



**NOTICE OF
ANNUAL GENERAL MEETING OF SHAREHOLDERS**

TO BE HELD DECEMBER 17, 2020

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Meeting**”) of shareholders of Chesapeake Gold Corp. (the “**Company**”) will be held at Hotel LeSoleil, Les Etoiles Room, 567 Hornby Street, Vancouver, British Columbia on Thursday, December 17, 2020 at 11:00 a.m. (Pacific Standard Time) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the year ended December 31, 2019, and the auditor’s report thereon;
2. to elect six directors for the ensuing year;
3. to appoint the Company’s auditor for the ensuing year; and
4. to transact such other business as may properly come before the Meeting or any adjournment thereof.

An Information Circular, Proxy form and Return Card also accompany this Notice of Meeting.

In anticipation of the novel coronavirus (COVID-19) pandemic circumstances continuing through to the date of the Meeting, business at the Meeting will be limited to the above-mentioned matters and management of the Company is not planning to make any corporate presentation at the Meeting.

Only shareholders of record at the close of business on November 4, 2020 will be entitled to receive notice of, and to vote at, the Meeting or any adjournment thereof. Shareholders who are unable to or who do not wish to attend the Meeting in person are requested to date and sign the enclosed Proxy form promptly and return it in the self-addressed envelope enclosed for that purpose or by any of the other methods indicated on the Proxy form. To be used at the Meeting, proxies must be received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 no later than 48 hours (excluding Saturdays, Sundays or holidays) before the time of the Meeting, or any adjournment thereof, or received by the chair of the Meeting before the commencement of the Meeting, or any adjournment thereof. If a registered shareholder receives more than one Proxy form because such shareholder owns shares registered in different names or addresses, each Proxy form should be completed and returned.

Dated at Vancouver, British Columbia this 5th day of November, 2020.

BY ORDER OF THE BOARD

“P. Randy Reifel”

P. RANDY REIFEL
President

President's Letter



During the past year gold has rallied over 25% and delivered strong performance against other asset classes. The gold price usually moves in the opposite direction of the US dollar. Gold's recent rise is happening despite the strength of the US dollar against major currencies and the headwind of Wall Street testing record levels.

After a prolonged bear market, the bid for gold equities returned with the GDX and GDXJ up 46% and 49% this year. Currently, Chesapeake's share price has increased 57% in 2020. The global mounting debt, fiscal stimulus and negative yields are amongst the fundamental drivers for the next move in gold's secular bull market. Financial risk cannot be made to disappear, it can only be shifted to the capital system and inherent currencies.

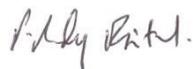
With the gold price above \$1500 per ounce during the past two years, M&A activity has been quiet despite miners generating significant free cash flow. Major impairments, write-downs and the value destruction legacy from the aggressive M&A frenzy of the last gold boom are cautious lessons in the board rooms. Producers have shifted from growth strategies to margin preservation. To attract generalist investors, the producers are demonstrating the profitability of the business and rising dividends leveraged to higher gold prices. Thus far, M&A activity has focused on acquiring producing assets to create mega-gold companies and larger intermediate producers.

Despite higher gold prices, global exploration budgets have declined almost 30% this year. Industry leaders acknowledge a "serious reserve crisis" is looming for the sector. Production profiles are under pressure which makes M&A inevitable during the next few years. Metates world class reserves of over 18 million ounces of gold, 525 million ounces of silver and 4 billion lbs of zinc places Chesapeake as a potential take-over candidate.

Since the 2016 pre-feasibility study (PFS), alternative proprietary processes have been developed to oxidize sulfide ores. This year Chesapeake has been undertaking metallurgical testwork to determine if a new process can simplify the PFS flowsheet with similar metal recoveries and operating costs. Success contingent, Metates mine plan could realize significantly lower capital costs, scalable production profile and greatly improved project economics.

Chesapeake has a strong balance sheet with \$35 million in cash and marketable securities. As always, I thank our shareholders for their support and trust. We look forward to reporting on a new development scenario for Metates with a leading-edge technology. Moreover, strategic opportunities may also arise from new process technologies in the mining industry.

CHESAPEAKE GOLD CORP.



P. Randy Reifel

President

November 9, 2020

CHESAPEAKE GOLD CORP.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

INFORMATION CIRCULAR

GENERAL INFORMATION

This Information Circular is furnished to the holders (“**shareholders**”) of common shares (“**Common Shares**”) of Chesapeake Gold Corp. (the “**Company**”) by management of the Company in connection with the solicitation of proxies to be voted at the annual general meeting (the “**Meeting**”) of the shareholders to be held at Hotel LeSoleil, Les Etoiles Room, 567 Hornby Street, Vancouver, British Columbia, at 11:00 a.m. (Pacific Standard Time) on Thursday, December 17, 2020 and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting.

PROXIES

Solicitation of Proxies

The enclosed Proxy is solicited by and on behalf of management of the Company. The persons named in the enclosed Proxy form are management-designated proxyholders. A registered shareholder desiring to appoint some other person (who need not be a shareholder) to represent the shareholder at the Meeting may do so either by inserting such other person’s name in the blank space provided in the Proxy form or by completing another form of proxy. To be used at the Meeting, proxies must be received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof, or received by the chairman of the Meeting before the commencement of the Meeting, or any adjournment thereof. Solicitation will be primarily by mail, but some proxies may be solicited personally or by telephone by regular employees or directors of the Company at a nominal cost. The cost of solicitation by management of the Company will be borne by the Company.

