



**STUHINI EXPLORATION LTD.**

**NOTICE OF  
ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**To be held on December 10, 2020**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Stuhini Exploration Ltd. (the "Company") will be held at 14<sup>th</sup> Floor, 885 West Georgia Street, Vancouver, British Columbia, Canada, on Thursday, December 10, 2020 at 10:30 a.m. (Pacific Time) (the "Meeting") for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended February 29, 2020 with the auditor's report thereon;
2. to fix the number of directors at four and to elect four directors for the ensuing year;
3. to appoint the Company's auditor for the ensuing year;
4. to approve and confirm the Company's "rolling 10%" stock option plan; and
5. 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. All matters set forth above for consideration at the Meeting are more particularly described in the Information Circular.

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 2, 2020 will be entitled to receive notice of, and to vote at, the Meeting or any adjournment thereof. To vote by proxy, registered shareholders 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 in the Proxy Form. To be used at the Meeting, proxies must be received by TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1 no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time that the Meeting is reconvened. 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 as of the 3rd day of November, 2020.

BY ORDER OF THE BOARD

*"David O'Brien"*

David O'Brien  
President and CEO





## STUHINI EXPLORATION LTD.

### 2020 ANNUAL GENERAL MEETING OF SHAREHOLDERS

#### INFORMATION CIRCULAR

#### GENERAL INFORMATION

This Information Circular is furnished to the holders (“shareholders”) of common shares (“Common Shares”) of Stuhini Exploration Ltd. (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 10:30 a.m. (Pacific Time) on Thursday, December 10, 2020 and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting.

#### PROXIES

##### Solicitation of Proxies

The enclosed proxy (“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 TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1 no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the reconvened meeting. 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.

##### Voting by 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, RRIFs, 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 TSX Trust Company 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) received at the registered office of the Company, 105-1245 West Broadway, Vancouver, BC Canada, V6H 1G7 at any time up to and including the last business day before the day set for the holding of the Meeting or reconvened meeting, if the Meeting is adjourned, at which the Proxy is to be used, or
- (b) provided to the chair of the meeting, at the meeting of shareholders, 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 proxyholder 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 has fixed November 2, 2020 as the record date ("Record Date") for the determination of shareholders entitled to receive notice of and to vote at the Meeting and, if adjourned, any reconvened meeting, and only shareholders of record at the close of business on that date are entitled to receive such notice and to vote at the Meeting. As of the Record Date, 18,477,853 Common Shares were issued and outstanding as fully paid and non-assessable.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person beneficially owned, directly or indirectly, or exercised control or direction over, 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
Eric S. Sprott	2,300,000	12.4%
Barry A. Hanslit	2,050,000	11.1%

## VOTES NECESSARY TO PASS RESOLUTIONS AT THE MEETING

Under the Company's Articles, the quorum for the transaction of business at the Meeting consists of two shareholders, whether present in person or represented by proxy, holding in the aggregate at least 5% of the Company's 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 persons named in the enclosed Proxy form intend to vote for the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as the auditor of the Company to hold office until the next annual general meeting of shareholders of the Company. Dale Matheson Carr-Hilton Labonte LLP has been the auditor of the Company since March 15, 2018.

## ELECTION OF DIRECTORS

The shareholders of the Company last fixed the number of directors at five. As the Company currently has four directors, at the Meeting, shareholders will be asked to fix the number of directors at four and to elect four directors. The persons named below are the four 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 form 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 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 presently held by him; his current principal occupation, business or employment; the period during which he has served as a director; and the number of Common Shares that he has advised are beneficially owned, or controlled or directed, directly or indirectly, as at the Record Date.

Name, place of residence and positions with the Company	Present principal occupation, business or employment	Period served as a director	Common Shares beneficially owned or controlled
DAVID BRUCE O'BRIEN <sup>(1)</sup> British Columbia, Canada Director, Chief Executive Officer and President	Chief Executive Officer and President of the Company; President, Michael & Young Fly Shop	Since July 7, 2017	1,700,000
JOSEF ANTHONY (TONY) FOGARASSY <sup>(1)(2)</sup> British Columbia, Canada Director and Non-Executive Chair	Principal, Dunbar Law Corporation	Since June 28, 2018	Nil
FIORAVANTE (FIORE) ALIPERTI <sup>(2)</sup> British Columbia, Canada Director	CEO and President, Metallis Resources Inc.; President, Avanti Consulting Inc.; Executive Chair, Etruscus Resources Corp.	Since June 28, 2018	Nil
KAZUKI NOHDOMI <sup>(1)(2)</sup> British Columbia, Canada Director	Portfolio Manager, Nicola Wealth Management	Since June 28, 2018	412,000

(1) Member of the Audit Committee.

