

**PALAMINA CORP.**

**NOTICE OF MEETING**

**AND**

**INFORMATION CIRCULAR**

WITH RESPECT TO THE

ANNUAL AND SPECIAL MEETING

OF

SHAREHOLDERS

TO BE HELD:

JUNE 13, 2019  
66 Wellington Street West, Suite 4100  
Toronto, ON  
M5K 1B7  
4 PM

## PALAMINA CORP.

### NOTICE OF THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** the annual and special meeting (the "**Meeting**") of the shareholders of Palamina Corp. ("**Palamina**" or the "**Corporation**") will be held at 66 Wellington Street West, Suite 4100, Toronto, Ontario M5K 1B7 on June 13, 2019 at 4 p.m. (local time) for the following purposes:

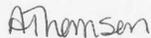
1. to receive the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2018 together with the report of the auditors thereon;
2. to elect the directors of the Corporation;
3. to appoint UHY McGovern Hurley LLP, as the auditors of the Corporation and to authorize the directors to fix the auditors' remuneration;
4. to approve the Corporation's stock option plan; and
5. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice of Meeting.

**SHAREHOLDERS WHO ARE UNABLE TO ATTEND THE MEETING IN PERSON SHOULD COMPLETE, DATE AND SIGN THE ENCLOSED INSTRUMENT OF PROXY, AND RETURN IT IN THE ENVELOPE PROVIDED FOR THAT PURPOSE.**

Proxies to be used at the Meeting must be deposited with Computershare Investor Services Inc., 8F, 100 University Ave Toronto, Ontario M5J 2Y1, before 4 p.m. (local time) on June 11, 2019.

By Order of the Board



**Andrew Thomson**  
President, Chief Executive Officer  
Toronto, Ontario  
May 3, 2019

## **PALAMINA CORP.**

### **INFORMATION CIRCULAR**

#### **PURPOSE OF SOLICITATION**

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Palamina Corp. ("Palamina" or the "Corporation") for use at the annual and special meeting (the "Meeting") of shareholders of the Corporation to be held at 66 Wellington Street West, Suite 4100, Toronto, Ontario on June 13, 2019 at 4 p.m. and at any adjournments thereof for the purposes set out in the accompanying Notice of Meeting.**

It is expected that the solicitation of proxies will be primarily by mail, subject to the use of the notice and access provisions (the "**Notice and Access Provisions**") in relation to the delivery of the meeting materials (as defined below), however, proxies may also be solicited personally, and by officers and directors of the Corporation (but not for additional compensation). The costs of solicitation will be borne by the Corporation. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries to forward solicitation materials to the beneficial owners of common shares (the "Shares") of the Corporation held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

#### **VOTING OF PROXIES**

All Shares represented at the Meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Shares represented by the proxy will be voted in accordance with such specifications. **In the absence of any such specifications, the management designees, if named as proxy, will vote IN FAVOUR of all the matters set out herein.**

**The enclosed Instrument of Proxy confers discretionary authority upon the management designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the date of this Information Circular, the Corporation is not aware of any amendments to, or variations of, or other matters that may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of the management of the Corporation.**

Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc., 8F, 100 University Ave Toronto, Ontario M5J 2Y1, not less than forty-eight (48) hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or an adjournment of the Meeting.

#### **ADVICE TO BENEFICIAL SHAREHOLDERS ON VOTING THEIR SHARES**

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold their Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Shares can be recognized and acted upon at the Meeting. 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 Corporation. Such Shares will more likely be registered under the name 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 nominee of The Canadian Depository for Securities Limited, which acts as depository for many

Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting Shares for the broker's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc., formerly ADP Investor Communications ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at a meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his or her broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and vote their Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

#### NOTICE AND ACCESS

"Notice and Access Provisions" means provisions concerning the delivery of proxy-related materials to shareholders found in section 9.1.1 of National Instrument 51-102 - Continuous Disclosure Obligations ("**NI 51-102**"), in the case of registered shareholders, and section 2.7.1 of National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer ("**NI 54-101**"), in the case of Non-Registered Holders, which would allow an issuer to deliver an information circular forming part of proxy-related materials to shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met.

The Notice and Access Provisions are a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of securities by posting such materials on a non-SEDAR website (usually the reporting issuer's website and sometimes the transfer agent's website) rather than delivering such materials by mail. The Notice and Access Provisions can be used to deliver materials for both special and general meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and beneficial owners will be entitled to request delivery of a paper copy of the information circular at the reporting issuer's expense.

The use of the Notice and Access Provisions reduces paper waste and mailing costs to the Corporation. In order for the Corporation to utilize the Notice and Access Provisions to deliver proxy-related materials by posting the meeting materials electronically on a website that is not SEDAR, the Corporation must send a notice to shareholders, including Non-Registered Holders, indicating that the proxy-related materials have been posted and explaining how a shareholder can access them or obtain from the Corporation, a paper

copy of those materials. The meeting materials have been posted in full on the Corporation's website at [www.palamina.com](http://www.palamina.com) and under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

In order to use Notice and Access Provisions, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the meeting materials to be posted on the applicable website and other materials to be delivered to shareholders. The requirements of that notice, which requires the Corporation to provide basic information about the Meeting and the matters to be voted on, explain how a shareholder can obtain a paper copy of the meeting materials and Management's Discussion and Analysis ("MD&A"), and explain the Notice and Access Provisions process, have been built into the Notice. The Notice has been delivered to shareholders by the Corporation, along with the applicable voting document (a form of proxy in the case of registered shareholders or a voting instruction form in the case of Non-Registered Holders).

The Corporation will not rely upon the use of 'stratification'.