Non-Registered Holders

Only registered holders of Common Shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, Common Shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- (a) in the name of an Intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans, or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS)) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “**NOBOs**”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “**OBOs**”.

Pursuant to National Instrument 54-101 (“**NI 54-101**”) of the Canadian Securities Administrators, the Company is distributing copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly to Non-Registered Holders.

The Company is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of proxy-related materials in connection with the Meeting.

Intermediaries which receive the proxy-related materials are required to forward the proxy-related materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the proxy-related materials to Non-Registered Holders.

The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's Intermediary assumes the costs of delivery.

Generally, Non-Registered Holders who have not waived the right to receive proxy-related materials (including OBOs who have made the necessary arrangements with their Intermediary for the payment of delivery and receipt of such proxy-related materials) will be sent a voting instruction form which must be completed, signed and returned by the Non-Registered Holder in accordance with the Intermediary's directions on the voting instruction form. In some cases, such Non-Registered Holders will instead be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. This form of proxy does not need to be signed by the Non-Registered Holder, but, to be used at the Meeting, needs to be properly completed and deposited with Computershare Investor Services Inc. as described under "Solicitation of Proxies".

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form.

Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including instructions regarding when and where the voting instruction form or Proxy form is to be delivered.

Revocability of Proxies

A registered shareholder who has given a Proxy may revoke it by an instrument in writing that is:

- (a) executed by the shareholder or by the shareholder's attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and
- (b) delivered either to the registered office of the Company (19th Floor, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3H4) at any time up to and including the last business day before the day of the Meeting, or any adjournment thereof, or to the chair of the Meeting on the day of the Meeting or any adjournment thereof before any vote in respect of which the Proxy is to be used shall have been taken,

or in any other manner provided by law.

Non-Registered Holders who wish to revoke a voting instruction form or a waiver of the right to receive proxy-related materials should contact their Intermediaries for instructions.

Voting of Proxies

Common Shares represented by a shareholder's Proxy form will be voted or withheld from voting in accordance with the shareholder's instructions on any ballot that may be called for at the Meeting and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **In the absence of any instructions, the management-designated proxy agent named on the Proxy form will cast the shareholder's votes in favour of the passage of the resolutions set forth herein and in the Notice of Meeting.**

The enclosed Proxy form confers discretionary authority upon the persons named therein with respect to (a) amendments or variations to matters identified in the Notice of Meeting and (b) other matters which may properly come before the Meeting or any adjournment thereof. At the time of printing of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Only Common Shares carry voting rights at the Meeting, with each Common Share carrying the right to one vote. The board of directors of the Company ("**Board of Directors**" or "**Board**") has fixed November 4, 2020 as the record date ("**Record Date**") for the determination of shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment thereof, and only

shareholders of record at the close of business on that date are entitled to such notice and to vote at the Meeting. As of the Record Date, 55,406,866 Common Shares were issued and outstanding as fully paid and non-assessable.

To the knowledge of the directors or executive officers of the Company, as at the Record Date, no person beneficially owned, or controlled or directed, directly or indirectly, shares carrying 10% or more of the voting rights attached to the Company's issued and outstanding Common Shares, except for the following:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Peter Palmedo ⁽¹⁾	7,175,013	12.95%
Eric Sprott ⁽²⁾	8,758,399	15.81%

(1) According to public filings, the Common Shares disclosed are held by Peter Palmedo (as to 72,500 Common Shares), Sun Valley Gold Company (as to 2,312,375 Common Shares) and Sun Valley Gold Master Fund, Ltd. (as to 4,790,138 Common Shares). Palmedo Holdings LLLP and Mr. Palmedo are the managing members of Sun Valley Gold LLC. Sun Valley Gold Company, a company in which Mr. Palmedo is the majority shareholder, is the majority securityholder of Palmedo Holdings LLLP. Sun Valley Gold International, Ltd., of which Sun Valley Gold LLC is the Investment Manager, and Sun Valley Gold, L.P., of which Sun Valley Gold LLC is the General Partner, are the sole holders of the common shares of Sun Valley Gold Master Fund, Ltd., a client account over which Sun Valley Gold LLC has discretionary authority.

(2) According to public filings, the Common Shares disclosed are held through 2176423 Ontario Ltd. of which Mr. Sprott is the beneficial owner.

VOTES NECESSARY TO PASS RESOLUTIONS AT THE MEETING

Under the Company's Articles, the quorum for the transaction of business at the Meeting is two shareholders, whether present in person or represented by proxy, holding in the aggregate at least 5% of the issued Common Shares. A simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the resolutions referred to in the accompanying Notice of Meeting.

APPOINTMENT OF AUDITOR

The management-designated proxyholders named in the enclosed Proxy form intend to vote for the appointment of Saturna Group Chartered Professional Accountants LLP ("**Saturna LLP**") as the auditor of the Company to hold office until the next annual general meeting of shareholders. Saturna LLP has been the auditor of the Company since January 23, 2018.

