 17,127,983 shares of the Company (the “Plan”). As a fixed plan reserving in excess of 20% of the Company’s issued and outstanding shares for the grant of stock options, the Plan required disinterested shareholder approval under the policy of the TSX Venture Exchange (the “Exchange”), which was obtained at the Company’s 2016 Annual General Meeting. The Plan does not require further shareholder approval until such time as the number of shares reserved for the grant of options is increased, or the Plan is otherwise amended in such a manner as to require shareholder approval under Exchange policy. The Company proposes to adopt and seek shareholder approval for a new stock option plan reserving 17,127,983 shares, as referred to under “Stock Option Plan” hereafter.

The purpose of the Plan is to attract, retain and motivate management, staff, consultants and other qualified individuals by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years. Other material aspects of the Plan are as follows:

1. the Plan is administered by a plan administrator (the “Plan Administrator”) which is either the Company’s Board of Directors or, if the Board so designates, a committee of the Board appointed in accordance with the Plan to administer the Plan;
2. the maximum number of shares in respect of which options may be granted under the Plan is 17,127,983 shares, less the number of shares subject to options outstanding prior to implementation of the Plan. Shares subject to stock options granted under the Plan, or prior to implementation of the Plan, that expire, terminate or otherwise cease to be exercisable (other than by reason of their exercise) are restored to the Plan and become available for the granting of new options under the Plan;

3. upon an optionee ceasing to hold any position with the Company that would qualify a person to receive an option under the terms of the Plan, the optionee's option will terminate upon the expiry of such reasonable period of time following termination as has been fixed by the Plan Administrator. In addition, an option granted under the Plan will terminate one year following the death of the optionee. These provisions do not have the effect of extending the term of an option that would have expired earlier in accordance with its terms, and do not apply to any portion of an option that had not vested at the time of death or other termination;
4. as long as required by Exchange policy, no one consultant may receive options on more than 2% of the outstanding shares of the Company (the "Outstanding Shares") in any 12 month period, options granted to persons employed to provide investor relations services may not exceed, in the aggregate, 2% of the Outstanding Shares in any 12 month period, and options granted to consultants performing investor relations activities must vest in stages over 12 months with no more than 25% of the options vesting in any three month period;
5. the exercise price of options is subject to the discretion of the Plan Administrator, provided however that options may not be granted at prices that are less than the Discounted Market Price as defined in Exchange policy. Discounted Market Price generally means, subject to a minimum price of \$0.05 and certain other exceptions, the most recent closing price of the Company's shares on the Exchange, less a discount of from 15% to 25% depending on the trading value of the Company's shares;
6. any amendment to the terms of an option is subject to any required regulatory and shareholder approvals; and
7. options granted under the Plan are not assignable, negotiable or otherwise transferable other than by will or the laws of descent and distribution and, subject to the terms of the Plan, are exercisable only by the optionee and his legal heirs or personal representatives.

The Plan does not provide for any financial assistance or support to be provided to optionees by the Company or any affiliated entity of the Company to facilitate the purchase of shares under the Plan.

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

No services were provided to the Company during the 2016 financial year or the 2017 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. 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.

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

The Company does not have a Compensation Committee. All decisions relating to compensation of the Company's directors and executive officers are made by the full Board. 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. Decisions as to compensation are not made at any regularly scheduled interval, but are 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. For the financial year ended December 31, 2017, Bernie Sostak, who served as the Company's Chairman until January 20, 2017 and has served as CEO since January 20, 2017, accrued cash compensation of \$360,000 CAD, and Robert Tindall, who served as the Company's CEO until January 20, 2017, received cash compensation of \$10,000 CAD. Kenneth Tollstam, who has served as the Company's CFO since July 4, 2014, received cash compensation of \$nil. Ray Parry, the Company's Chairman since January 20, 2017, received cash compensation of \$60,000 AUD. No other compensation was received during the 2017 financial year by any of the individuals named in the foregoing. For the financial year ended December 31, 2016, Bernie Sostak, who served as the Company's Executive Chairman, accrued cash compensation of \$360,000 CAD. Robert Tindall, who served as the Company's CEO, received cash compensation of \$240,000 CAD. Kenneth Tollstam, who served as the Company's CFO, received cash compensation of \$nil. Other than the grant of stock options as set forth under "2016 Stock Options and Other Compensation Securities", no other compensation was received during the 2016 financial year by any of the individuals named in the foregoing. The compensation paid to the Company's NEO's is based on the Board's subjective assessment of the value to the Company of the services provided by each, and the other factors referred to in the preceding paragraph. Otherwise, the compensation paid to NEOs is not based on any specific performance criteria or goals.