The Corporation will send proxy-related materials directly to non-objecting non-registered shareholders. The Corporation does not intend to pay for the intermediary to deliver to objecting Non-Registered Holders the proxy-related materials and Form 54-101F7 - Request for Voting Instructions Made by Intermediary of NI 54-101. Any shareholder who wishes to receive a paper copy of this Circular must make contact with the Corporation at Suite 2870, 145 King Street West, Toronto, Ontario, M5H 1J8, Telephone: 416-204-7536 or Fax: 416-981-8766 or the Corporation's transfer agent, Computershare Investor Services Inc. at 8<sup>th</sup> Floor, 100 University Ave, Toronto Ontario, M5J 2Y1, Telephone: within North America 1-866-962-0498 or direct from outside North America 514-982-8716. In order to ensure that a paper copy of the meeting materials can be delivered to a requesting shareholder in time for such shareholder to review the meeting materials and return a proxy or voting instruction form prior to the deadline to receive proxies, it is strongly suggested that a shareholder ensure their request is received no later than **May 31, 2019**.

All shareholders may call the Corporation at 416-204-7536 or its transfer agent at 1-866-962-0498 in order to obtain additional information regarding the Notice and Access Provisions or to obtain a paper copy of the meeting materials, up to and including the date of the Meeting, including any adjournment of the Meeting.

#### **APPOINTMENT OF PROXY**

**A shareholder has the right to designate a person (who need not be a shareholder of the Corporation) other than Andrew Thomson or Brian Jennings, the management designees, to attend and act for him/her at the Meeting.** Such right may be exercised by inserting in the blank space provided, the name of the person to be designated and deleting therefrom the names of the management designees or by completing another proper instrument of proxy and, in either case, depositing the instrument of proxy with the registrar and transfer agent of the Corporation, Computershare Investor Services Inc., 8F, 100 University Ave Toronto, Ontario M5J 2Y1, not less than forty-eight (48) hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or an adjournment of the Meeting.

#### **REVOCATION OF PROXIES**

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy.

A shareholder may revoke a proxy by depositing an instrument in writing, executed by him or his attorney authorized in writing, or, if the shareholder is a corporation, under its corporate seal or signed by a duly authorized officer or attorney for the corporation:

- (a) at the offices of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc., 8F, 100 University Ave Toronto, Ontario M5J 2Y1, at any time, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or an adjournment of the Meeting at which the proxy is to be used; or
- (b) at the registered office of the Corporation, 145 King Street West, Suite 2870, Toronto, Ontario, M5H 1J8 at any time up to and including the last business day preceding the day of the Meeting, or an adjournment thereof, at which the proxy is to be used; or
- (c) with the chairman of the Meeting on the day of the Meeting or an adjournment thereof.

In addition, a proxy may be revoked by the shareholder executing another form of proxy bearing a later date and depositing same at the offices of the registrar and transfer agent of the Corporation within the time period set out under the heading "*Voting of Proxies*", or by the shareholder personally attending the Meeting and voting his Shares.

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

The Corporation is authorized to issue an unlimited number of Common Shares, of which **36,228,636** Common Shares are issued and outstanding and entitled to vote at the Meeting on the basis of one vote for each Share held.

The holders of Shares of record at the close of business on the record date, set by the directors of the Corporation to be May 3, 2019 (the "**Record Date**"), are entitled to vote such Shares at the Meeting on the basis of one vote for each Share held. The by-laws of the Corporation provide that two (2) persons present in person or represented by proxy, representing at least 10% of the Shares entitled to vote at the Meeting, constitutes a quorum for the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as at May 3, 2019, to the knowledge of the directors and officers of the Corporation, there is no person or corporation who beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation.

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

To the knowledge of the Corporation's directors, the only matters to be placed before the Meeting are those matters set forth in the accompanying notice of Meeting relating to:

- (a) the receipt of the financial statements and auditors' report thereon;
- (b) the election of directors;
- (c) the appointment of auditors; and
- (d) the approval of the stock option plan.

#### **I. Receipt of Financial Statements**

The directors will place before the Meeting the consolidated financial statements of the Corporation for the year ended December 31, 2018 together with the auditors' report thereon. The consolidated financial statements have been sent to the shareholders of the Corporation with this Information Circular.

## II. Election of Directors

The board of directors presently consists of four (4) directors, all of whom are elected annually. It is proposed that the number of directors for the ensuing year be fixed at four (4). It is proposed that the persons named below will be nominated at the Meeting. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the by-laws of the Corporation, unless his office is earlier vacated in accordance with the provisions of the Corporation's by-laws.

Shareholders can vote for all of the proposed directors set forth herein, vote for some of them and withhold for others, or withhold for all of them. **It is the intention of the management designees, if named as proxy, to vote FOR the election of said persons to the board of directors.** Management does not contemplate that any of such nominees will be unable to serve as directors; however, if, for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favor of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his or her proxy that his or her Shares are to be withheld from voting in the election of directors.

The following information relating to the nominees as directors is based on information received by the Corporation from said nominees.