(2) Member of the Corporate Governance and Compensation Committee.

### Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set forth below, 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, 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.

Fioravante (Fiore) Aliperti was a director of Coltstar Ventures Inc. (now Metallis Resources Inc.) when that company became subject to a cease trade order (“CTO”) issued by the British Columbia Securities Commission on May 9, 2012 for failure to file required financial disclosures in a timely manner. A similar CTO was issued by the Ontario Securities Commission on May 18, 2012 and by the Alberta Securities Commission on August 10, 2012. The CTOs were revoked on June 14, 2013 after the company made required continuous disclosure filings and addressed all issues raised by the various securities commissions.

Josef Anthony (Tony) Fogarassy was a director of Deer Horn Capital Inc. when a CTO was issued by the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission on January 30, 2017 against that company for failure to file required financial disclosures in a timely manner. The CTOs were revoked on January 25, 2018 after the company filed the necessary continuous disclosure documents.

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 of Directors is currently comprised of four members, the majority of whom (Josef Anthony (Tony) Fogarassy, Fioravante (Fiore) Aliperti and Kazuki Nohdomi) are considered independent directors of the Company under applicable securities rules. David O’Brien is Chief Executive Officer and President of the Company and is not considered independent. The majority of independent directors and Mr. Fogarassy acting as Non-Executive Chair of the Company facilitates the Board of Directors exercising independent supervision

over management of the Company. To aid in the management of the Company, the Board of Directors adopted a Board Mandate.

### **Directorships**

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

<b>Director</b>	<b>Reporting Issuer</b>
Fioravante (Fiore) Aliperti	Metallis Resources, Inc. Etruscus Resources Corp.
Josef Anthony (Tony) Fogarassy	Deer Horn Capital Inc.

### **Orientation and Continuing Education**

The Board of Directors provides an overview of the Company's business activities, systems and business plan to all new directors. New director candidates have free access to any of the Company's records, employees or senior management in order to conduct their own due diligence and will be briefed on the strategic plans, short, medium and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies of the Company. The Directors are encouraged to update their skills and knowledge by taking courses and attending professional seminars.

### **Ethical Business Conduct**

The Board of Directors believes good corporate governance is an integral component to the success of the Company and to meet responsibilities to shareholders. Generally, the Board of Directors has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Company.

In order to more fully delineate lines of communication and expectations regarding conduct of activities, on the recommendation of the Corporate Governance and Compensation Committee, the Board of Directors adopted a Share Trading Policy, Disclosure Policy, and a Code of Business Conduct and Ethics all of which are applicable not only to the members of the Board of Directors, but also any officers, consultants, employees, or advisors.

The Board of Directors is also responsible for applying governance principles and practices, and tracking development in corporate governance, and adapting "best practices" to suit the needs of the Company.

### **Nomination of Directors**

The Board of Directors has not formed a nominating committee or similar committee to assist the Board of Directors with the nomination of directors for the Company. The Board of Directors considers itself too small to warrant the creation of such a committee, and each of the directors has contacts he can draw upon to identify new members of the Board of Directors as needed from time to time.

The Board of Directors will continually assess its size, structure and composition, taking into consideration its current strengths, skills and experience, proposed retirements and the requirements and strategic direction of

the Company. As required, directors will recommend suitable candidates for consideration as members of the Board of Directors.

### **Compensation**

The Board of Directors, upon the advice and recommendations of its Corporate Governance and Compensation Committee, reviews the compensation of its directors and executive officers annually. The Directors will determine the compensation of directors and executive officers taking into account the Company's business ventures and the Company's financial position.

### **Other Board Committees**

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

### **Assessments**

The Board of Directors has not implemented a process for assessing its effectiveness. Given the Company's small size and the Company's stage of development, the Board of Directors considers a formal assessment process to not be necessary at this time. The Board of Directors plans to continue evaluating its own effectiveness on an ad hoc basis.

The Board of Directors does not formally assess the performance or contribution of individual Board members or committee members.