ELECTION OF DIRECTORS

The number of directors of the Company is currently fixed at six. At the Meeting, shareholders will be asked to elect six directors. The persons named below are the six nominees of management for election as directors, all of whom are current directors of the Company. Each director elected will hold office until the next annual general meeting or until the director's successor is elected or appointed unless the director's office is earlier vacated under any of the relevant provisions of the Articles of the Company or the *Business Corporations Act* (British Columbia). It is the intention of the persons named as proxyholders in the enclosed Proxy to vote for the election to the Board of Directors of those persons hereinafter designated as nominees for election as directors. The Board of Directors does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in such shareholder's Proxy that such shareholder's Common Shares are to be withheld from voting in the election of directors.**

The following table sets out the name of each of the persons proposed to be nominated for election as a director; all positions and offices in the Company currently held by the nominee; the nominee's current principal occupation or employment; the period during which the nominee has served as a director; and the number of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date:

<u>Name, place of residence and positions with the Company</u>	<u>Present principal occupation, business or employment</u>	<u>Period served as a director</u>	<u>Common Shares beneficially owned or controlled</u>
CHRISTIAN FALCK ⁽¹⁾⁽²⁾ West Vancouver, BC, Canada <i>Director</i>	Associate Director, G-Force Group (boutique business firm with focus on business, real estate and loan recovery solutions)	February 23, 2007 to December 18, 2013 and since December 18, 2019	272,500
LIAN LI ⁽²⁾ Vancouver, BC, Canada <i>Director</i>	International Business Consultant	Since December 18, 2013	8,500
JOHN PERSTON ⁽²⁾ Castletown, Isle of Man <i>Director</i>	President, JWP Consulting (geological consulting firm)	Since April 18, 2002	297,800
P. RANDY REIFEL ⁽¹⁾ Vancouver, BC, Canada <i>Director, President and Chairman</i>	Chairman and President of the Company	Since April 18, 2002	3,491,278
GREG D. SMITH ⁽¹⁾ North Vancouver, BC, Canada <i>Director</i>	President, Equinox Gold Corp.	Since December 19, 2013	2,000
GERALD L. SNEDDON Boise, Idaho, USA <i>Director and Executive Vice-President, Operations</i>	Executive Vice-President, Operations of the Company	Since April 18, 2002	243,456

(1) Member of the Audit Committee.

(2) Member of Corporate Governance and Compensation Committee.

None of the proposed directors are, as at the date of this Information Circular, or have been, within the ten years preceding the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

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

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

No proposed director has, within the ten years preceding 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 that person.

No proposed director has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

CORPORATE GOVERNANCE DISCLOSURE

The following description of the corporate governance practices of the Company is provided further to National Instrument 58-101 on “Disclosure of Corporate Governance Practices” (“NI 58-101”) and the disclosure prescribed for “Venture Issuers” such as the Company.

Board of Directors

The Board currently consists of six directors (all six of whom will be standing for re-election). NI 58-101 distinguishes independent and non-independent directors. Four of the six current members of the Board are considered independent directors. The independent directors are Christian Falck, Lian Li, John Perston and Greg D. Smith. Randy Reifel and Gerald Sneddon are not independent directors as they are executive officers of the Company. Assuming the election of the director nominees at the Meeting, the Board will still consist of a majority of independent directors.

The Board considers that management is effectively supervised by the independent directors on an informal basis, as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The independent directors are able to meet at any time without any members of management, including the non-independent directors, being present. At the present time, the Board believes that the knowledge, experience and qualifications of its independent directors are sufficient to ensure that the Board can function independently of management and discharge its responsibilities.

Directorships

The current directors of the Company who are presently directors of other reporting issuers in Canada or elsewhere are set out below:

Director	Reporting Issuer
Lian Li	China Education Resources Inc.
P. Randy Reifel	Gunpoint Exploration Ltd.
Greg D. Smith	Royalty North Partners Ltd. Solaris Copper Inc.
Gerald L. Sneddon	Gunpoint Exploration Ltd.

Orientation and Continuing Education

The Board currently has not established criteria for the orientation or continuing education of directors. While the Company does not have formal orientation and training programs, new Board members spend time with senior management in regard to the Company’s properties, operations and internal controls. Board meetings include presentations by the Company’s management and/or employees to give the directors additional insight into the Company’s business. Board members are encouraged to communicate with management, the auditor and technical consultants to keep themselves current with industry trends, developments and changes in legislation. Board members have full access to the Company’s records.

Ethical Business Conduct

The Board has not adopted a written code of conduct for its directors but views corporate governance as an integral component to the success of the Company. The Company’s Board members have considerable industry and public company experience and the Company relies on this experience and their integrity to comply with the required code of conduct.

In respect of any transactions or agreements involving the Company and in respect of which a director of the Company has a material interest or a conflict or potential conflict of interest, that director, in order that the members of the Board exercise independent

judgement in respect thereto, is required to disclose such to the Board prior to any such transaction or agreement being considered by the Board and is not permitted to vote on any Board resolution with respect thereto. Should any officer similarly have any such material interest or conflict or potential conflict of interest, such officer must similarly disclose such to the Board.

Nomination of Directors

Periodically, the Board as a whole informally assesses the size and composition of the existing Board and the contribution of individual directors. Individual directors are invited to propose new nominees to the Board having regard to the Company's business strategy and the current composition of the Board.

Compensation

The Company has a Corporate Governance and Compensation Committee consisting of Christian Falck, Lian Li and John Perston, all of whom are considered independent directors.