Name of Proposed Nominees and Proposed Positions with the Corporation	Principal Occupation during Previous 5 Years	Director Since	Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly
Andrew Thomson President and Chief Executive Officer Ontario, Canada	President and Chief Executive Officer of the Corporation, President and Chief Executive Officer of Soltoro Ltd. from 2006 to 2015.	2015	3,018,183 <sup>(3)</sup>
Darin Wagner <sup>(1)(2)</sup> British Columbia, Canada	President and CEO of Balmoral Resources Ltd from 2010 to Present	2016	421,333 <sup>(4)</sup>
Hugh Agro <sup>(1)(2)</sup> Ontario, Canada	President and CEO Revival Gold Inc. from February 2017 to Present, Principal Carbon Arc Capital Investments Inc. (2013 – 2017); Corporate Director (2011 – Present).	2016	873,000 <sup>(5)</sup>
Alistair Waddell <sup>(1)(2)</sup> British Columbia, Canada	President & CEO Inflection Resources March 2018 to Present, VP Exploration Kingsgate Consolidated (2016-2018) & VP Greenfields Exploration Kinross Gold Corp (2010-2015)	2017	140,000 <sup>(6)</sup>

**Notes:**

- (1) Member of the Corporate Governance and Compensation Committee.
- (2) Member of the Audit Committee.
- (3) Mr. Thomson holds 1,395,369 shares directly, 210,016 shares held by a corporation controlled by Mr. Thomson, an aggregate of 15,000 shares held in the names of his children and 1,397,798 shares in various RESP, RRSP and TFSA accounts. Mr. Thomson also holds 150,000 options which are exercisable until January 13, 2022 at an exercise price of \$0.22, and 250,000 which are exercisable until April 6, 2023 at an exercise price of \$0.39.
- (4) Mr. Wagner also holds 100,000 options which are exercisable until January 13, 2022 at an exercise price of \$0.22, and 50,000 which are exercisable until April 6, 2023 at an exercise price of \$0.39.
- (5) Mr. Agro holds 40,000 shares directly and 833,000 shares through a corporation he controls. Mr. Agro also holds 110,000 options which are exercisable until November 15, 2021 at an exercise price of \$0.16, 100,000 of which are exercisable until January 13, 2022 at an exercise price of \$0.22, and 50,000 which are exercisable until April 6, 2023 at an exercise price of \$0.39.
- (6) Mr. Waddell also holds 150,000 options which are exercisable until November 1, 2022 at an exercise price of \$0.17, and 50,000 which are exercisable until April 6, 2023 at an exercise price of \$0.39.

To the knowledge of the Corporation:

- (e) no proposed director of the Corporation is, or has been within ten (10) years before the date of this management proxy circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (i) was subject to a cease trade order or similar order to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days; or
- (ii) was subject to an order issued after a proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (iii) 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.

To the knowledge of the Corporation, no proposed director of the Corporation has, within the ten (10) years before the date of this management proxy 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.

### **III. Appointment of Auditors**

Management proposes that UHY McGovern Hurley LLP of Toronto, Ontario be appointed as auditors of the Corporation for the ensuing year and that the directors be authorized to fix their remuneration. The Audit Committee recommended to the board of directors that UHY McGovern Hurley LLP be appointed in respect of the financial year ending December 31, 2018. UHY McGovern Hurley LLP was first appointed auditors in 2017.

The shareholders will be asked to consider and, if thought appropriate, pass, with or without variation, a resolution appointing UHY McGovern Hurley LLP as auditors of the Corporation to hold office until the close of the next annual meeting and authorizing the directors of the Corporation to fix the remuneration of the auditors. Further information regarding the Corporation's auditors is set forth below under the "Audit Committee Disclosure" section. To be effective, this resolution must be passed by a majority of the votes cast in respect of this resolution.

**The management designees, if named as proxy, intend to vote the Shares represented by any such proxy FOR the appointment of UHY McGovern Hurley LLP as auditors of the Corporation at remuneration to be fixed by the board of directors upon the recommendation of the Audit Committee.**

### **IV. Approval of Stock Option Plan**

The TSX Venture Exchange (the "**Exchange**") requires all listed companies with a ten percent (10%) rolling stock option plan to obtain annual shareholder approval of such plan. Shareholders will be asked at the Meeting to vote on a resolution to approve the stock option plan (the "**Plan**") for the ensuing year.

#### **The Stock Option Plan**

The Plan provides that the board of directors of the Corporation (the "**Board**") may, from time to time and at its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Shares. The Plan provides for a rolling maximum limit of ten percent (10%) of the outstanding Shares, as permitted by the Policies of the Exchange. On

May 3, 2019 this represents 3,622,864 Shares available under the Plan. To date, outstanding options to purchase a total of 2,055,000 Common Shares have been issued to directors, officers, employees and consultants of the Corporation.

The number of Shares reserved for any one person may not exceed five percent (5%) of the outstanding Shares. The board of directors determines the price per Share and the number of Shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to the rules of the Exchange. The price per Share set by the directors is subject to minimum pricing restrictions set by the Exchange.

Options may be exercisable for up to ten (10) years from the date of grant, but the board of directors has the discretion to grant options that are exercisable for a shorter period. Options granted under the Plan do not require vesting provisions, although the Board may attach a vesting period or periods to individual grants as it deems appropriate. Options under the Plan are non-assignable and non-transferable. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant, the option shall be limited to the number of Shares purchasable by him immediately prior to the time of his cessation of office or employment and he shall have no right to purchase any other Shares. The full text of the Plan will be available for review at the Meeting and will be supplied free of charge to shareholders upon written request made directly to the Corporation at its registered head office located at 145 King Street West, Suite 2870, Toronto, Ontario, M5H 1J8, Attention: President.

At the Meeting, the shareholders will be asked to approve the following resolutions:

**"BE IT RESOLVED THAT:**

- (a) The stock option plan of the Corporation as described in this Management Information Circular of the Corporation dated May 3, 2019, be and is hereby ratified and approved for the ensuing year, subject to any minor change required by the TSX Venture Exchange; and
- (b) any one director or officer of the Corporation be and is authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

The resolutions must be approved by a simple majority approval of the votes cast at the meeting by the holders of Shares. If the Plan is not approved by the shareholders, the Corporation will have to consider other methods of compensating and providing incentives to directors, officers, employees and consultants.

