

# **SOLIDUSGOLD INC.**

**NOTICE OF MEETING  
AND  
INFORMATION CIRCULAR  
for Annual General Meeting of  
Shareholders of  
SOLIDUSGOLD INC.**

**Dated as of November 13, 2018**

**SOLIDUSGOLD INC.**  
**10<sup>th</sup> Floor, 595 Howe Street**  
**Vancouver, British Columbia, V6C 2T5**  
Tel: (604) 323-3281

**INFORMATION CIRCULAR**

*(As at November 13, 2018, except as otherwise indicated)*

**SolidusGold Inc.** (the "**Company**") is providing this Information Circular (the "**Circular**") and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of shareholders of the Company (the "**Shareholders**") to be held at 10<sup>th</sup> Floor, 595 Howe Street, Vancouver, British Columbia at 10:00 a.m. (Pacific Time) on **Tuesday, December 18, 2018** and at any adjournment(s). The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

All dollar amounts referenced herein are expressed in Canadian Dollars unless otherwise stated.

**APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the "**Management Proxyholders**").

**A Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.**

**VOTING BY PROXY**

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Common shares of the Company ("**Shares**") represented by a properly executed proxy will be voted for or against or withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

**If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

**COMPLETION AND RETURN OF PROXY**

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, 10:00 a.m. (Pacific time) on December 14, 2018, or no later than forty-eight (48) hours,

excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment(s) thereof, unless the chairman of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

### NON-REGISTERED HOLDERS

**Only registered Shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting.** Registered Shareholders are holders of Shares whose names appear on the Share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. The Company's Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

The Company is not sending the Meeting materials directly to NOBOs in connection with the Meeting but rather has distributed copies of the Meeting materials to the Intermediaries for distribution to NOBOs. With respect to OBOs, in accordance with applicable securities law requirements, the Company has distributed copies of the Meeting materials to the clearing agencies and Intermediaries for distribution to OBOs. The Company does not intend to pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the meeting materials unless their Intermediaries assumes the cost of delivery.

Intermediaries are required to forward the Meeting materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Company, c/o Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.**

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of their Shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert their own name or such other person's name in the blank space provided. **Non-Registered Shareholders should carefully follow the instructions of their**

**Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

#### **NOTICE-AND-ACCESS**

The Company is not sending the Meeting materials to Shareholders using "notice-and-access" as defined under NI 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

#### **REVOCABILITY OF PROXY**

In addition to revocation in any other manner permitted by law, a Shareholder, their attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment(s) thereof, or with the chairman of the Meeting on the day of the Meeting. Only registered Shareholders have the right to revoke a proxy.

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

The Company is authorized to issue an unlimited number of Shares without par value, of which 55,731,865 Shares are issued and outstanding as at November 13, 2018, the record date for the Meeting (the "**Record Date**"). Persons who are registered Shareholders at the close of business, as at the Record Date, will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company, except the following:

<b>Name</b>	<b>No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</b>	<b>Percentage of Outstanding Shares</b>
Rick Van Nieuwenhuyse	10,619,408	19.05%

#### **ELECTION OF DIRECTORS**

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval will be sought to fix the number of Directors of the Company at five (5).

The Company has an Audit Committee and a Compensation Committee. Members of these committees are as set out below.

Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual nominees, is as follows:

<b>Name, Jurisdiction of Residence and Position</b>	<b>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</b>	<b>Previous Service as a Director</b>	<b>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(3)</sup></b>
Raj Chowdhry <sup>(1)(2)</sup> Whistler, British Columbia Canada  Director	Independent Businessman; Chartered Accountant; Director and/or executive officer of various public companies.	Director since April 13, 2011	5,216,643 (9.36%) <sup>(4)</sup>
Rick Van Nieuwenhuysse <sup>(1)(2)</sup> Vancouver, British Columbia Canada  Director and Chairman	Professional Geologist; President and CEO of Trilogy Metals Inc. since 2012; Director and/or executive officer of various public companies.	Director since April 13, 2011	10,619,408 (19.05%)
Joseph Piekenbrock <sup>(1)</sup> Evergreen, Colorado United States  Director	Professional Geologist; Senior VP of Exploration at NovaCopper Inc. from 2012 to 2014; VP Exploration of NovaGold Resources Inc. 2003-2012.	Director since April 13, 2011	4,500,000 (8.07%)
Steven Khan <sup>(2)</sup> Vancouver, British Columbia Canada  Director	Chartered Financial Analyst; President of Sona Capital Ltd. since 2003. Director and/or executive officer of various public companies.	Director since April 13, 2011	5,456,809 (9.79%) <sup>(5)</sup>
Sorin Posescu Vancouver, British Columbia Canada  Director and Chief Executive Officer	Professional Geologist.	Director since November 5, 2016	1,490,477 (3.09%) <sup>(6)</sup>

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at November 13, 2018, based upon information furnished to the Company by individual Directors.