The independent members of the Corporate Governance and Compensation Committee must approve any compensation paid to a director or the officer acting as CEO. The Corporate Governance and Compensation Committee reviews annually, and submits to the Board for its approval, the compensation to be paid to members of the Board as directors after taking into account any director compensation guidelines established by the Board. With respect to the officer acting as CEO (currently being the President), the Corporate Governance and Compensation Committee is responsible for reviewing and considering corporate goals and objectives relevant to compensation for the President, evaluating the performance of the President in light of those corporate goals and objectives, and determining the level of compensation for the President based on this evaluation. See "Director and Named Executive Officer Compensation".

Other Board Committees

The Board has no standing committees besides the Audit Committee and the Corporate Governance and Compensation Committee.

Assessments

The Board has adopted a Mandate which authorizes the Board to annually review the performance of the Board and its committees against their respective charters and mandates and to annually evaluate the performance of individual directors, the Chair and any lead director. The Board intends to follow these procedures for the evaluation of the effectiveness of the Board, its committees, the Chair and individual directors.

AUDIT COMMITTEE DISCLOSURE

Pursuant to the *Business Corporations Act* (British Columbia) and National Instrument 52-110 on "Audit Committees" ("**NI 52-110**"), the Company is required to have an audit committee.

Audit Committee Charter

Pursuant to NI 52-110, the Company's Audit Committee is required to have a charter. A copy of the Company's Audit Committee Charter is set out in Appendix A to this Information Circular.

The Audit Committee assists the Board of Directors in fulfilling its responsibilities relating to the Company's corporate accounting and reporting practices. The Audit Committee is responsible for ensuring that management has established appropriate processes for monitoring the Company's systems and procedures for financial reporting and controls, reviewing all financial information in disclosure documents, monitoring the performance and fees and expenses of the Company's external auditors, and recommending external auditors for appointment by shareholders.

Composition of the Audit Committee

As at the date of this Information Circular, the following is information on the members of the Company's Audit Committee:

Name	Independent	Financial Literacy
Greg D. Smith (Chair)	Yes	Yes
Christian Falck	Yes	Yes
P. Randy Reifel	No	Yes

Relevant Education and Experience

All of the members of the Audit Committee are graduates of post-secondary education. Greg D. Smith is a Chartered Accountant and held senior management positions as well as being a member of the audit committee for various publicly traded mining companies. Christian Falck holds a Bachelors Degree in Accounting and Finance and was Chair of the Company's Audit Committee during his first period of service as a director of the Company and has held senior positions with Teck Corporation and PricewaterhouseCoopers LLP (Corporate Finance and Investment Banking). P. Randy Reifel holds a Masters of Business Administration degree. Each member of the Audit Committee has assisted several resource industry companies with strategic focus and corporate finance and has many years' experience in the management and administration of publicly owned mining exploration companies. This experience in the mining industry has provided each member of the Audit Committee with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles and analyze or evaluate financial statements, and an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since January 1, 2019, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company's Board of Directors.

Reliance on Certain Exemptions

At no time since January 1, 2019, has the Company relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), subsection 6.1.1(4) of NI 52-110 (*Circumstances Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*) of NI 52-110 by a securities regulatory authority or regulator.

Pre-approval Policies and Procedures for Non-Audit Services

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditor in each of the last two financial years of the Company for services in each of the categories indicated are as follows:

Financial Year Ended	Audit Fees	Audit Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All Other Fees ⁽³⁾
December 31, 2019	\$30,000	Nil	Nil	Nil
December 31, 2018	\$30,000	Nil	Nil	Nil

(1) Pertains to assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and that are not reported under "Audit Fees".

(2) Pertains to professional services for tax compliance, tax advice and tax planning.

(3) Pertains to products and services other than services reported under the other categories.

Venture Issuers Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 which exempts “venture issuers” from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The following description of the executive compensation of the Company is provided further to Form 51-102F6V “*Statement of Executive Compensation – Venture Issuers*”.

Director and Named Executive Officer Compensation Excluding Compensation Securities

Named Executive Officers

Set out below are particulars of compensation paid to the following persons (the “**Named Executive Officers**” or “**NEOs**”):

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“**CEO**”);
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer (“**CFO**”);
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer (other than the CEO and CFO) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with applicable securities rules, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and not acting in a similar capacity, at the end of that financial year.

For the year ended December 31, 2019, the Company had two Named Executive Officers, namely P. Randy Reifel (President, acting as CEO) and Sam Wong (CFO).

Table of Compensation Excluding Compensation Securities

The following table sets out compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or a subsidiary of the Company, to each NEO and director, in any capacity, for each of the Company’s financial years ended December 31, 2019 and 2018.

Table of compensation excluding compensation securities							
Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
P. RANDY REIFEL ⁽¹⁾ President (acting as CEO), Chairman and Director	2019	200,000	Nil	Nil	⁽⁵⁾	Nil	200,000
	2018	250,000	Nil	Nil	⁽⁵⁾	Nil	250,000
SAM WONG ⁽²⁾ CFO	2019	63,000	Nil	Nil	⁽⁶⁾	Nil	63,000
	2018	63,000	Nil	Nil	⁽⁶⁾	Nil	63,000
GERALD L. SNEDDON ⁽³⁾ Executive Vice-President, Operations and Director	2019	12,137 ⁽⁴⁾	Nil	Nil	⁽⁶⁾	Nil	12,137
	2018	38,905 ⁽⁴⁾	Nil	Nil	⁽⁶⁾	Nil	38,905
JOHN PERSTON Director	2019	Nil	Nil	Nil	⁽⁶⁾	Nil	Nil
	2018	Nil	Nil	Nil	⁽⁶⁾	Nil	Nil