**If named as proxy, the management designees intend to vote the Shares represented by such proxy FOR approval of the Plan, unless otherwise directed in the instrument of the proxy.**

**V. Other Matters**

Management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the notice of meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

## CORPORATE GOVERNANCE DISCLOSURE

### Board of Directors

The board of directors (the "**Board**") of the Corporation is currently comprised of four (4) directors. The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "**CSA**") have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

**Independent Directors** – The independent members of the Board are Darin Wagner, Alistair Waddell, and Hugh Agro.

**Non-independent directors** – The only non-independent director is Andrew Thomson, President and Chief Executive Officer of the Corporation.

**Involvement in Other Reporting Issuers** – The following directors hold directorships in other reporting issuers:

Name	Issuer
Andrew Thomson	Montero Mining & Exploration Ltd. (TSXV:MON) Gossan Resources Limited (TSXV:GSS)
Alistair Waddell	Precipitate Gold Corp. (TSXV:PRG) Spey Resources Corp.(CSE: SPEY)
Darin Wagner	Balmoral Resources Ltd.(TSX:BAR) VR Resources Ltd.(TSXV:VRR)
Hugh Agro	Revival Gold Inc. (TSXV:RVG)

**Orientation and Continuing Education of Board Members** – New Board members receive an orientation package which includes reports on operations and results and public disclosure filings by the Corporation. Board meetings are combined where necessary with presentations by the Corporation's management to give the directors additional insight into the Corporation's business. In addition, management of the Corporation makes itself available throughout the year for discussion with all Board members.

**Measures to Encourage Ethical Business Conduct** – The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. The Corporation does not have a formalized code of business conduct.

***Nomination of Board Members*** – The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

***Determination of Compensation of Directors and Officers*** – The Corporate Governance & Compensation Committee assists the Board in fulfilling its obligations relating to human resource and compensation matters of the Corporation and its subsidiaries and to establish a plan for the continuity and development of senior management. The members of the Corporate Governance & Compensation Committee are Messrs. Thomson, Wagner, and Agro all but Andrew Thomson being independent.

The Corporate Governance & Compensation Committee reviews compensation paid for executive officers of companies of similar business, size and stage of development and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation.

Further information regarding the Corporate Governance & Compensation Committee's responsibilities, powers and operation are set out below under the section entitled “Statement of Executive Compensation”.

The Corporation believes that each of the Corporate Governance & Compensation Committee members possess the skills and experiences that enable the member to make decisions on the suitability of the compensation policies and practices of the Corporation as set out below.

***Other Board Committees*** – The Corporation's Board has no standing committees other than the Audit Committee and the Corporate Governance & Compensation Committee.

***Assessment of Directors, the Board and Board Committees*** – The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

## **AUDIT COMMITTEE DISCLOSURE**

The Audit Committee is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of the Corporation and annual external audits of the consolidated financial statements. The Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out below in the Corporation's audit committee charter.

### **Audit Committee Charter**

The Board has developed a written audit committee charter (the "**Charter**"). A copy of the Charter is attached hereto as "Schedule A".

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

During the Corporation's most recently completed financial year, the Audit Committee consisted of Darin Wagner, Hugh Agro, and Alistair Waddell, all being independent and financially literate. The Audit Committee meets at least on an annual basis with the Corporation's auditors.

### **Relevant Education and Experience of Audit Committee Members**

Darin Wagner is the former President and CEO of West Timmins Mining. Darin and his team were instrumental in the discovery of the high-grade Thunder Creek Gold deposit in Timmins, Ontario and the subsequent acquisition of West Timmins by Lake Shore Gold in an all share deal valued at \$424 million which was completed in November of 2009. Mr. Wagner now heads Balmoral Resources who's team have been twice recognized as the Explorers of the Year in Quebec for Balmoral's Martiniere and Grasset discoveries. Mr. Wagner and the team at Platinum Group Metals were awarded the NWOPA Explorer of the Year Award in 2004 for the Seagull Pt-Pd discovery near Thunder Bay, Ontario. Mr. Wagner has been a member of the audit committee of 4 publicly listed companies over the last 10 years.

Alistair Waddell is a geologist with 24 years of diverse resource industry experience, including senior roles with both junior and major mining companies. Alistair is currently the President & CEO of Inflection Resources a private company focused on exploration for gold and copper in Australia. He was a founder and former President and CEO of TSX-V listed GoldQuest Mining Corp. principally focused on exploration in the Dominican Republic. More recently, he was Vice President – Greenfields Exploration for Kinross Gold Corp. responsible for global greenfields exploration and Vice President Exploration for Kingsgate Consolidated focused on Chile.

Hugh Agro is the President, CEO and Director of Revival Gold Inc., a growth-focused gold exploration and development company. Prior to Revival Gold, Mr. Agro was a Principal with Carbon Arc Capital Investments Inc., a private equity backed mining investment firm. Previously, Mr. Agro was Executive Vice President, Strategic Development with Kinross Gold Corporation. At Kinross, Mr. Agro was a member of the Executive Leadership Team and responsible for strategic and operational leadership of Kinross' growth initiatives including corporate development, global exploration and commercial activities in Russia. Prior to Kinross, Mr. Agro held senior executive positions with Placer Dome, Senator Capital Partners and in investment banking with Deutsche Bank's Global Metals and Mining Group.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation's fiscal year ended December 31, 2018 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### **Reliance on Certain Exemptions**

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemptions contained in Section 2.4 (*De Minimis Non-audit Services*) or Section 8 (*Exemptions*) of National Instrument 52-110 ("**NI 52-110**").

Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed five percent (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.

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

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted.