(4) Mr. Chowdhry beneficially owns, controls or directs, directly or indirectly, 765,476 Shares through Futura Capital Ltd., a private company wholly owned and controlled by him.

(5) Mr. Khan beneficially owns, controls or directs, directly or indirectly, 565,143 Shares through Sona Capital Ltd., a private company wholly owned and controlled by him.

(6) Mr. Posescu beneficially owns, controls or directs, directly or indirectly, 1,257,143 Shares through MA2 Capital Inc., a private company wholly owned and controlled by him.

No proposed Director is to be elected under any arrangement or understanding between the proposed Director and any other person or company, except the Directors and executive officers of the company acting solely in such capacity.

To the knowledge of the Company, except as set out below, no proposed Director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Company) that:

- (i) was the subject, while the proposed Director was acting in the capacity as director, CEO or CFO of such company, of 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; or
- (ii) 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, that was issued after the proposed Director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed Director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this 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; or
- (c) has, within the 10 years before the date of this 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; or
- (d) has been subject to 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
- (e) has been subject to any 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.

Steven Khan was a director of Ballyliffin Capital Corp. ("**Ballyliffin**") when, on March 25, 2009, Ballyliffin announced that in accordance with the TSX Venture Exchange ("**TSXV**") Temporary Relief Measures bulletins previously issued, the TSXV granted Ballyliffin an extension until November 23, 2009 to identify, complete and receive final TSXV approval for a Qualifying Transaction. The Company did not meet this deadline. As a Qualifying Transaction was not completed, Ballyliffin received a delisting notice from the TSXV and half of the Ballyliffin seed capital shares (1,000,000 common shares), that were subscribed for by the directors, were cancelled on December 30, 2009. Ballyliffin's listing was transferred to the NEX board of the TSXV and reinstated for trading on January 6, 2010.

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

Name of Director	Name of Other Reporting Issuer
Raj Chowdhry	AsiaBaseMetals Inc.
Rick Van Nieuwenhuysse	Alexco Resources Corp. Trilogy Metals Inc. NovaGold Resources Inc.
Sorin Posescu	Auramex Resource Corp.

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

### *Overview of the Compensation Philosophy*

The Company's compensation philosophy for executive officers follows three underlying principles:

- (a) to provide compensation packages that encourage and motivate performance;
- (b) to be competitive with other companies of similar size and scope of operations so as to attract and retain talented executives; and
- (c) to align the interests of its executive officers with the long-term interests of the Company and its Shareholders through stock related programs.

### *Elements of Executive Compensation*

In keeping with the Company's philosophy to link executive compensation to corporate performance and to motivate executives to achieve exceptional levels of performance, the Company has adopted a compensation model that includes both base salary and "at-risk" compensation comprised of participation in the Company's rolling 10% stock option plan (the "**Plan**") in the form of stock options, as described below.

#### *Base Salary*

The Company's executive officers did not receive base salary compensation in the financial year ended March 31, 2018. However, certain executive officers received management fees through their wholly-owned companies. These management fees are, and it is anticipated that any base salaries paid in the future will be, reviewed annually to ensure that they are appropriate to the respective executive's experience and performance in fulfilling his or her role, and promote executive retention. The board of directors of the Company (the "**Board**" or "**Board of Directors**") considers this approach to be appropriate for the Company's current stage of development.

#### *Long Term Incentive Plan – Option Based Awards*

Long term incentives are performance-based grants of stock options. The awards are intended to align executive interests with those of Shareholders by tying compensation to Share performance and to assist in retention through vesting provisions. Grants of stock options are based on:

- (a) the executive officer's performance;
- (b) the executive officer's level of responsibility within the Company;
- (c) the number and exercise price of options previously issued to the executive officer; and
- (d) the overall aggregate total compensation package provided to the executive officer.

The value of any long term stock options allocated is determined using the Black-Scholes model.

After considering input from management, the Compensation Committee makes recommendations to the Board concerning the Plan based on the above criteria. Stock options are granted by the Board, typically on an annual basis in connection with the review of executive officers' compensation packages. Stock options may also be granted to executives upon hire or promotion and as special recognition for extraordinary performance.

Stock options are granted pursuant to the Plan, which is designed to advance the interests of the Company by encouraging eligible participants, being Directors, employees, management company employees, officers and consultants, to have equity participation in the Company through acquisition of Shares.