Table of compensation excluding compensation securities							
Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
DANIEL J. KUNZ ⁽⁷⁾ Former Director	2019	Nil	Nil	Nil	⁽⁶⁾	Nil	Nil
	2018	Nil	Nil	Nil	⁽⁶⁾	Nil	Nil
CHRISTIAN FALCK ⁽⁸⁾ Director	2019	Nil	Nil	Nil	⁽⁶⁾	Nil	Nil
LIAN LI Director	2019	Nil	Nil	Nil	⁽⁶⁾	Nil	Nil
	2018	Nil	Nil	Nil	⁽⁶⁾	Nil	Nil
GREG D. SMITH Director	2019	Nil	Nil	Nil	⁽⁶⁾	Nil	Nil
	2018	Nil	Nil	Nil	⁽⁶⁾	Nil	Nil

- (1) Amounts under “Salary” for Mr. Reifel pertain to compensation paid by the Company to Brant Investments Ltd., a company controlled by Mr. Reifel. Mr. Reifel was not paid any compensation for his role as a director of the Company.
- (2) Amount under “Salary” for Mr. Wong pertains to compensation paid by the Company to Samina Capital Ltd., a company controlled by Mr. Wong.
- (3) Mr. Sneddon was paid compensation for his role as a consultant to, not a director of, the Company.
- (4) Amount paid/earned in United States dollars (U.S.\$) and translated to Canadian dollars (Cdn.\$) at the yearly average exchange rate, which was U.S.\$1.00=Cdn.\$1.33 for 2019 and U.S.\$1.00=Cdn.\$1.30 for 2018.
- (5) Perquisites that are not generally available to all employees did not exceed 10% of the NEO’s total salary for the financial year.
- (6) Perquisites that are not generally available to all employees did not exceed \$15,000.
- (7) Mr. Kunz did not stand for re-election at the Company’s annual general meeting held on December 18, 2019 and, therefore, ceased to be a director on December 18, 2019.
- (8) Mr. Falck was elected a director of the Company on December 18, 2019.

External Management Companies

Except as disclosed herein, none of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly. See “Employment, Consulting and Management Agreements or Arrangements” for a description of the Company’s consulting agreement with Brant Investments Ltd. (a company controlled by Mr. Reifel).

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to any NEO or director by the Company or one of its subsidiaries in the financial year ended December 31, 2019 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

The following table discloses the total amount of compensation securities held by each NEO and director of the Company as at the Company’s financial year end of December 31, 2019.

Name and Position	Total amount of compensation securities held as at December 31, 2019 ⁽¹⁾
P. RANDY REIFEL President (acting as CEO), Chairman and Director	1,900,000 ⁽²⁾ 900,000 GUN ⁽³⁾
SAM WONG CFO	152,500 ⁽⁴⁾ 75,000 GUN ⁽³⁾
GERALD L. SNEDDON Executive Vice-President, Operations and Director	540,000 ⁽⁵⁾ 100,000 GUN ⁽³⁾
JOHN PERSTON Director	275,000 ⁽⁶⁾

Name and Position	Total amount of compensation securities held as at December 31, 2019 ⁽¹⁾
DANIEL J. KUNZ Former Director	377,500 ⁽⁷⁾ 175,000 GUN ⁽³⁾
LIAN LI Director	275,000 ⁽⁸⁾
GREG D. SMITH Director	380,000 ⁽⁹⁾
CHRISTIAN FALCK Director	Nil

- (1) The numbers under this column represent the number of options and the same number of Common Shares underlying the related options.
- (2) Of these options, 1,575,000 options were fully vested as at December 31, 2019 and the balance of the options shall vest as follows: 225,000 options on March 21, 2020, 50,000 options on September 27, 2020 and 50,000 options on September 27, 2021.
- (3) These options were granted by Gunpoint Exploration Ltd. (“GUN”), the Company’s subsidiary. These options vest 25% annually, with the first 25% tranche vested on May 2, 2019.
- (4) Of these options, 113,750 options were fully vested as at December 31, 2019 and the balance of the options shall vest as follows: 18,750 options on March 21, 2020, 10,000 options on September 27, 2020 and 10,000 options on September 27, 2021.
- (5) Of these options, 457,500 options were fully vested as at December 31, 2019 and the balance of the options shall vest as follows: 50,000 options on March 21, 2020, 16,250 options on September 27, 2020 and 16,250 options on September 27, 2021.
- (6) Of these options, 237,500 options were fully vested as at December 31, 2019 and the balance of the options shall vest as follows: 25,000 options on March 21, 2020, 6,250 options on September 27, 2020 and 6,250 options on September 27, 2021.
- (7) These options were fully vested as at December 31, 2019.
- (8) Of these options, 237,500 options were fully vested as at December 31, 2019 and the balance of the options shall vest as follows: 25,000 options on March 21, 2020, 6,250 options on September 27, 2020 and 6,250 options on September 27, 2021.
- (9) Of these options, 321,250 options were fully vested as at December 31, 2019 and the balance of the options shall vest as follows: 43,750 options on March 21, 2020, 7,500 options on September 27, 2020 and 7,500 options on September 27, 2021.

No compensation security has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.

Except for the vesting schedules noted in the above table, there are no restrictions or conditions for converting, exercising or exchanging the compensation securities.

No NEO or director of the Company exercised any compensation securities during the financial year ended December 31, 2019.