### External Auditor Service Fees (By Category)

The following table provides information about the fees billed to the Corporation for professional services rendered by UHY McGovern Hurley LLP, in respect of the year ended December 31, 2017, and 2018.

Nature of Service	Fees Paid to Auditor in Year-ended December 31, 2017 (\$)	Fees Paid to Auditor in Year-ended December 31, 2018 (\$)
Audit Fees <sup>(1)</sup>	22,000	25,000
Audit Related Fees <sup>(2)</sup>	0	0
Tax Fees <sup>(3)</sup>	3,000	3,000
All Other Fees <sup>(4)</sup>	0	0
<b>Total:</b>	<b>25,000</b>	<b>28,000</b>

**Notes:**

- (1) "**Audit Fees**" include fees necessary to perform the annual audit and any quarterly reviews of the Corporation's financial statements. This includes fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements. This also includes audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "**Audit-Related Fees**" include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and that are not included in "*Audit Fees*".
- (3) "**Tax Fees**" include fees for professional services rendered by the Corporation's auditors for tax compliance, tax advice and tax planning.
- (4) "**All Other Fees**" include fees for products and services provided by the Corporation's auditors other than the services included in "*Audit Fees*", "*Audit-Related Fees*" and "*Tax Fees*".

### Exemption

As the Corporation is a venture issuer, it relies on the exemptions provided by section 6.1 of NI 52-110.

### STATEMENT OF EXECUTIVE COMPENSATION

The Corporation's Statement of Executive Compensation, in accordance with the requirements of Form 51-102F6V – Statement of Executive Compensation – Venture Issuers, is set forth below, which contains information about the compensation paid to, or earned by, the Corporation's Chief Executive Officer and Chief Financial Officer and each of the other three most highly compensated executive officers of the Corporation earning more than CND\$150,000 in total compensation (the "**Named Executive Officers**" or "**NEOs**") during the Corporation's last two most recently completed financial years. Based on the foregoing, Andrew Thomson, and Brian Jennings are the Corporation's only Named Executive Officers as at December 31, 2018.

### Compensation Discussion and Analysis

Among its other duties, the Board is responsible for: (i) overseeing the Corporation's human resources policies, executive compensation, management succession and development, and equity compensation plans, and (ii) ensuring that the Corporation's executive compensation policies and programs are competitive and reflect the long-term interest of the Corporation and its shareholders.

In order to ensure that the process for determining executive compensation remains objective, the Board (i) requires that executive directors remove themselves from any deliberations or determinations relating to their own compensation, (ii) seeks external, independent advice when requested or deemed appropriate by any member of the Board, and (iii) ensures that any decisions relating to the compensation of the executive directors are reviewed and approved by the independent members of the Corporate Governance & Compensation Committee prior to finalization or implementation.

The Board has established the Corporate Governance & Compensation Committee to assist the Board in fulfilling its obligations relating to human resource and compensation matters of the Corporation and its subsidiaries and to establish a plan for the continuity and development of senior management. The

members of the Corporate Governance & Compensation Committee are Messrs. Wadell, Wagner, and Agro.

The Corporate Governance & Compensation Committee is responsible for reviewing the performance, compensation, professional development, recruitment and succession planning of the directors and executive officers of the Corporation as well as employee benefits programs. The Board, as a whole, ultimately determines compensation for the directors, its Chief Executive Officer, President and Chief Financial Officer on the advice of the Corporate Governance & Compensation Committee. In performing its duties, the Corporate Governance & Compensation Committee has the authority to engage such advisors, including executive compensation consultants, as it considers necessary. The Corporation does not currently have any contractual arrangement with an executive compensation consultant who has a role in determining or recommending the amount or form of senior officer or director compensation.

#### *Compensation Process*

To determine compensation payable, the Corporate Governance & Compensation Committee and Board considers, among other things, the provisions of any relevant employment or consulting contracts, anecdotal evidence of compensation paid for directors and executive officers of companies of similar business, size and stage of development and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and executive officers while taking into account the financial and other resources of the Corporation, as well as the contractual obligations of the Corporation. The Corporate Governance & Compensation Committee may take into account executive compensation paid by companies comparable with the Corporation, although no specific benchmarking policy is in place for determining compensation or any element of compensation.

The Corporation compensates its Named Executive Officers primarily on the basis of the amount of time and effort they devote to the Corporation's affairs. Factors such as the Corporation's financial position and the price of its Shares are also taken into account. The objectives of the policy are to provide a level of cash compensation equivalent or below rates charged by individuals of comparable technical experience and to create longer term incentives through option grants. In order to create a significant relationship between corporate performance and executive compensation, options are granted based on the Named Executive Officer's level of responsibility within the Corporation and the exercise price of options granted in the past.

The Corporate Governance & Compensation Committee reviews on an annual basis the cash compensation, performance and overall compensation package for each member of management. It then submits to the Board recommendations with respect to the basic salary, bonus and participation in share compensation arrangements for each member of management. After discussing and considering various factors with both management and peers in the industry and receiving recommendations from the President of the Corporation for salaries, incentive option grants and bonuses for members of management (other than the President), the Corporate Governance & Compensation Committee makes its recommendations to the Board of Directors for approval.

The Corporation's overall policy regarding compensation of the Corporation's Named Executive Officers is structured to provide competitive salary levels and compensation incentives that support both the short-term and long-term goals of the Corporation, attract and retain suitable and qualified executive management, and establish a compensation framework which is industry competitive. The compensation program consists of the following three components:

#### *Base salary*

Base salaries of Named Executive Officers are determined by referencing salary levels in the industry in which the Corporation operates. In setting salaries, the Corporate Governance & Compensation Committee and Board do not rely upon benchmarking or mathematical formulas. The Board of Directors

reviews information drawn from a variety of sources, including proxy statements of competitive companies of comparable size and complexity, and, when appropriate, surveys conducted by compensation consultants. Criteria included in the determination of salary levels include the individual's experience level, the scope and complexity of the position held, and salaries being paid for similar positions at other Canadian and United States companies of similar size.