The Company may grant stock options 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. Stock options were granted to officers and directors on a total of 1,250,000 shares (post-consolidation) in the Company's 2016 financial year, including the options granted to NEOs as set forth under "2016 Stock Options and Other Compensation Securities". No stock options were granted during the 2017 financial year.

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 an individual; (ii) a fair balance between the number of options held by an individual and those held by 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.

No significant events occurred during either the 2016 or the 2017 financial years 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 2016 financial year.

## **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 Company’s business of mineral exploration 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 three directors, one of whom, Michael Hulmes, is independent. Bernie Sostak and Ray Parry are not independent as they are executive officers of the Company.

In carrying out its responsibilities, the Board has no formal procedures designed to facilitate the exercise of its independent judgment. However, when considering the constitution of the Board, the Company endeavours to ensure that individuals elected to the Board will act with integrity in exercising their judgment in the best interests of the Company and its shareholders.

### **Directorships**

Bernie Sostak is a director of Northern Star Resources Limited, a company listed on the Australian Securities Exchange. Otherwise, no director of the Company is currently a director of any other reporting company, or the equivalent, in British Columbia or any other jurisdiction.

### **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 demonstrations 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. As needed, the Company’s directors are encouraged to consult with the Company’s legal counsel, to provide advice concerning emerging trends in securities regulatory policy and related corporate matters. Other 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 not adopted a written code for the Company’s directors, officers and employees with respect to ethical business conduct. 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 Board does not have a Nominating Committee to identify new candidates for Board nomination. Potential candidates for appointment to the Board are considered by the Board as a whole, in reliance on the recommendations, qualifications and experience of its members. The Board recognizes that, in accordance with good corporate governance practices, it is desirable to appoint members who are independent, and gives weight to this consideration.

### **Compensation**

The Board does not have a Compensation Committee. All matters related to compensation are considered and settled by the full Board, in reliance on the qualifications and experience of its members. While no specific procedures have been established to ensure an objective process for determining compensation, the Company believes its levels of compensation to be fair and appropriate. The Board has not engaged an outside consultant or advisor to assist in determining compensation for any of the Company's directors or officers.

### **Other Board Committees**

The Board has no committees other than the Audit Committee.

### **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 as at the end of the Company's 2016 and 2017 financial years, after giving effect to a 10:1 share consolidation effective May 3, 2017.

### **As at December 31, 2016**

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans

Equity compensation plans approved by security holders	2,378,600	\$0.10	1,924,704
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	2,378,600		1,924,704

### As at December 31, 2017

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	2,150,000	\$1.00	10,184,485
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	2,150,000		10,184,485

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as set forth in the following, 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 financial year ended December 31, 2016, where that indebtedness remains outstanding at the date hereof. 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 financial year ended December 31, 2016, with respect to any indebtedness of any such person.

#### Aggregate Indebtedness

Name of Debtor	Purpose	Owed to the Company or its Subsidiaries	Owed to Another Entity
Tassiga Ltd. <sup>(1)</sup>	Terminated property acquisition	\$1,000,000 plus interest	N/A

<sup>(1)</sup> Tassiga Ltd. is a related party of Gregor Theiser, a former director and executive officer of the Company.