## **AUDIT COMMITTEE DISCLOSURE**

Pursuant to the Business Corporations Act (British Columbia) and the Canadian Securities Administrators' National Instrument 52-110 ("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.

### **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:

<b>Name</b>	<b>Independent</b>	<b>Financial Literacy</b>
Josef Anthony (Tony) Fogarassy (Chair)	Yes	Yes
Kazuki Nohdomi	Yes	Yes
David O'Brien	No	Yes

### **Relevant Education and Experience**

All members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be

expected to be raised by the Company's financial statements, and have an understanding of internal controls. The members of the Audit Committee intend to maintain their currency by periodically taking continuing education courses.

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

**Josef Anthony (Tony) Fogarassy** – Mr. Fogarassy has a BSc (Hon Geo) and MSc (Geo), an LLB and LLM in Law and is a member of the British Columbia Bar and has the requisite experience and education.

**Kazuki Nohdomi** – Mr. Nohdomi is a CFA and holds a BComm and a MBA and, through his work as a Portfolio Manager at a major wealth management company, has the requisite experience and education.

**David O'Brien** – Mr. O'Brien has a BSc. (Math) and is Director and President of a private company where he is primarily responsible for financial management and, through his investments in the markets, has gained relevant experience in financial matters.

### **Audit Committee Oversight**

At no time since March 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 March 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) of NI 52-110 (*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 specific policies and procedures for the engagement of non-audit services. However, the Company's Audit Committee Charter states that the Audit Committee must pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

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

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

<b>Financial Year Ended</b>	<b>Audit Fees</b>	<b>Audit Related Fees<sup>(1)</sup></b>	<b>Tax Fees<sup>(2)</sup></b>	<b>All Other Fees<sup>(3)</sup></b>
February 29, 2020	\$12,146	Nil	\$800	Nil
February 28, 2019	\$19,028	Nil	\$840	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. The nature of services comprising the fees disclosed under this category relates to the preparation of corporate tax returns.
- (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 Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

### 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 “NEO”s):

- (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 neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During the year ended February 29, 2020, the Company had two Named Executive Officers, namely David O’Brien (CEO and President) and Yanika Silina (CFO). No other individuals in the Company received total compensation in excess of \$150,000 during the most recently completed financial year.

#### 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 applicable NEO and director, in any capacity, for each of the Company’s financial years ended February 29, 2020 and February 28, 2019.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
DAVID O'BRIEN <sup>(1)</sup> CEO, President and Director	2020	18,710	Nil	Nil	(2)	Nil	18,710
	2019	Nil	Nil	Nil	(2)	Nil	Nil
YANIKA SILINA (CFO)	2020	6,000	Nil	Nil	(2)	Nil	6,000
	2019	6,000	Nil	Nil	(2)	Nil	6,000

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
JOSEF ANTHONY (TONY) FOGARASSY Chair and Director	2020	Nil	Nil	Nil	(2)	Nil	Nil
	2019	Nil	Nil	Nil	(2)	Nil	Nil
FIORAVANTE (FIORE) ALIPERTI Director	2020	6,000	Nil	Nil	(2)	Nil	6,000
	2019	Nil	Nil	Nil	(2)	Nil	Nil
KAZUKI NOHDOMI Director	2020	Nil	Nil	Nil	(2)	Nil	Nil
	2019	Nil	Nil	Nil	(2)	Nil	Nil
GARY THOMPSON <sup>(3)</sup> <i>Former Director</i>	2020	6,000	Nil	Nil	(2)	Nil	6,000
	2019	Nil	Nil	Nil	(2)	Nil	Nil

(1) Mr. O'Brien did not receive any compensation for his services as a director in 2020 and 2019.

(2) Perquisites that are not generally available to all employees did not exceed \$15,000.

(3) Mr. Thompson ceased to be a director of the Company on July 22, 2020. Compensation disclosed for Mr. Thompson was paid to his personal holding company.

### External Management Companies

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.

### Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each NEO and director by the Company or one of its subsidiaries in the financial year ended February 29, 2020, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries and the total amount of compensation securities held as at the Company's financial years ended February 29, 2020 and February 28, 2019.