#### *Annual Performance Incentive*

Bonuses may or may not be paid and are based on the achievement of corporate and individual performance objectives.

#### *Stock Options*

The stock option component of the executive compensation package is provided to focus management attention on corporate performance over a period of time longer than one year in recognition of long-term horizons for return on investments and strategic decisions. The level of stock option awards given to each Named Executive Officer is determined by his or her position, his or her potential future contributions to the Corporation and the number and terms of stock option awards previously granted to the Named Executive Officer. All stock option awards are reviewed by the Corporate Governance & Compensation Committee and the Board. The Corporate Governance & Compensation Committee and the Board determine a meaningful level of award for employees ranging from key employees to the Chief Executive Officer. The level of stock option awards is also influenced by the number of executives and key employees in the current year and the likelihood of grants in future years to executives and key employees since the total number of stock options available under the Corporation's Stock Option Plan is limited. The Corporation's current stock option plan is summarized above in the section "*Approval of Stock Option Plan*".

Other than the Corporation's Stock Option Plan, the Corporation does not have any other long term incentive plans, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance over a period greater than one financial year (whereby performance is measured by reference to financial performance or the price of the Corporation's securities).

The Corporation does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

#### *Compensation Risk*

The Corporation has not adopted a formal policy on compensation risk management nor has it engaged an independent compensation consultant. The Corporation recognizes that there may be risks in its current processes but given the size and number of executives dedicated on a full-time basis, the Corporation does not believe the risks to be significant.

The Corporation has a Corporate Governance & Compensation Committee, consisting of independent members of the Board, to assist the Board in discharging its duties relating to compensation of the Corporation's directors and senior officers. The Board believes that the executive compensation program of the Corporation should not raise its overall risk profile. Accordingly, the Corporation's executive compensation programs include safeguards designed to mitigate compensation risks. The following measures impose appropriate limits to avoid excessive or inappropriate risk taking or payments:

- discretionary bonus payments are recommended to the Board by the Corporate Governance Compensation Committee based on annual performance reviews;

- stock option vesting and option terms of three (3) years discourages excessive risk taking to achieve short-term goals; and
- implementation of trading black-outs limit the ability of senior officers to trade in securities of the Corporation.

Inappropriate and excessive risks by executives are also mitigated by regular meetings of the Board, at which, activity by the executives must be approved by the Board if such activity is outside previously Board-approved actions and/or as set out in a board-approved budget. Due to the fact that the Corporation is still a development stage mining company and given the current composition of the Corporation's executive management team, the Board and the Corporate Governance & Compensation Committee are able to closely monitor and consider any risks which may be associated with the Corporation's compensation practices. Risks, if any, may be identified and mitigated through regular board of directors meetings during which financial and other information of the Corporation are reviewed, including executive compensation.

### Director and Named Executive Officer Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V – *Statement of executive Compensation – Venture Issuers*) sets forth all annual and long term compensation for services paid to or earned by each NEO and director for the two most recently financial years ended December 31, 2017, and 2018. Unless otherwise noted, salaries for the Named Executive Officers are paid in Canadian dollars.

**Table of Compensation excluding Compensation Securities**

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Andrew Thomson</b> President, Chief Executive Officer & Director	2018	175,000	21,875	Nil	Nil	Nil	196,875
	2017	175,000	Nil	9,597	Nil	Nil	184,597
<b>Don Mc Iver<sup>(1)</sup></b> Vice President Exploration	2018	171,600	22,069	Nil	Nil	Nil	193,669
<b>Brian Jennings</b> Chief Financial Officer & Director	2018	65,000	Nil	Nil	Nil	Nil	65,000
	2017	65,000	Nil	Nil	Nil	Nil	65,000
<b>Darin Wagner</b> Director	2018	Nil	Nil	17,500	Nil	Nil	17,500
	2017	Nil	Nil	17,500	Nil	Nil	17,500
<b>Hugh Agro</b> Director	2018	Nil	Nil	16,500	Nil	Nil	16,500
	2017	Nil	Nil	16,500	Nil	Nil	16,500
<b>Alistair Waddell</b> Director <sup>(2)</sup>	2018	Nil	Nil	14,500	Nil	Nil	14,500
	2017	Nil	Nil	1,946	Nil	Nil	1,946
<b>Jose Vizquerra-Benavides</b> Director <sup>(2)</sup>	2018	N/A	N/A	N/A	N/A	N/A	N/A
	2017	Nil	Nil	9,956	Nil	Nil	9,956

**Notes:**

- (1) Don Mc Iver was appointed Vice President Exploration September 2017 and resigned on January 2, 2019.
- (2) Jose Vizquerra-Benavides resigned as director of the Corporation and became an advisor to the Board effective November 13, 2017 and Alistair Waddell was appointed to the Board on the same day.

### **Summary Compensation – Narrative Discussion**

The Corporation has not entered into any formal executive employment agreements with its Named Executive Officers at this time.

**Estimated Change of Control and Termination Benefits**

The Corporation is not required to make any special payments in respect of a termination without cause or in the event of a change of control, except in accordance with applicable employment laws.

**Stock Options and Other Compensation Securities**

The following table sets forth all compensation securities granted or issued to each NEO and directors by the Company in the financial year ended December 31, 2018 for services provided directly or indirectly to the Company.