Pursuant to a letter agreement dated July 1, 2014, the Company agreed to purchase from Tassiga Ltd. ("Tassiga") an initial interest (with options to acquire additional interests) in a mineral exploration property located in Mali, West Africa. As part of the agreement, the parties agreed that the purchase price for the initial interest would be \$1,000,000 that had already been advanced to Tassiga and certain other related parties of Gregor Theiser under previous arrangements with respect to the property. In October of 2014, Tassiga issued a termination notice to the Company, terminating the agreement. Under the terms of the agreement, the delivery of the termination notice triggered the obligation of Tassiga to return the \$1,000,000 paid by the Company, with interest at 10%, by January 14, 2015. That payment was not received by the due date, and remains outstanding at the date hereof. The Company understands that Gregor Theiser holds a substantial equity interest in Tassiga. Gregor Theiser is a former Chairman and

former director of the Company. While portions of the indebtedness were secured by share pledge agreements with respect to shares of Tassiga, due to jurisdictional issues and other issues related to exercise, enforcement of the security may not be practical.

As the recovery of the indebtedness is uncertain, the amount was written off in the Company's books during the financial year ended December 31, 2014.

### **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, the text of which is attached as Schedule A to this Information Circular.

The Company's Audit Committee is comprised of three directors, Bernie Sostak, Michael Hulmes and Ray Parry. Mr. Hulmes is independent as defined in NI 52-110, while Mr. Sostak and Mr. Parry are not independent. Also as defined in NI 52-110, all of the Audit Committee members are "financially literate". The relevant education and experience of each member of the Audit Committee is as follows:

Mr. Sostak is a geologist with over 25 years' experience in the gold mining industry with his most recent role as General Manager of Business Development and Technical Services for ASX listed Company Northern Star Resources Ltd. During that time he was responsible for growing the Company and teaming to acquire four new mines. Prior to this, Bernie was Director of Resource and Reserve Strategy for Barrick Gold Corporation. His experience includes mine geology, resource estimations, exploration, mine planning and operations management.

Mr. Hulmes is the General Manager of the Caijiaying Zinc/Gold Mine in the Gebei Province in China. He was previously the Managing Director-Iberian Operations, Lundin Mining Corporation, and General Manager Operations, OK Tedi Mining Limited, a mining company operating the OK Tedi Mine in Papua New Guinea. Mr. Hulmes is a mining executive with over 30 years' experience in international underground and open pit mining operations.

Ray holds degrees in accounting and finance and an MBA in International Business. He is a Fellow member of the Certified Practicing Accountants of Australia and has over 30 years' experience in sectors including Mining, Manufacturing, Banking, Oil & Gas. Ray is currently CFO and Company Secretary at Millenium Minerals (ASX) and earlier the CFO/Company Secretary of Hanking Gold Mining and . Prior to that, he was CFO at Northern Star Resources(ASX). Other roles included senior management positions at St. Barbara, Kerr McGee (USA) / Tronox & Bankwest.

Since the commencement of the Company's financial year ended December 31, 2016, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Since the commencement of the Company's financial year ended December 31, 2016, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. NI 52-110 provides that the Audit Committee must pre-approve all non-audit services to be provided by the Company's auditor. Section 2.4 provides an exemption from this requirement where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

All non-audit services provided to the Company by its external auditor must first be recommended by the Audit Committee and approved by the Board.

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 the previous three financial years, by category, are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
Dec. 31, 2017	\$20,000	Nil	Nil	Nil
Dec. 31, 2016	\$20,000	Nil	Nil	Nil
Dec. 31, 2015	\$20,400	Nil	Nil	Nil

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**

### **A. Election of Directors**

Management intends to propose for adoption an ordinary resolution that the number of directors of the Company be fixed at three, subject to such increase as may be permitted by the articles of the Company.