The Plan has been and will be used by the Board to provide Share purchase options which are awarded based on the recommendations of the Compensation Committee, taking into account the level of responsibility of the executive officer, as well as his or her impact on or contribution to, and/or his or her ability in the future to have an impact on or to contribute to, the longer-term operating performance of the

Company. Management presents its recommendations to the Compensation Committee with respect to stock-based compensation awards. These awards are granted, at the discretion of the Board, to existing Directors, officers, employees, and consultants based on award levels in the past and Company performance, in compliance with applicable securities law, stock exchange, and other regulatory requirements. Options may also be granted, at the discretion of the Board, throughout the year, to attract new Directors, officers, employees or consultants. In determining the number of stock options to be granted to the Directors, officers, employees, or consultants, the Board takes into account the number of stock options, if any, previously granted to each of the Directors, officers, employees, or consultants, as well as the level of effort, time, responsibility, ability, experience, and level of commitment of the Director, officer, employee, or consultant, in determining the level of incentive stock option compensation. The Board takes into account the exercise price of any outstanding stock options to ensure that such grants are in accordance with the policies of the TSXV and to closely align the interests of the executive officers with the interests of Shareholders. The Board determines the vesting provisions of all stock option grants and will amend the stock-based compensation plan as recommended by management and the Compensation Committee, subject to any required approval of the TSXV or Shareholders.

See "*Particulars of Other Matters to be Acted Upon – Approval of Rolling 10% Stock Option Plan*" in this Circular for further details concerning the Stock Option Plan.

#### *Other Compensation - Benefits and Perquisites*

The Company's NEOs do not receive any benefits or perquisites.

#### *Chief Executive Officer Compensation*

As at the end of the most recently completed financial year, the Chief Executive Officer did not receive base salary compensation. However, on November 5, 2016, the Company entered into a services agreement with MA2 Capital Inc. (the "**MA2 Agreement**"), a private company controlled by Sorin Posescu, to pay fees to MA2 Capital Inc. for services provided by Mr. Posescu as CEO during the most recently completed financial year. The CEO fees were reviewed in accordance with procedures described in this "*Statement of Executive Compensation - Compensation Discussion and Analysis*" section. Further details appear in the "*Summary Compensation Table*" below.

#### *Compensation Governance*

The Company has established a Compensation Committee, which is responsible for determining compensation for the Directors and executive officers of the Company.

The Compensation Committee has not adopted any formal policies and practices to determine director or executive compensation. The Compensation Committee undertakes the specific work required from time to time to discharge the Committee's responsibilities in relation to the Company's compensation policies. The Compensation Committee does not employ any formal objectives, criteria or analysis, other than those set forth in this Circular. When determining compensation policies and individual compensation levels for the Company's executive officers, the Compensation Committee takes into consideration a variety of factors including the committee's understanding of the amount of compensation generally paid by similarly situated companies to their executives who have similar roles and responsibilities; each executive officer's individual performance during the fiscal year; each executive officer's experience, skills and level of responsibility; the executive's historical compensation and performance within the Company; and existing market standards within the mining industry.

The Compensation Committee periodically reviews the performance of the Directors and executive officers in light of the Company's objectives and considers other factors that may have impacted the success of the Company in achieving its objectives.

During the financial year ended March 31, 2018, the Compensation Committee was composed of Rick Van Nieuwenhuyse, Steven Khan and Raj Chowdhry, of which Raj Chowdhry was an "independent director" as defined under applicable Canadian securities laws at the relevant times. See "*Corporate Governance Disclosure – Independence of Members of the Board*" in this Circular. The skills and

experience of the Compensation Committee members that are relevant to their responsibilities in executive compensation include the following:

- *Rick Van Nieuwenhuysse* – Mr. Van Nieuwenhuysse has more than 40 years of experience in the natural resource sector and has experience in board governance and executive compensation.
- *Steven Khan* – Mr. Khan is a Chartered Financial Analyst and has experience with executive compensation through his positions as a director and/or executive officer of various public companies.
- *Raj Chowdhry* – Mr. Chowdhry is an Independent Businessman and a Chartered Accountant and has extensive experience with executive compensation through his positions with various public companies.

The Company did not retain professional executive compensation consultants in the most recently completed financial year ended March 31, 2018.

#### *Compensation Risk Oversight and Assessment*

The Board has not proceeded to a formal evaluation of the implications of the risks associated with the Company's compensation policies and practices. The Board intends to review, at least once annually the risks, if any, associated with the Company's compensation policies and practices at such time.

As discussed above, the Company employs a compensation model which ensures that an adequate portion of overall compensation for the NEOs is "at risk" and only realized through the performance of the Company over both the short-term and longer-term. With respect to the longer-term component of executive compensation, stock options granted under the Plan, stock option grants may be subject to vesting in equal amounts on the date of grant and the first and second anniversary of the date of the grant, priced at market-value at the time of grant and the number of stock options granted is based on a fixed annual dollar amount using the then applicable Black-Scholes-Merton value per stock option granted. Therefore, the realization of value from the long-term incentive component of the executive compensation program is largely aligned with longer-term appreciation in Shareholder value.