**Compensation Securities**

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class (#)	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
<b>Andrew Thomson</b> President, Chief Executive Officer & Director	Stock Option	250,000	April 6, 2018	\$0.39	\$0.39	\$0.39	April 6, 2023
<b>Don Mc Iver<sup>(1)</sup></b> Vice President Exploration	Stock Option	150,000	April 6, 2018	\$0.39	\$0.39	\$0.39	April 6, 2023
<b>Brian Jennings</b> Chief Financial Officer and Secretary	Stock Option	50,000	April 6, 2018	\$0.39	\$0.39	\$0.39	April 6, 2023
<b>Darin Wagner</b> Director	Stock Option	50,000	April 6, 2018	\$0.39	\$0.39	\$0.39	April 6, 2023
<b>Hugh Agro</b> Director	Stock Option	50,000	April 6, 2018	\$0.39	\$0.39	\$0.39	April 6, 2023
<b>Alistair Waddell<sup>(2)</sup></b> Director	Stock Option	50,000	April 6, 2018	\$0.39	\$0.39	\$0.39	April 6, 2023
<b>Jose Vizquerra-Benavides<sup>(2)</sup></b> Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- (1) Don Mc Iver was appointed Vice President Exploration September 2017 and resigned on January 2, 2019.  
(2) Jose Vizquerra-Benavides resigned as director of the Corporation and became an advisor to the Board effective November 13, 2017 and Alistair Waddell was appointed to the Board on the same day.

The following table discloses each exercise by a director or NEO of compensation securities during the financial year ended December 31, 2018.

### Exercise of Compensation Securities by Directors and NEOs

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 (\$)
<b>Andrew Thomson</b> President and Chief Executive Officer	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
<b>Don Mc Iver<sup>(1)</sup></b> Vice President Exploration	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
<b>Brian Jennings</b> Chief Financial Officer and Secretary	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
<b>Darin Wagner</b> Director	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
<b>Hugh Agro</b> Director	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
<b>Alistair Waddell</b> Director <sup>(2)</sup>	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
<b>Jose Vizquerra-Benavides<sup>(2)</sup></b> Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- (1) Don Mc Iver was appointed Vice President Exploration September 2017 and resigned on January 2, 2019.  
(2) Jose Vizquerra-Benavides resigned as director of the Corporation and became an advisor to the Board effective November 13, 2017 and Alistair Waddell was appointed to the Board on the same day.

### ***Pension Plan Benefits***

No pension or retirement benefits plans have been instituted and none are proposed at this time.

### ***Director Compensation***

The aggregate cash compensation paid to the directors of the Company for services rendered in their capacities as directors, since the date of incorporation, was nil. Directors who are not officers are entitled to receive compensation (to the extent that they provide services to the Company) at rates that would be charged by such directors for such services to arm's length parties. Directors are paid an annual fee of \$7,000 for their services as directors. The Chairman of the Audit Committee receives an annual fee of \$7,500 and members of the Audit Committee receive an annual fee of \$4,500. The Chairman of the Governance and Compensation Committee receives an annual fee of \$5,000 and members of the Governance and Compensation Committee receive an annual fee of \$3,000.

### EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth the number of Shares to be issued pursuant to equity compensation plans under which equity securities of the Corporation are authorized for issuance for all compensation plans previously approved by security holders and all compensation plans not previously approved by security holders as of December 31, 2018.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of Common Shares remaining available for future issuance under equity compensation plans [excluding securities reflected in column (a)] (c)
Equity compensation plans approved by security holders	2,805,000	0.25	184,137
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>TOTAL:</b>	<b>2,805,000</b>	<b>0.25</b>	<b>184,137</b>

### MANAGEMENT CONTRACTS

Management functions of the Corporation are performed by the directors and executive officers of the Corporation and by companies controlled/owned by directors and officers. The Corporation does not currently have any management contracts.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors or executive officers of the Corporation were indebted to the Corporation, at any time during its last completed financial year.

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

Other than as set forth in this Information Circular, the management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer at any time since the beginning of the Corporation's last financial year or any proposed nominee for election as a director, or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors. All of the directors and officers may receive options pursuant to the Plan. See "*Equity Compensation Plans*".

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of any informed person of the Corporation, any proposed nominee for election as a director of the Corporation or any associate or affiliate of any such person in any transaction during the financial year ended December 31, 2018, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries, other than those disclosed elsewhere in the Management Information Circular.

## **LEGAL PROCEEDINGS**

The directors and senior officers of the Corporation are not aware of any material litigation outstanding, threatened or pending, as of the date hereof by or against the Corporation.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") of the Canadian Securities Administrators at [www.sedar.com](http://www.sedar.com). Financial information regarding the Corporation is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year. Security holders of the Corporation may contact the Corporation at (416) 987-0722 to request copies of the Corporation's financial statements and management's discussion and analysis.

## **GENERAL**

All matters referred to herein for approval by the shareholders require a majority of the shareholders voting, in person or by proxy, at the Meeting.

Unless otherwise specified, information contained in this Information Circular is given as May 3, 2019 and, unless otherwise specified, all amounts shown represent Canadian dollars.

A Shareholder who wishes to submit a proposal to the Corporation must send such proposal to the Corporation such that it is received by the Corporation at least ninety (90) days before the anniversary date of the notice of meeting sent to Shareholders in connection with the previous annual meeting of Shareholders.

## **DIRECTORS' APPROVAL**

The contents and the sending of this Circular to the shareholders of the Corporation have been approved by the Board of Directors of the Corporation.

BY ORDER OF THE BOARD OF DIRECTORS OF  
PALAMINA CORP.