Compensation Securities								
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date	Total amount of compensation securities held as at February 29, 2020
DAVID O'BRIEN President, CEO and Director	Option	70,000 <sup>(2)</sup>	Jun 14, 2019	0.20	0.2450	0.22	May 21, 2021	210,000
		95,000 <sup>(3)</sup>	Aug 6, 2019	0.20	0.20	0.22	Aug 6, 2024	
		45,000 <sup>(3)</sup>	Feb 28, 2020	0.25	0.22	0.22	Feb 28, 2025	
YANIKA SILINA CFO	Option	20,000 <sup>(2)</sup>	Jun 14, 2019	0.20	0.2450	0.22	May 21, 2021	105,000
		50,000 <sup>(3)</sup>	Aug 6, 2019	0.20	0.20	0.22	Aug 6, 2024	
		35,000 <sup>(3)</sup>	Feb 28, 2020	0.25	0.22	0.22	Feb 28, 2025	

Compensation Securities								
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date	Total amount of compensation securities held as at February 29, 2020
JOSEF ANTHONY (TONY) FOGARASSY Director and Non-Executive Chair	Option	20,000 <sup>(2)</sup>	Jun 14, 2019	0.20	0.2450	0.22	May 21, 2021	130,000
		65,000 <sup>(3)</sup>	Aug 6, 2019	0.20	0.20	0.22	Aug 6, 2024	
		45,000 <sup>(3)</sup>	Feb 28, 2020	0.25	0.22	0.22	Feb 28, 2025	
FIORAVANTE (FIORE) ALIPERTI Director	Option	100,000 <sup>(2)</sup>	Jun 14, 2019	0.20	0.2450	0.22	May 21, 2021	210,000
		65,000 <sup>(3)</sup>	Aug 6, 2019	0.20	0.20	0.22	Aug 6, 2024	
		45,000 <sup>(3)</sup>	Feb 28, 2020	0.25	0.22	0.22	Feb 28, 2025	
KAZUKI NOHDOMI Director	Option	20,000 <sup>(2)</sup>	Jun 14, 2019	0.20	0.2450	0.22	May 21, 2021	130,000
		65,000 <sup>(3)</sup>	Aug 6, 2019	0.20	0.20	0.22	Aug 6, 2024	
		45,000 <sup>(3)</sup>	Feb 28, 2020	0.25	0.22	0.22	Feb 28, 2025	
GARY THOMPSON <sup>(4)(5)</sup> <i>Former Director</i>	Option	100,000 <sup>(2)</sup>	Jun 14, 2019	0.20	0.2450	0.22	May 21, 2021	210,000
		65,000 <sup>(3)</sup>	Aug 6, 2019	0.20	0.20	0.22	Aug 6, 2024	
		45,000 <sup>(3)</sup>	Feb 28, 2020	0.25	0.22	0.22	Feb 28, 2025	

- (1) The numbers indicated represent the number of options and the same number of Common Shares underlying the related options.
- (2) Options fully vested on the date of grant.
- (3) Options vest quarterly in equal portions over a 12-month period from the date of grant.
- (4) Options were granted to XT88 Holdings Inc., a company owned and controlled by Mr. Thompson.
- (5) Mr. Thompson ceased to be a director of the Company on July 22, 2020.

No compensation security had been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the Company's financial year ended February 29, 2020.

There are no restrictions or conditions for converting, exercising or exchanging the compensation securities disclosed in the above table.

Except as set out in the following table, no NEO or director of the Company exercised any compensation security during the financial year ended February 29, 2020.

Name and position	Exercise of Compensation Securities by Directors and NEOs						
	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise (M/D/Y)	Closing price of security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
YANIKA SILINA CFO	Options	80,000	0.10	7/15/19	0.20	0.10	16,000
JOSEF ANTHONY (TONY) FOGARASSY Director and Non-Executive Chair	Options	80,000	0.10	7/15/19	0.20	0.10	16,000
KAZUKI NOHDOMI Director	Options	80,000	0.10	7/3/19	0.2250	0.125	18,000

## Stock Option Plans and Other Incentive Plans

The directors of the Company adopted a stock option plan on November 10, 2017 (the "Option Plan") and such plan was confirmed by the unanimous written consent of the shareholders on November 10, 2017. The purpose of the Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

Options may be granted to purchase Common Shares on terms that the Board of Directors may determine, subject to the limitations of the Option Plan and the requirements of applicable regulatory authorities. The Corporate Governance and Compensation Committee is mandated to review and make recommendations to the Board regarding the remuneration of executive officers, including the granting of stock options to directors, executive officers, employees and consultants of the Company and the remuneration and compensation policies, including the Option Plan.