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 to be 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:

<b>Name of Nominee, Residence and Present Positions Held</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Number of Shares Beneficially Owned, Controlled or Directed</b>
<b>BERNIE SOSTAK</b> <sup>(1)</sup> Australia CEO and	Mr. Sostak is a geologist with over 25 years’ experience in the gold mining industry with his most recent role as General Manager of Business	May 7, 2013	14,916,878 Owned Directly

Director	Development and Technical Services for ASX-listed Northern Star Resources Ltd. During that time he was responsible for growing the company and teaming to acquire four new mines. Prior to this, Mr. Sostak served as Director of Resource and Reserve Strategy for Barrick Gold Corporation. His experience includes mine geology, resource estimations, exploration, mine planning and operations management.		
<b>RAY PARRY</b> <sup>(1)</sup> Australia Chairman and Director	Ray holds degrees in accounting and finance and an MBA in International Business. He is a Fellow member of the Certified Practicing Accountants of Australia and has over 30 years' experience in sectors including Mining, Manufacturing, Banking, Oil & Gas. Ray is currently CFO and Company Secretary at Millenium Minerals (ASX) and earlier the CFO/Company Secretary of Hanking Gold Mining and . Prior to that, he was CFO at Northern Star Resources(ASX). Other roles included senior management positions at St. Barbara, Kerr McGee (USA) / Tronox & Bankwest.	November 16, 2016	500,000 Owned Directly
<b>MICHAEL HULMES</b> <sup>(1)</sup> Western Australia Director	Mr. Hulmes was the General Manager of the Caijiaying Zinc/Gold Mine in the Hebei Province in China. He was previously the Managing Director– Iberian Operations, Lundin Mining Corporation, General Manager Operations, OK Tedi Mining Limited, a mining company operating the OK Tedi Mine in Papua New Guinea and was previously employed by Hebei Hua Ao Zinc Industry Company. Mr. Hulmes is a mining executive with over 30 years' experience in international underground and open pit mining operations.	December 8, 2015	Nil

<sup>(1)</sup> Member of the Audit Committee.

<sup>(2)</sup> Principal occupation for the past five years.

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.

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 is, 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 one 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 security holder in deciding whether to vote for a proposed director.

The above information was provided by management of the Company.

## **B. Appointment of Auditor**

The shareholders will be asked to appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants, of 1700 - 1140 West Pender Street, Vancouver, B.C. V6E 4G1 (“DMCL”) 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 remuneration of the auditor. DMCL has acted as the Company’s auditor since March 18, 2015.

## **C. Stock Option Plan**

The Company’s Board of Directors proposes to adopt a new stock option plan (the “Plan”) that will enable the Board of Directors to grant stock options to directors, officers and other qualified persons, on 17,127,983 shares of the Company, representing approximately 20% of the Company’s currently issued and outstanding common shares. The policies of the TSX Venture Exchange (the “Exchange”) require that stock option plans that reserve for issuance in excess of a fixed 20% of a company’s outstanding shares, must receive shareholder approval. Accordingly, the shareholders will be asked to approve the Plan at the Meeting.

The purpose of the Plan is to attract, retain and motivate management, staff, consultants and other qualified individuals by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years. Other material

aspects of the Plan are as follows:

1. the Plan will be administered by a plan administrator (the “Plan Administrator”) which will be either the Company’s Board of Directors or, if the Board so designates, a committee of the Board appointed in accordance with the Plan to administer the Plan;
2. the maximum number of shares in respect of which options may be granted under the Plan is 17,127,983 shares, less the number of shares subject to options outstanding prior to implementation of the Plan. Shares subject to stock options granted under the Plan, or prior to implementation of the Plan, that expire, terminate or otherwise cease to be exercisable (other than by reason of their exercise) are restored to the Plan and become available for the granting of new options under the Plan;
3. upon an optionee ceasing to hold any position with the Company that would qualify a person to receive an option under the terms of the Plan, the optionee’s option shall terminate upon the expiry of such reasonable period of time following termination as has been fixed by the Plan Administrator. In addition, an option granted under the Plan will terminate one year following the death of the optionee. These provisions do not have the effect of extending the term of an option that would have expired earlier in accordance with its terms, and do not apply to any portion of an option that had not vested at the time of death or other termination;
4. as long as required by Exchange policy, no one no one consultant may receive options on more than 2% of the outstanding shares of the Company (the “Outstanding Shares”) in any 12 month period, options granted to persons employed to provide investor relations services may not exceed, in the aggregate, 2% of the Outstanding Shares in any 12 month period, and options granted to consultants performing investor relations activities must vest in stages over 12 months with no more than 25% of the options vesting in any three month period;
5. the exercise price of options is subject to the discretion of the Plan Administrator, provided however that options may not be granted at prices that are less than the Discounted Market Price as defined in Exchange policy. Discounted Market Price generally means, subject to a minimum price of \$0.05 and certain other exceptions, the most recent closing price of the Company’s shares on the Exchange, less a discount of from 15% to 25% depending on the trading value of the Company’s shares;
6. any amendment of the terms of an option shall be subject to any required regulatory and shareholder approvals; and
7. options granted under the Plan are not assignable, negotiable or otherwise transferable other than by will or the laws of descent and distribution and, subject to the terms of the Plan, are exercisable only by the optionee and his legal heirs or personal representatives.