Further, all elements of executive compensation are discretionary. As a result, it is less likely that an executive officer would take inappropriate or excessive risks at the expense of the Company or the Shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions. Due to the organizational structure of the Company, the Board is able closely monitor executive performance such that any risks associated with the Company's compensation policies and practices may be promptly identified and mitigated.

The Company has not adopted a formal policy forbidding Directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by Directors or officers. The Company is not, however, aware of any Directors or officers having entered into this type of transaction.

#### **Summary Compensation Table**

The following table is presented in accordance with National Instrument Form 51-102F6 - *Statement of Executive Compensation* ("**Statement of Executive Compensation**") and sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company in respect of each of the following executive officers of the Company: (a) the Chief Executive Officer of the Company; (b) the Chief Financial Officer of the Company; and, where applicable, (c) the other three most highly compensated executive officers of the Company during the financial year ended March 31, 2018 whose individual total compensation for the most recently completed financial year exceeded \$150,000 and any individual who would have satisfied these criteria but for the fact that the individual was neither an executive officer of the Company nor acting in a similar capacity at the end of the most recently completed financial year (collectively the "**Named Executive Officers**" or "**NEOs**").

The Company had two (2) Named Executive Officers for the financial year ended March 31, 2018. These were Sorin Posescu as CEO and Kara Norman as Interim CFO. Below is a table indicating the compensation paid to these NEOs in each of the Company's three most recently completed financial years.

NEO Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Sorin Posescu <sup>(1)(2)</sup> CEO	2018	NIL	NIL	NIL	N/A	N/A	NIL	60,000 <sup>(1)</sup>	60,000
	2017	NIL	NIL	NIL	N/A	N/A	NIL	25,000 <sup>(1)</sup>	25,000
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kara Norman Interim CFO <sup>(3)</sup>	2018	NIL	NIL	NIL	N/A	N/A	NIL	15,150 <sup>(4)</sup>	15,150
	2017	NIL	NIL	NIL	N/A	N/A	NIL	33,711 <sup>(4)</sup>	33,711
	2016	NIL	NIL	NIL	N/A	N/A	NIL	16,181 <sup>(4)</sup>	16,181

- (1) Mr. Posescu replaced Rick Van Nieuwenhuysse as CEO of the Company on November 5, 2016. Pursuant to a management services agreement, management fees in the amount of \$5,000 per month were paid to MA2 Capital Inc. for Mr. Posescu's position as CEO.
- (2) Mr. Posescu also serves a director of the Company and does not receive compensation for services as a Director. Any compensation for services as a Director has been included in the figures provided in this Summary Compensation Table and such amounts, if any, are disclosed in subsequent footnotes hereunder.
- (3) Kara Norman was appointed as Interim CFO of the Company on March 1, 2015.
- (4) Ms. Norman received management fees pursuant to a management services agreement in the amount of \$75 per hour.

### Incentive Plan Awards

The Company does not have any incentive plans pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to the Named Executive Officer(s), except as follows:

*Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth information concerning all awards outstanding under incentive plans of the Company that provide compensation that depends on achieving certain performance goals or similar conditions within a specified period, at the end of the most recently completed financial year ended March 31, 2018, including awards granted before the most recently completed financial year, to each of the Named Executive Officers:

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)	Number of Shares Or Units Of Shares That Have Not Vested (#)	Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
Kara Norman Interim CFO	NIL	N/A	N/A	NIL	N/A	N/A	N/A
Sorin Posescu	NIL	N/A	N/A	NIL	N/A	N/A	N/A

(1) Calculated using the closing price of the Shares on the TSXV on March 29, 2018 (which was the last day of trading for the financial year ended March 31, 2018) of \$0.15 and subtracting the exercise price of the in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Shares on the date of exercise..

*Incentive Plan Awards - Value Vested Or Earned During The Year*

The value vested or earned during the most recently completed financial year ended March 31, 2018 of incentive plan awards granted to Named Executive Officers are as follows:

NEO Name	Option-Based Awards - Value Vested During The Year <sup>(1)</sup> (\$)	Share-Based Awards - Value Vested During The Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Kara Norman Interim CFO	NIL	N/A	N/A
Sorin Posescu CEO	NIL	N/A	N/A

(1) This amount is the dollar value that would have been realized if the options had been exercised on the vesting date computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

(2) This amount is the dollar value realized computed by multiplying the number of Shares or units by the market value of the underlying Shares on the vesting date.