Individual grants are determined by an assessment of the individual's current and expected future performance, level of responsibilities, the importance of his or her position and contribution to the Company, and previous option grants and exercise prices.

The Option Plan includes the following provisions:

- The Option Plan is administered by the Company's Board of Directors, which has full and final authority with respect to the granting of all options thereunder;
- Options may be granted under the Option Plan to such directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board of Directors may from time to time designate.
- The number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Option Plan is 10% of the issued and outstanding Common Shares from time to time;
- The aggregate number of optioned Common Shares granted within a 12-month period to any one optionee must not exceed 5% of the issued and outstanding Common Shares, unless the Company has obtained disinterested shareholder approval;
- The aggregate number of optioned Common Shares granted within a 12-month period to any one consultant must not exceed 2% of the issued and outstanding Common Shares;
- The aggregate number of optioned Common Shares granted within a 12-month period to optionees who are providing investor relations activities must not exceed 2% of the issued and outstanding Common Shares of the Company;
- The aggregate number of optioned Common Shares granted within a 12-month period to insiders of the Company must not exceed 10% of the issued and outstanding Common Shares, unless the Company has obtained disinterested shareholder approval;
- The exercise price for options granted under the Option Plan will not be less than the market price of the Common Shares less applicable discounts permitted by the TSX Venture Exchange (the "Exchange");

- Options may be exercisable for a term of up to ten years, subject to earlier termination as follows: (i) immediately in the event of dismissal with cause; (ii) immediately upon an option holder committing an act of bankruptcy or any proceeding being commenced against an option holder under the *Bankruptcy and Insolvency Act* (Canada) or other applicable bankruptcy or insolvency legislation in force at the time of such bankruptcy and such proceeding remains un-dismissed for a period of 30 days; (iii) 90 days from the date of termination other than for cause; or (iv) one year from the date of death or disability.
- Options may be subject to extension if the expiry date is within a trading blackout period imposed by the Company to that date which is 10 business days after the trading blackout;
- Options granted under the Option Plan are non-assignable and non-transferable, except by will or the laws of descent and distribution;
- The vesting schedule for each option shall be determined by the Board; and
- If there is a transaction that results in a change of control in the Company, unless otherwise determined by the Board, all Options shall immediately vest and be exercisable and all Options that are not exercised upon completion of the transaction will immediately expire.

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

The Company entered into a management consulting agreement with David O'Brien, its Chief Executive Officer and President, dated March 30, 2018 (the "CEO Agreement"). Pursuant to the terms of the CEO Agreement, the Company has agreed to pay \$2,000 per month for the services of David O'Brien as President and Chief Executive Officer. The agreement contemplates that Mr. O'Brien spend up to 20% of his time, not including time preparing for and attending Board and committee meetings, providing services to the Company as President and CEO. The consulting agreement contains non-compete provisions which restrict Mr. O'Brien's ability to provide services or products similar to those of the Company for a period of one year following the date he ceases to act for the Company. The CEO Agreement by its terms automatically renewed for an additional year on March 30, 2020, and the CEO Agreement shall automatically renew for an additional 1 year period on March 30, 2021 unless otherwise terminated by the parties. Either party may terminate the CEO Agreement on thirty days' written notice, or the Company may terminate the CEO Agreement immediately for cause provided that the Company has delivered written notice to Mr. O'Brien and such cause has not been remedied within 10 days of receipt of the notice.

The Company has also entered into a management consulting agreement with Yanika Silina, its Chief Financial Officer, dated March 30, 2018 (the "CFO Agreement"). Under the terms of the CFO Agreement, the Company has agreed to pay \$50 per hour for the services of Ms. Silina as Chief Financial Officer. The CFO Agreement contains non-compete provisions which restrict Ms. Silina's ability to provide services or products similar to those of the Company for a period of one year following the date she ceases to act for the Company. The CFO Agreement also contains provisions which prohibit the disclosure of confidential information. The CFO Agreement by its terms automatically renewed for an additional year on March 30, 2020 and the CFO Agreement shall automatically renew for an additional one year period on March 30, 2021 unless otherwise terminated by the parties. Either party may terminate the CFO Agreement on thirty days' written notice, or the Company may terminate the CFO Agreement immediately for cause provided that the Company has delivered written notice to Ms. Silina and such cause has not been remedied within 10 days of receipt of the notice.