(Signed) "Andrew Thomson"

**ANDREW THOMSON**  
President, Chief Executive Officer

**THIS IS "SCHEDULE A" ATTACHED TO AND MADE A PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE ANNUAL AND SPECIAL GENERAL MEETING OF THE SHAREHOLDERS OF PALAMINA CORP. TO BE HELD JUNE 13, 2019, AND ANY ADJOURNMENT THEREOF.**

**PALAMINA CORP.  
(the "Corporation")**

**AUDIT COMMITTEE CHARTER**

**OVERALL ROLE AND RESPONSIBILITY**

The Audit Committee shall:

1. assist the Board of Directors in its oversight role with respect to:
  - (a) the quality and integrity of financial information;
  - (b) the independent auditor's performance, qualifications and independence;
  - (c) the performance of the Corporation's internal audit function, if applicable; and
  - (d) the Corporation's compliance with legal and regulatory requirements and
2. prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Corporation in accordance with applicable laws or the rules of applicable securities regulatory authorities.

**MEMBERSHIP AND MEETINGS**

The Audit Committee shall consist of three or more Directors appointed by the Board of Directors, a majority of whom shall be neither officers nor employees of the Corporation or any of the Corporation's affiliates. The members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities.

The Board of Directors shall designate one member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment. The Board of Directors shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

**STRUCTURE AND OPERATIONS**

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Audit Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

## **SPECIFIC DUTIES**

### **Oversight of the Independent Auditor**

- Make recommendations to the board for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every 7 years).

### **Financial Reporting**

Review and discuss with management and the independent auditor:

- prior to the annual audit the scope, planning and staffing of the annual audit,
- the annual audited financial statements,
- approve any reports for inclusion in the Corporation's Annual Report, as required by applicable legislation,
- significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,
- any significant changes in the Corporation's selection or application of accounting principles,
- any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and
- other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

## **AUDIT COMMITTEE'S ROLE**

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor [if any] all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring

the Corporation's financial statements and disclosures are complete, accurate, in accordance with IFRS and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

#### **Funding for the Independent Auditor and Retention of Other Independent Advisors**

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

#### **Approval of Audit and Remitted Non-Audit Services Provided by External Auditors**

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The CFO shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.

## **AUDIT COMMITTEE "WHISTLE-BLOWER" PROCEDURES POLICY**

### **National Instrument 52-110 Requirement**

Pursuant to National Instrument 52-110, the Corporation's Audit Committee is required to establish procedures for:

- (a) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

This procedures policy is designed to achieve this purpose.

### **The Corporation's Procedure**

Employees or consultants having concerns regarding questionable accounting or auditing matters are encouraged to submit such concerns (the "**Accounting Related Complaint**") to the Chair of the Corporation's Audit Committee.

Any employee or consultant who wishes to make an Accounting Related Complaint may do so anonymously or in confidence by directing such Accounting Related Complaint in writing directly to the Chair of the Audit Committee. Delivery may be made directly to the Chair or to the Chair care of the Corporation and marked personal and confidential.

Upon receiving an Accounting Related Complaint, the Chair of the Audit Committee will, depending upon the apparent urgency of the matter, call a meeting of the Audit Committee or add the Accounting Related Complaint to the agenda for consideration at the next regularly scheduled meeting of the Audit Committee.

The Audit Committee shall review and discuss, on a preliminary basis, the nature of the Accounting Related Complaint and the accounting, internal accounting controls or auditing matters that are called into question. In conducting this review, the Audit Committee will hold an *in camera* session, and then may request the attendance, at its discretion, of the Chief Executive Officer, the Chief Financial Officer, the Corporation's auditor and/or the person making the Accounting Related Complaint (if known and if such person is amenable) and/or such other persons as it deems necessary. The purpose of the meeting and the nature of the Accounting Related Complaint shall have been communicated to all such attendees by notice prior to the meeting.

If the Audit Committee is satisfied upon a preliminary review that the Accounting Related Complaint has merit, the Audit Committee shall authorize the Chair of the Audit Committee to retain and consult with an appropriately qualified: (1) law firm; and (2) a registered public accounting firm, within the meaning of applicable securities legislation, other than the independent auditor, in order to review the Accounting Related Complaint:

Following the conclusion of its inquiries, the Audit Committee shall meet to determine the merit of the Accounting Related Complaint. Minutes of such meeting shall be kept in the normal course in order to ensure a record of the nature and treatment of the Accounting Related Complaint.

Upon reaching such determination, the Audit Committee will communicate its findings and recommendations to the Board. The Board shall consider and implement such recommendations, as it deems advisable, to rectify any deficiencies identified in the Accounting Related Complaint and shall communicate same to management.

The Audit Committee shall ensure that confidentiality will be maintained throughout the investigatory process to the extent practicable and appropriate under the circumstances; and the person who makes the Accounting Related Complaint (if known) shall receive a written summary of the final determination.

The Audit Committee shall retain all documentation regarding the Accounting Related Complaint, its preliminary review, any investigation, determination and implementation of recommendations for a period of no less than ten (10) years.

**Administration**

The Corporation, through the Chief Executive Officer shall be responsible for the dissemination of this Policy to all Employees and other personnel.

**No Retaliation**

The Corporation will not allow or pursue retaliation of any kind in respect of an Accounting Related Complaint, or for assistance or information provided to applicable authorities in connection with an investigation of breaches of applicable securities law, where such are made or provided in good faith. In addition, no employee or consultant may be adversely affected because the person refused to carry out a directive which, in fact, constitutes corporate fraud, is a violation of this Procedure, a violation of the law or presents a substantial and specific danger to the public's health and safety. Any retaliatory action should immediately be reported to the Chair or any other member of the Corporation's Board of Directors.

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