The Company does not have any incentive plans in place other than the award of stock options disclosed above. For further information regarding the Company's Stock Option Plan, see "*Statement of Executive Compensation – Long Term Incentive Plan – Option Based Awards*" and "*Particulars of Other Matters to be Acted Upon – Approval of Rolling 10% Stock Option Plan*" in this Circular.

#### **Pension Plan Benefits**

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

#### **Termination and Change of Control Benefits**

Other than as set out in this Circular, the Company and its subsidiaries do not have any employment contracts with any Named Executive Officer, and do not have a contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

During the most recently completed financial year, the Company entered into or was a party to contracts with certain NEOs that provide for payments to those NEOs at or following or in connection with any termination (whether voluntary, involuntary or constructive) or change of control of the Company or its subsidiaries or a change in responsibilities of the NEO following a change of control of the Company or change in an NEO's responsibilities, as follows.

##### *Agreement with Sorin Posescu (CEO)*

As disclosed above under "*Statement of Executive Compensation - Compensation Discussion and Analysis – Chief Executive Officer Compensation*", the Company entered into the MA2 Agreement relating to Mr. Posescu's services as CEO of the Company. Pursuant to the MA2 Agreement, the Company will pay to MA2 Capital Inc. ("**MA2 Capital**") a monthly consulting fee, will be entitled to participate in the Company's stock option plan and receive a bonus from the Company at the discretion of the Board. MA2 Capital will also be reimbursed for reasonable pre-approved expenses.

The MA2 Agreement does not provide for any triggering payments or provisions of other benefits in connection with any termination, resignation, retirement, change in control of the Company or a change in the CEO's responsibilities. There are no other significant conditions or obligations that apply to receiving payments or benefits, or significant factors not already mentioned.

##### *Agreement with Kara Norman (Interim CFO)*

The Company entered into a consulting agreement (the "**Consulting Agreement**") with Kara Norman, the Interim Chief Financial Officer of the Company, dated February 6, 2015 for services provided by Ms. Norman as Interim Chief Financial Officer to the Company.

The Consulting Agreement, effective March 1, 2015, provides that Ms. Norman will be paid an hourly fee in respect of services provided as Interim CFO, and reimbursed for all pre-approved ordinary, necessary business and reasonable expenses incurred by Ms. Norman, until such time as either the Company or Ms. Norman provide thirty (30) days written notice to the other party to terminate the Consulting Agreement.

The Consulting Agreement does not provide for any triggering payments or provisions of other benefits in connection with any termination, resignation, retirement, change in control of the Company or a change in the Interim CFO's responsibilities. There are no other significant conditions or obligations that apply to receiving payments or benefits, or significant factors not already mentioned.

**Director Compensation:**

The following table sets forth all amounts of compensation provided to the Directors, who are each not also a Named Executive Officer, for the Company's most recently completed financial year ended March 31, 2018:

<b>Director Name</b>	<b>Fees Earned</b> (\$)	<b>Share-Based Awards</b> (\$)	<b>Option-Based Awards</b> (\$)	<b>Non-Equity Incentive Plan Compensation</b> (\$)	<b>Pension Value</b> (\$)	<b>All Other Compensation</b> (\$)	<b>Total</b> (\$)
Raj Chowdhry <sup>(1)</sup>	NIL	N/A	NIL	N/A	N/A	NIL	NIL
Joseph Piekenbrock <sup>(2)</sup>	NIL	N/A	NIL	N/A	N/A	NIL	NIL
Steven Khan <sup>(3)</sup>	NIL	N/A	NIL	N/A	N/A	NIL	NIL
Rick Van Nieuwenhuysse <sup>(4)</sup>	NIL	N/A	NIL	N/A	N/A	NIL	NIL

(1) Mr. Chowdhry was appointed a Director of the Company on April 13, 2011.

(2) Mr. Piekenbrock was appointed a Director of the Company on April 13, 2011.

(3) Mr. Khan was appointed as a Director of the Company on April 13, 2011.

(4) Mr. Van Nieuwenhuysse was appointed as a Director of the Company on April 13, 2011.

Other than amounts already included in the above table, the Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Circular.

The Company has a Stock Option Plan for the granting of incentive stock options to the Directors, officers and employees of the Company. The purpose of granting such options to the Company's Directors is to assist the Company in compensating, attracting, retaining and motivating the Directors and to closely align the personal interests of the Directors to that of the Company's Shareholders. For further information regarding the Company's Stock Option Plan, see "Statement of Executive Compensation – Long Term Incentive Plan – Option Based Awards" and "Particulars of Other Matters to be Acted Upon – Approval of Rolling 10% Stock Option Plan" in this Circular.

*Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth information concerning all awards outstanding under incentive plans of the Company pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period, at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who are not Named Executive Officers:

Director Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)	Number of Shares Or Units Of Shares That Have Not Vested (#)	Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
Raj Chowdhry	800,000 <sup>(3)</sup>	0.025	December 19, 2021	100,000	N/A	N/A	N/A
	100,000 <sup>(2)</sup>	0.25	August 15, 2024	NIL	N/A	N/A	N/A
Steven Khan	400,000 <sup>(3)</sup>	0.025	December 19, 2021	50,000	N/A	N/A	N/A
	150,000 <sup>(2)</sup>	0.25	August 15, 2024	NIL	N/A	N/A	N/A
Joseph Piekenbrock	400,000 <sup>(3)</sup>	0.025	December 19, 2021	50,000	N/A	N/A	N/A
	75,000 <sup>(2)</sup>	0.25	August 15, 2024	NIL	N/A	N/A	N/A
Rick Van Nieuwenhuyse	800,000 <sup>(3)</sup>	0.025	December 19, 2021	100,000	N/A	N/A	N/A
	100,000 <sup>(2)</sup>	0.25	August 15, 2024	NIL	N/A	N/A	N/A

(1) Calculated using the closing price of the Company's Shares on the TSXV on March 29, 2018 (which was the last trading day of the financial year ended March 31, 2018) of \$0.15 and subtracting the exercise price of the in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Company's Shares on the date of exercise.

(2) These options have a vesting schedule of 1/3 on grant, 1/3 after one year and the remaining 1/3 after two years.

(3) Options granted on December 19, 2011 to Mr. Chowdhry, Mr. Piekenbrock, Mr. Khan and Mr. Van Nieuwenhuyse in their capacity as Directors of the Company on a post-split basis. The options fully vested on the date of grant, are exercisable for 10 years and are subject to escrow release conditions with respect to the Company's "Qualifying Transaction" (as defined per the policies of the TSXV). All options were released from escrow as of March 31, 2018.

#### Incentive Plan Awards - Value Vested Or Earned During The Year

The value vested or earned during the most recently completed financial year ended March 31, 2018 of incentive plan awards granted to Directors who are not Named Executive Officers are as follows:

Director Name	Option-Based Awards - Value Vested During The Year <sup>(1)</sup> (\$)	Share-Based Awards - Value Vested During The Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Raj Chowdhry	NIL	N/A	N/A

<b>Director Name</b>	<b>Option-Based Awards - Value Vested During The Year<sup>(1)</sup> (\$)</b>	<b>Share-Based Awards - Value Vested During The Year<sup>(2)</sup> (\$)</b>	<b>Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)</b>
Steven Khan	NIL	N/A	N/A
Joseph Piekenbrock	NIL	N/A	N/A
Rick Van Nieuwenhuysse	NIL	N/A	N/A

(1) This amount is the dollar value that would have been realized if the options held by such individual had been exercised on the vesting date(s) computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

(2) This amount is the dollar value realized computed by multiplying the number of Shares or units by the market value of the underlying Shares on the vesting date.

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

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

#### *Equity Compensation Plan Information*

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights<sup>(1)</sup> (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<sup>(2)</sup> (c)</b>
Equity compensation plans approved by securityholders	3,105,000	0.07	2,468,187
Equity compensation plans not approved by securityholders	NIL	N/A	NIL
<b>Total</b>	<b>3,105,000</b>	<b>0.07</b>	<b>2,468,187</b>

(1) Represents the number of Shares available for issuance upon exercise of outstanding stock options as at March 31, 2018.

(2) The aggregate number of Shares issuable upon exercise of all options granted under the Stock Option Plan shall not exceed 10% of the Company's issued and outstanding Shares from time to time.

See "Particulars of Other Matters to be Acted Upon – Approval of Rolling 10% Stock Option Plan" for further details concerning the Stock Option Plan.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date of this Circular, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or, which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

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

Except as set out in this Circular, and other than the election of Directors or the appointment of auditors, no person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a Director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting, except that the Directors and executive officers of the Company may have an interest in the resolution regarding the annual approval of the Company's Stock Option Plan, as such persons are eligible to participate in such plan.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person (as defined in National Instrument 51-102, *Continuous Disclosure*) or proposed Director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

#### **APPOINTMENT OF AUDITOR**

Manning Elliott LLP, Chartered Accountants, of 17th Floor - 1030 West Georgia Street, Vancouver, British Columbia are the auditors of the Company. Manning Elliott LLP were first appointed as auditors on April 13, 2011. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Manning Elliott LLP as the auditors of the Company to hold office for the ensuing year at remuneration to be fixed by the Directors.

#### **MANAGEMENT CONTRACTS**

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

#### **AUDIT COMMITTEE**

##### **The Audit Committee's Charter**

The following is the text of the Audit Committee Charter of the Company:

##### *Mandate*

The primary function of the Audit Committee is to assist the Company's board of directors (the "**Board of Directors**" or "**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. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

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

#### *Composition*

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

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

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

#### *Meetings*

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

#### *Responsibilities and Duties*

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

#### Documents/Reports Review

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

#### External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Company.

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

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

#### *Financial Reporting Processes*

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

*Other*

Review any related-party transactions.