Stock Option Plans and Other Incentive Plans

Stock Option Plan

The shareholders of the Company approved a stock option plan (the “**Plan**”) for the Company effective December 19, 2012. The Plan provides for equity participation in the Company by its directors, officers, employees, consultants and consultant companies through the acquisition of Common Shares pursuant to the grant of options to purchase shares. The Plan is administered by the Board of Directors or, subject to the terms of the Plan, the Compensation Committee. Options may be granted to purchase Common Shares on terms that the Board of Directors or Compensation Committee may determine, subject to the terms and limitations of the Plan and the requirements of applicable regulatory authorities.

The Plan includes the following provisions:

- The maximum aggregate number of Common Shares reserved for issuance for options granted under the Plan is 8,500,000 Common Shares.
- The total number of optioned Common Shares granted to any one optionee in any 12-month period must not exceed 5% of the issued and outstanding Common Shares at the date of option grant, unless disinterested shareholder approval is obtained.
- The total number of optioned Common Shares granted to any one consultant in a 12-month period must not exceed 2% of the issued and outstanding Common Shares at the date of option grant.

- The total number optioned Common Shares granted to all optionees who are employed to provide investor relations activities must not exceed 2% of the issued and outstanding Common Shares in any 12-month period (determined at the date of option grant).
- The number of Common Shares reserved for issuance pursuant to options granted to insiders of the Company under the Plan must not exceed 10% of the issued and outstanding Common Shares unless disinterested shareholder approval is obtained.
- The number of options granted to insiders of the Company within a 12-month period to acquire Common Shares reserved for issuance under the Plan must not exceed 10% of the issued and outstanding Common Shares unless disinterested shareholder approval is obtained.
- The exercise price for optioned Common Shares under the Plan will not be less than the closing price of the Common Shares on the day preceding the option grant date, less applicable discounts permitted by the TSX Venture Exchange (“**TSX-V**”).
- Options may be granted for a term of up to ten years (although options granted under the Plan have generally been for a term of five years), subject to earlier termination in the event of death or the optionee’s cessation of services to the Company.
- Options granted under the Plan may be subject to such vesting schedule as may be determined by the Board of Directors.
- An option granted to a consultant performing investor relations activities must vest in stages over 12 months with no more than 25% of the optioned Common Shares vesting in any three-month period (all options granted under the Plan have generally been subject to vesting as to 25% on each anniversary after the date of grant).
- Options granted under the Plan are non-assignable, except by will or the laws of descent and distribution.

Stock Bonus Plan

The shareholders of the Company have also approved a Stock Bonus Plan (“**Bonus Plan**”). The Bonus Plan enables bonus Common Shares to be issued to any full-time or part-time employee or independent contractor (whether or not a director) of the Company or any of its subsidiaries who has rendered services that contributed to the success of the Company or any of its subsidiaries. Grants of bonus Common Shares will be on terms that the Compensation Committee of the Board may determine, within the limitations of the Bonus Plan and subject to the rules and policies of applicable regulatory authorities. The maximum number of common shares issuable under the Bonus Plan is limited to 200,000 Common Shares. In addition, in any calendar year, the number of bonus Common Shares issuable to insiders of the Company, also taking options into account, is limited to 0.5% of the total number of Common Shares which were issued and outstanding at the end of the preceding calendar year, 10% of the issued and outstanding Common Shares, and no more than 5% of the issued and outstanding shares to any one person in a 12-month period.

Employment, Consulting and Management Agreements or Arrangements

P. Randy Reifel, President (acting as CEO)

Effective as of January 15, 2012, the Company and Brant Investments Ltd. (“**Brant**”) entered into a consulting agreement (the “**Brant Consulting Agreement**”) pursuant to which the Company agreed to pay Brant fees at the base rate of \$250,000 per year, subject to annual adjustment at the Board’s discretion, for the services of P. Randy Reifel to serve as President and a director of the Company. The initial term of the Brant Consulting Agreement was for a period of one year commencing on January 1, 2012 and is automatically renewed on each anniversary thereafter, until otherwise terminated in accordance with the terms of the Brant Consulting Agreement. For the 2019 financial year, the annual base rate was adjusted to \$200,000.

Under the Brant Consulting Agreement, if the Company terminates the services of Brant without cause, the Company shall pay to Brant upon termination an amount equal to 1.5 times the then applicable annual fee payable to Brant under the Brant Consulting Agreement, less all statutory deductions, but with the continuation of any benefits or payment of the Company’s cost of benefits in lieu thereof for an 18-month period following termination, all in lieu of notice, severance, damages or other payments of any kind whatsoever.

The Brant Consulting Agreement also provides that in the event that there is a change of control of the Company (as defined below) which has not been approved by the Board of Directors, Brant will have the option, exercisable for a period of six months following such event, to terminate the Brant Consulting Agreement. Upon such termination, the Company shall pay to Brant an amount equal to

three times the then applicable base rate annual fee payable to Brant under the Brant Consulting Agreement, together with customary benefits or payment of the Company's cost of benefits in lieu thereof and any bonuses which would accrue over the two-year period following such termination. If such termination were to occur as of December 31, 2019, Brant would have been paid the amount of \$600,000 pursuant to this provision.