The Company has no agreement or arrangements with any NEO or director of the Company with respect to change of control, severance, termination or constructive dismissal provisions.

## **Oversight and Description of Director and NEO Compensation**

The Company's executive compensation program during the most recently completed financial year ended February 29, 2020 was administered by the Board of Directors based on recommendations made by the Corporate Governance and Compensation Committee. The Board of Directors is responsible for determining the compensation to be paid to the Company's executive officers and evaluating their performance. The Board of Directors has not adopted any specific policies, goals or objective for determining the amount or extent of compensation for directors or officers.

The Company has no standard arrangement pursuant to which the non-executive directors of the Company are paid cash compensation by the Company for their services in their capacity as directors or committee members.

The significant elements of compensation for the Company's NEOs include a cash salary and stock options. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The Board of Directors annually reviews the total compensation package of each of the Company's executives on an individual basis.

The Company's compensation payable to NEOs is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each NEO and varies with the amount of time spent by each NEO in carrying out his or her functions on behalf of the Company.

See "Employment, Consulting and Management Agreements" for compensation arrangements for the Company's NEOs.

In particular, the President and CEO compensation is determined by time spent on: (i) coordinating the operations of the Company with the rest of the executive and consulting teams; (ii) the Company's current mineral property; (iii) reviewing potential mineral properties that the Company may acquire and negotiating, on behalf of the Company; and (iv) raising capital and investor awareness of the Company. David O'Brien, the President and CEO of the Company, agreed not to take any salary until the completion of the Company's initial public offering and listing on the Exchange, and \$2,000 a month as a consultant to the Company thereafter. Ms. Silina, CFO, is an independent contractor and her compensation is primarily determined by time spent in preparing and reviewing the Company's financial statements. During the year ended February 29, 2020, Ms. Silina's negotiated fee was \$50 per hour.

The Company's Option Plan is intended to emphasize management's commitment to the growth of the Company. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives. In granting stock options, the Board of Directors reviews the total of stock options available under the Option Plan and recommends grants to newly retained executive officers at the time of their appointment, and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. For further details regarding the Company's Option Plan, see "Director and Named Executive Officer Compensation Excluding Compensation Securities – Stock Option Plans and Other Incentive Plans".

There have been no significant changes to the Company's compensation policies made after the financial year ended February 29, 2020 that could or will have an effect on director or NEO compensation.

## **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 February 29, 2020.

### 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	1,405,000	\$0.22	84,300 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	1,405,000		84,300

(1) Based on the total number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Option Plan being 10% of the issued and outstanding Common Shares from time to time (being 1,489,300 Common Shares as at February 29, 2020).

### 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 otherwise disclosed in this Information Circular, 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 March 1, 2019 or in any proposed transaction which has materially affected or would materially affect the Company.

#### Private Placements

On September 18, 2019, the Company completed a non-brokered private placement (the "Private Placement") of an aggregate of 2,500,000 common shares for gross proceeds of \$470,000. Certain insiders of the

Company (the “Insider Placees”) purchased or acquired direction and control over a total of 250,000 common shares under the Private Placement, as follows:

<b>Insider Placee</b>	<b>Number of Shares Purchased</b>	<b>Aggregate Purchase Price</b>
Charles Kamimura (Corporate Secretary)	50,000	\$10,000
Michael & Young Fly Fishing Supplies, Inc. (controlled by David O’Brien, CEO and President and Director)	200,000	\$40,000

On December 20, 2019, the Company completed a non-brokered private placement of 1,400,000 Common Shares that qualify as “flow-through shares” for the purposes of the *Income Tax Act* (Canada) (“Flow-Through Common Shares”) at \$0.22 per Flow-Through Common Share to raise proceeds of \$308,000. David O’Brien, President, CEO and a director of the Company, purchased 50,000 Flow-Through Common Shares under this private placement at a total purchase price of \$11,000.