The Plan does not provide for any financial assistance or support to be provided to optionees by the Company or any affiliated entity of the Company to facilitate the purchase of shares under the Plan.

The full text of the Plan will be presented to the shareholders at the Meeting. Shareholders wishing to view the Plan in advance of the Meeting may do so by requesting a copy from the Company by telephone at (604) 424-8257

The Plan is subject to the approval of the Exchange. In the event that Exchange approval has not been received prior to the date of this Information Circular and the Exchange thereafter requires changes to the terms or specific wording of the Plan as a condition of granting approval, the plan submitted for approval

at the Meeting will be amended to include the required changes. In voting on the Plan, if so amended, the proxyholders appointed to vote at the Meeting will employ the discretionary authority provided under the form of proxy to vote on amendments or variations to matters that properly come before the Meeting. It is not anticipated that the Exchange will require amendments to the Plan.

In connection with shareholder approval of the Plan, management will place the following proposed resolution before the shareholders for their consideration:

**RESOLVED** that the Company's Stock Option Plan, presented for consideration at the Company's 2017 and 2018 Annual General Meetings, be approved.

**As the Plan does not limit the number of shares under options held by the Company's insiders, as a group, at any point in time, or the number of shares under options granted to any one individual, or the insiders as a group, in any 12 month period, the policy of the Exchange requires that, to be effective, the Plan must be approved by a majority of votes cast at the meeting by disinterested shareholders. Accordingly, the directors and officers of the Company, other insiders of the Company who may be granted options under the Plan, and in both cases their associates, will abstain from voting. To the best of the Company's knowledge, such persons collectively own 15,416,878 shares of the Company, and hence that number of shares of the Company will be ineligible to vote on the foregoing resolution. In the event that the Plan does not receive the requisite shareholder approval, the Company's existing stock option plan will continue in effect.**

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

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. The management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy.

#### **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 years ended December 31, 2016 and December 31, 2017.

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

Transatlantic Mining Corporation  
Suite 800, 1199 West Hastings Street  
Vancouver, B.C. V6E 3T5  
Telephone: (604) 424-8257  
Fax: 1-888-241-5996

**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, the 15<sup>th</sup> day of November 2018.

**ON BEHALF OF THE BOARD**

*“Bernie Sostak”*

**Bernie Sostak**  
CHIEF EXECUTIVE OFFICER

## SCHEDULE A

### TRANSATLANTIC MINING CORP.

(the “Company”)

#### AUDIT COMMITTEE CHARTER

##### **Mandate**

The primary function of the audit committee (the “**Audit Committee**”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Audit Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors;
- provide an open avenue of communication among the Company’s auditors, financial and senior management, and the Board of Directors.

##### **Composition**

The Audit Committee shall comprise three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

##### **Meetings**

The Audit Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the CFO and the external auditors in separate sessions.

##### **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Audit Committee shall:

##### **Documents/Reports Review**

- (a) Review and update this Charter annually.

- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

### **External Auditors**

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - (iii) such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee.

Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval, such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

**Financial Reporting Processes**

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**Other**

Review any related-party transactions.