For the purposes of the Brant Consulting Agreement, "change of control" means an occurrence (a) where less than 51% of the Board of Directors of the Company are composed of continuing directors; or (b) where any person or persons acting jointly or in concert acquires more than 50% of the total voting rights attached to all classes of shares then outstanding in the Company having under all circumstances the right to vote on any resolution concerning the election of directors. For the purposes of the Brant Consulting Agreement, a "continuing director" is an individual who becomes a member of the Board of Directors subsequent to the date of the Brant Consulting Agreement with the approval of at least a majority of the continuing directors who are members of the Board at the date that the individual became a member of the Board, provided always that any continuing director who abstained from voting in respect of or did not vote against the resolution of the Board appointing a member thereof subsequent to the date of the Brant Consulting Agreement, or who was not present at the meeting at which such resolution was considered, shall for the purposes of the definition of "continuing director" be deemed to have given his approval to the appointment to the Board of such member.

Commencing from the term of the Brant Consulting Agreement and ending one year following termination thereof, Brant shall not, and shall cause P. Randy Reifel to not, either individually or with any other person, whether as principal, agent, shareholder, officer, advisor, manager, employee or otherwise:

- (a) acquire, lease or otherwise obtain or control any beneficial, direct or indirect interest in mineral rights or other rights or lands necessary to develop any mineral property in which the Company and its affiliates at the time of termination holds or is actively seeking to acquire an interest or within a distance of five kilometres from any point on the outer perimeter of any such property,
- (b) conduct any exploration or production activities or otherwise work on or in respect of any mineral property within a distance of five kilometres from any point on the outer perimeter of any mineral property in which the Company and its affiliates then has a beneficial interest or is actively seeking to acquire,
- (c) solicit, divert or hire away, or attempt to solicit, divert, or hire away, any independent contractor or any person employed by any member of the Company and its affiliates or persuade or attempt to persuade any such individual to terminate his or her contract or employment with any member of the Company and its affiliates, or
- (d) impair or seek to impair the reputation of any member of the Company and its affiliates, or impair or seek to impair any relationships that any member of the Company and its affiliates has with its employees, customers, suppliers, agents or other parties with which any member of the Company and its affiliates does business or has contractual relations.

If, notwithstanding the prohibition set forth in the preceding paragraphs, Brant or its affiliates or P. Randy Reifel shall acquire, lease or otherwise obtain or control any interest, directly or indirectly, in breach of any of the preceding paragraphs, Brant shall notify the Company of such acquisition within the 30 days immediately following the date of such acquisition and Brant shall, upon demand by the Company, convey or cause to be conveyed such interest to the Company as soon as practicable thereafter, in consideration of the payment by the Company to Brant of the cost of acquisition.

Compensation paid to Gerald Sneddon and Sam Wong (or their respective companies) during the Company's 2019 financial year and prior were respectively made pursuant to informal arrangements between the Company and these persons or their respective companies, as the case may be.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation Committee

The Compensation Committee in 2019 consisted of John Perston, Lian Li and Daniel Kunz (who was succeeded by Christian Falck on December 18, 2019), all of whom are considered independent directors. One of the primary functions of the Compensation Committee is to monitor and make recommendations to the Board of Directors in respect of the total compensation paid by the Company to its directors and executive officers.

The Compensation Committee reviews annually, and submits to the Board of Directors for its approval, the total compensation (including direct salary and annual bonus as well as long term stock-related incentive plans) paid to each executive officer of the

Company and paid to members of the Board as directors after taking into account any director compensation guidelines established by the Board. In accordance with TSX-V policies, any compensation paid to a director or executive officer of the Company must be approved by the independent members of the Compensation Committee.

The Compensation Committee is responsible for reviewing and considering corporate goals and objectives relevant to compensation for all executive officers, evaluating the performance of each executive officer in light of those corporate goals and objectives, and determining (or making recommendations to the Board of Directors with respect to) the level of compensation for the executive officers based on this evaluation. In considering compensation for the executive officers other than the President, the Compensation Committee is to take into account the recommendation of the President.

The Compensation Committee administers the Company's Plan and makes decisions regarding option grants, including option terms and amendments, under the Plan, provided that, under the terms of the Plan, options for directors must be granted and approved by the Board of Directors.

There is no policy or target regarding cash and non-cash elements of the Company's compensation program. The directors are of the view that all elements should be considered rather than any single element. The Company does not currently provide the executive officers with personal benefits nor does the Company provide any additional compensation.

As an executive officer's level of responsibility increases, a greater percentage of total compensation is based on performance (as opposed to base salary and standard employee benefits) as the mix of total compensation shifts towards a greater emphasis on bonus and stock options, thereby increasing the mutual interest between executive officers and shareholders. The level of base salary for each employee within a specified range is determined by past performance, as well as by the level of responsibility and the importance of the position to the Company.

With respect to long-term incentives, each year an executive may be awarded stock options. The amount of the long-term incentive is reviewed by the Compensation Committee for recommendation to the Board of Directors based on the philosophy, objectives and criteria outlined above, taking into account previous stock option grants.

For the 2019 financial year, the Company's executive compensation consisted of a base salary. Salary compensation to the Named Executive Officers during the 2019 financial year and prior were provided for under informal consulting arrangements with the Named Executive Officers or their management companies, with the exception of P. Randy Reifel which the Company has engaged under the Brant Consulting Agreement. See "Employment, Consulting and Management Agreements or Arrangements" for a description of the 2019 employment arrangements for Messrs. Reifel, Sneddon and Wong.

The Company does not presently anticipate making any significant changes to its compensation policies and practices in respect of its financial year ending December 31, 2019.