**Composition of the Audit Committee**

The following are the members of the Audit Committee:

Joseph Piekenbrock	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Raj Chowdhry	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Rick Van Nieuwenhuysse	Not independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

*(1) As defined by National Instrument 52-110 - Audit Committees ("NI 52-110").*

**Relevant Education and Experience**

- *Joseph Piekenbrock* – Mr. Piekenbrock was the former Senior Vice President of Exploration for NovaCopper Inc. from 2012 to 2014, and has extensive experience with the industry in which the Company operates. He obtained a B.A. from the University of Colorado and a MSc from the University of Arizona. Mr. Piekenbrock is familiar with accounting principles and understands the financial matters affecting an exploration company.
- *Raj Chowdhry* – Mr. Chowdhry is an Independent Businessman and a Chartered Accountant and has extensive experience with financial and accounting aspects of the industry in which the Company operates.
- *Rick Van Nieuwenhuysse* – Mr. Van Nieuwenhuysse has more than 30 years of experience in the natural resource sector and has experience in board governance.

**Audit Committee Oversight**

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

### Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*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 of NI 52-110.

### Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "*External Auditors*" of the Audit Committee Charter for the Company.

### External Auditors Service Fees (By Category)

The aggregate fees billed by the Company's external auditors, Manning Elliott LLP, in each of the last two (2) fiscal years are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees<sup>(1)</sup></i>	<i>Audit Related Fees<sup>(2)</sup></i>	<i>Tax Fees<sup>(3)</sup></i>	<i>All Other Fees<sup>(4)</sup></i>
March 31, 2018	\$14,500	NIL	\$3,960	NIL
March 31, 2017	\$14,500	NIL	\$1,500	NIL

(1) "*Audit Fees*" include the aggregate fees billed in each financial year for audit fees.

(2) "*Audit Related Fees*" include the aggregate fees in each financial year for assurance and related services to the performance of the audit or review of the Company's financial statements not already disclosed under "*Audit Fees*".

(3) "*Tax Fees*" are the aggregate fees billed by the auditor for tax compliance, tax advice and tax planning.

(4) "*All Other Fees*" include aggregate fees billed for products or services not already reported in the above table.

### Exemption in Section 6.1 of NI 52-110

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

## CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board of Directors is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**") establishes corporate governance guidelines which apply to all public companies. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance practices. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board of Directors considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices which disclosure is set out below.

### **Independence of Members of Board**

The Company's Board of Directors consists of five (5) Directors, two (2) of whom are independent based upon the tests for independence set forth in NI 52-110. Joseph Piekenbrock and Raj Chowdhry are independent. Steven Khan is not independent as he is the former Interim CEO of the Company. Rick Van Nieuwenhuysse is not independent as he is the former Interim CEO of the Company. Sorin Posescu is not independent as he is the CEO of the Company.

### **Management Supervision by Board**

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board of Directors. The Board of Directors 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, however, able to meet at any time without any members of management including the non-independent Directors being present. Further supervision is performed through the Audit Committee. The independent Directors exercise their responsibilities for independent oversight of management through their majority control of the Board of Directors.

### **Participation of Directors in Other Reporting Issuers**

The participation of the Directors in other reporting issuers is described in the table provided under "*Election of Directors*" in this Circular.

### **Orientation and Continuing Education**

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board of Directors, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company, and other reports; and
3. access to management.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### **Ethical Business Conduct**

The Board of Directors views good corporate governance as an integral component to the success of the Company and to meet responsibilities to Shareholders. The Board of Directors has adopted a *Code of Business Conduct and Ethics* (the "**Code**") and has instructed its management and employees to abide by the Code. A copy of the Code is posted on SEDAR at [www.sedar.com](http://www.sedar.com). The Board intends that it will review compliance with the Code on an annual basis until the Company has grown to a size which warrants more frequent monitoring.

The Board, through its meetings with management and other informal discussions with management, encourages a culture of ethical business conduct and believes the Company's high caliber management team promotes a culture of ethical business conduct throughout the Company's operations and is expected to monitor the activities of the Company's employees, consultants and agents in that regard.

It is a requirement of applicable corporate law that Directors and senior officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at

which the transaction or agreement will be discussed and, in the case of Directors, abstain from discussions and voting in respect to same if the interest is material. These requirements are also contained in the Company's Articles, which are made available to Directors and senior officers of the Company.

### **Nomination of Directors**

The Company does not have a stand-alone nomination committee. The full Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. The Board determines new nominees, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President and/or Chief Executive Officer. Both members of the Board and representatives of the mining industry are consulted for possible candidates.

### **Compensation of Directors and the CEO**

The Compensation Committee has the responsibility for determining compensation for the Directors and senior management. As previously discussed in this Circular, the members of the Compensation Committee of the Company are Raj Chowdhry, Steven Khan and Rick Van Nieuwenhuysse.

To determine compensation payable, the Compensation Committee reviews compensation paid for directors and CEOs of companies of similar 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 Company. In setting the compensation, the Compensation Committee periodically reviews the performance of the CEO in light of the Company's objectives and considers other factors that may have impacted the success of the Company in achieving its objectives. The Compensation Committee's role in the compensation of Directors and the CEO of the Company is further described under "*Statement of Executive Compensation - Compensation Governance*" in this Circular.

### **Board Committees**

The Company has two (2) committees at present being the Audit Committee and the Compensation Committee.

The Audit Committee is comprised of Rick Van Nieuwenhuysse, Joseph Piekenbrock and Raj Chowdhry (Chairman) and is further described under "*Audit Committee*" in this Circular.

The Compensation Committee is comprised of Raj Chowdhry, Steven Khan and Rick Van Nieuwenhuysse and is further described under "*Statement of Executive Compensation - Compensation Governance*" in this Circular.

As the Directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has determined that additional standing committees are not necessary at this stage of the Company's development.

### **Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

## **Expectations of Management**

The Board expects management to operate the business of the Company in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

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

### **Approval of Rolling 10% Stock Option Plan**

Effective July 8, 2011, the Board implemented the Plan, which was approved by the TSXV and the Shareholders of the Company.

The purpose of the Plan is to allow the Company to grant incentive stock options to Directors, officers, employees, management company employees and consultants, as additional compensation, and provides an opportunity to participate in the success of the Company. The granting of such stock options is intended to align the interests of such persons with that of the Shareholders. Under the Plan, stock options may be granted with exercise periods of up to ten years as determined by the Board and are required to have an exercise price no less than the closing market price of the Shares prevailing on the day that the stock option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSXV. Pursuant to the Plan, the Board may from time to time authorize the issue of stock options to Directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The maximum number of Shares which may be issued pursuant to stock options previously granted and those granted under the Plan will be a maximum of 10% of the issued and outstanding Shares at the time of the grant. In addition, the number of Shares which may be reserved for issuance to any one individual may not exceed 5% of the issued Shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion.

If the stock option holder ceases to be an eligible optionee under the Plan as a result of early retirement, voluntary resignation, or termination other than for cause, any outstanding stock options held by such optionee shall be exercisable to acquire vested unissued stock option shares at any time up to but not after the earlier of: i) the stock option expiry time; and ii) the date that is 90 days (or 30 days if the optionee was engaged in investor relations activities) after the optionee ceased to be an eligible person under the Plan. If the optionee ceases to be an eligible person under the plan as a result of termination for cause, any outstanding stock options held by such optionee shall be cancelled as of the date of termination. The Plan also provides that if a change of control, as defined therein, occurs, all Shares subject to stock option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder, subject to the approval of the TSXV, if necessary.

The Company currently has 55,731,865 issued and outstanding Shares, meaning that the number of stock options currently available for grant under the Plan would be 10% of that number (on a rolling basis) or 5,573,865 Shares. As of the date of this Circular, the Company had 3,105,000 stock options outstanding under the Plan.

Under TSXV policies, the Company's Plan must be approved and ratified by the Shareholders on an annual basis.

A copy of the Plan is available upon request to any Shareholder of the Company at no charge, or may be inspected at the office of the Company during normal business hours until the date of the Meeting.

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval of the Plan.** At the Meeting, Shareholders will be asked to pass an ordinary resolution in the following form, subject to such amendments, variations or additions as may be approved at the Meeting:

**"UPON MOTION IT WAS RESOLVED THAT:**

1. *subject to regulatory approval, the Company's Stock Option Plan, pursuant to which the board of directors of the Company may, from time to time, authorize the issuance of options to directors, officers, employees, management company employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares of the Company at the time of the grant, with a maximum of 5% of the Company's issued and outstanding common shares being reserved to any one person on a yearly basis, be and is hereby approved, ratified and confirmed; and*
2. *any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution."*

**ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at (604) 323-3281 to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative audited consolidated financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

**OTHER MATTERS**

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

**DIRECTORS' APPROVAL**

DATED at Vancouver, British Columbia this 13<sup>th</sup> day of November, 2018.

**APPROVED BY THE BOARD OF DIRECTORS**

*"Rick Van Nieuwenhuysse"*  
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Rick Van Nieuwenhuysse, Chairman