Compensation Consultant

The Compensation Committee retained Coopers Consulting Ltd. ("**Coopers**") in November 2012 to provide the Compensation Committee and the Board of Directors with independent research to consider for evaluating the competitive positioning of the overall compensation package for the Company's executive officers and directors. Coopers prepared and delivered to the Company a report dated February 14, 2013 entitled "Executive and Independent Board Member Compensation Report-Selected Sample of Comparator Companies". Coopers has not provided any services to the Company, or to its affiliated or subsidiary entities, or to any of its directors or members of management, other than or in addition to compensation services provided for any of the Company's directors or executive officers.

Other than Coopers, the Company had not previously retained any compensation consultant or advisor and, accordingly, had no other related billings since 2013.

Pension Disclosure

The Company does not provide a pension to any director or NEO.

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

The following table sets out information on the Company’s equity compensation plans under which Common Shares are authorized for issuance as at December 31, 2019.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of Securities 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 securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders (Stock Option Plan)	5,233,750	\$2.92	3,266,250 ⁽¹⁾
Equity compensation plans approved by securityholders (Share Bonus Plan)	Nil	Nil	200,000
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	5,233,750		3,466,250

(1) Based on the maximum aggregate number of Common Shares reserved for issuance pursuant to options granted under the Stock Option Plan (being 8,500,000) less the number of Common Shares deducted from that reserve further to exercises of options on or before December 31, 2019 (being 5,233,750), with the difference being a total of 3,266,250 Common Shares remaining available for future issuance under the Stock Option Plan as at December 31, 2019 (being the sum of columns (a) and (c)).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, no director or executive officer of the Company, no proposed nominee for election as a director of the Company, no associate of any such director, executive officer or proposed nominee (including companies controlled by them), no employee of the Company or any of its subsidiaries, and no former executive officer, director or employee of the Company or any of its subsidiaries, is indebted to the Company or any of its subsidiaries (other than for “routine indebtedness” as defined under applicable securities legislation) or is indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as described below, no informed person (i.e. insider) of the Company, no proposed director of the Company, and no associate or affiliate of any informed person or proposed director has had any material interest, direct or indirect, in any transaction since January 1, 2019 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

On August 19, 2020, the Company completed a non-brokered private placement of 4,000,000 Common Shares at a price of \$5.00 per Common Share for aggregate gross proceeds of \$20,000,000 (the “**Private Placement**”). Eric Sprott, of Toronto, Ontario, acquired, through 2176423 Ontario Ltd., 2,500,000 Common Shares under the Private Placement for total consideration of \$12,500,000. The Sun Valley Master Gold Fund, Ltd. acquired 1,000,000 Common Shares under the Private Placement for total consideration of \$5,000,000. Peter Palmedo, of Ketchum, Idaho, exercises direct or indirect control or direction over the Common Shares held by The Sun Valley Master Gold Fund, Ltd. Each of Messrs. Sprott and Palmedo exercises direct or indirect control or direction over more than 10% of the issued and outstanding Common Shares. See “Voting Shares and Principal Holders Thereof”. Messrs. Sprott and Palmedo and their respective affiliated entities are parties at arms’ length to the Company and are not involved in the management of the Company.

MANAGEMENT CONTRACTS

No management functions of the Company are to any substantial degree performed by a person other than the directors or executive officers of the Company.

OTHER MATTERS

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of the Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy form to vote the shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Financial information relating to the Company is provided in the Company's comparative consolidated financial statements and management's discussion and analysis for its financial year ended December 31, 2019, which are available on SEDAR at www.sedar.com and may also be obtained by sending a written request to the President of the Company at the Company's head office located at #201 – 1512 Yew Street, Vancouver, British Columbia, Canada V6K 3E4.

DATED as of the 5th day of November, 2020.

BY ORDER OF THE BOARD

“P. Randy Reifel”

P. RANDY REIFEL
President and Director

APPENDIX A

CHESAPEAKE GOLD CORP. (the “Company”)

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (the “Committee”) is to assist the Board of Directors (“Board”) 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. The 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 systems and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditor; and
- provide an open avenue of communication among the Company’s auditor, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of a minimum of three directors as determined by the Board, which directors may be “non-independent” directors so long as the Company is a “Venture Issuer” within the meaning of applicable securities legislation. A quorum of the Committee shall be a majority of the members. Each member will be a member of the Board. In the event of an equality of votes, the Chair of the Committee shall not have a second casting vote.

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

Meetings

The Committee shall meet at least once annually, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer (or such person acting in that capacity) and the external auditor in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review
 - (a) review and update, if applicable or necessary, this Audit Committee Charter annually; and
 - (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 auditor.

2. External Auditor

- (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) obtain annually, a formal written statement of external auditor setting forth all relationships between the external auditor and the Company;
- (c) review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;
- (d) take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval;
- (f) recommend to the Board the compensation to be paid to the external auditor;
- (g) at each meeting, where desired, consult with the external auditor, 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;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
- (i) review with management and the external auditor the audit plan for the year-end financial statements; and
- (j) 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 auditor. 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 (5%) of the total amount of fees paid by the Company to its external auditor 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 Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

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

3. Financial Reporting & Internal Controls

- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditor's judgements 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 auditor and management;
- (d) review significant judgements made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgements;
- (e) following completion of the annual audit, review separately with management and the external auditor 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 auditor in connection with the preparation of the financial statements;
- (g) review with the external auditor 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 receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) set and pay compensation for any independent counsel and other advisors employed by the Committee.