On August 14, 2020, the Company completed a non-brokered private placement of (i) 1,000,000 Flow-Through Common Shares at \$0.55 per Flow-Through Common Share and (ii) 2,000,000 Common Shares at \$0.40 per Common Share to raise aggregate gross proceeds of \$1,350,000. Certain insiders of the Company purchased a total of 282,000 Flow-Through Common Shares and 1,050,000 Common Shares under this private placement as further set out in the table below:

<b>Insider Placee</b>	<b>Number of Flow-Through Common Shares Purchased</b>	<b>Number of Common Shares Purchased</b>	<b>Aggregate Purchase Price</b>
Charles Kamimura (Corporate Secretary)	Nil	50,000	\$20,000
Kazuki Nohdomi (Director)	182,000	Nil	\$100,100
David O’Brien (CEO, President and Director)	100,000	Nil	\$55,000

The Insider Placees participated in the above-mentioned private placements in order to assist the Company in raising the required funds to pursue its business objectives and for investment purposes. The participation of Insider Placees in each of the private placements received applicable disinterested director’s approval.

### **Ruby Creek Option Agreement**

On July 29, 2019, the Company entered into an option agreement (the “Ruby Creek Agreement”) with Global Drilling Solutions Inc. (“Global Drilling”) pursuant to which the Company acquired an option (the “Option”) to purchase from Global Drilling a 100% interest in the Ruby Creek Property (the “Property”) located in northwestern British Columbia, Canada.

Global Drilling is wholly owned by Barry A. Hanslit, an insider of the Company at the time the Company entered into the Ruby Creek Agreement due to Mr. Hanslit holding more than 10% of the then outstanding Common Shares. As there is potential for Mr. Hanslit to beneficially own or control more than 20% of the outstanding Common Shares if the Company exercised the Option with Mr. Hanslit thereby becoming a new “Control Person” of the Company (within the meaning of Exchange policies), the Exchange required disinterested shareholder approval of the Ruby Creek Agreement and the potential Control Person, which

approval was obtained by the Company at the last annual general meeting of the Company held on November 28, 2019.

In order to exercise the Option and acquire a 100% interest in the Property, the Company must issue up to 7,300,000 Common Shares and make cash payments of up to \$1,060,000 over a four year term, as follows:

<b>Date for Completion</b>	<b>Shares</b>	<b>Cash Payment</b>
December 31, 2019 (the "Approval Date")	800,000	Nil
1st anniversary of Approval Date	1,250,000	Nil
2nd anniversary of Approval Date	1,750,000	\$120,000
3rd anniversary of Approval Date	1,750,000	\$300,000
4th anniversary of Approval Date	1,750,000	\$640,000
<b>TOTAL</b>	<b>7,300,000</b>	<b>\$1,060,000</b>

The only committed payment for the Company was the first issuance of 800,000 Common Shares which was completed upon the Exchange's final approval of the Ruby Creek Agreement on December 31, 2019. The balance of the Common Share issuances and the cash payments under the Ruby Creek Agreement are all at the Company's election should it wish to maintain the Option after year 1. Upon exercise of the Option, Global Drilling will be entitled to a 1% net smelter returns royalty on the Property.

## **MANAGEMENT CONTRACTS**

Except as otherwise disclosed herein, 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.

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

### **Approval of Stock Option Plan**

Pursuant to the Exchange's Policy 4.4 entitled "Incentive Stock Options", the Company's Option Plan has to be approved by the shareholders of the Company yearly in that it is a "rolling 10%" plan (i.e. up to 10% of the outstanding Common Shares from time to time may be reserved for issuance for options granted under the Option Plan). The Option Plan was in effect before the completion of the Company's initial public offering and was last approved by the shareholders at the Company's 2019 annual general meeting. A copy of the Option Plan may be obtained by sending a written request to the President of the Company at the Company's head office located at 105-1245 West Broadway, Vancouver, BC Canada, V6H 1G7. See "Director and Named Executive Officer Compensation—Stock Option Plans and Other Incentive Plans" for a summary of the terms of the Option Plan.

The text of the proposed resolution to approve and confirm the Option Plan (the "Stock Option Plan Resolution") is as follows:

"BE IT RESOLVED THAT the Company's Stock Option Plan, previously approved by the shareholders of the Company, is hereby approved and confirmed and that the Board of Directors of the Company be authorized to make any changes thereto as may be required by the TSX Venture Exchange."

A simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the Stock Option Plan Resolution.

**The directors of the Company recommend that the shareholders vote FOR the Stock Option Plan Resolution.**

### **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](http://www.sedar.com).

Financial information relating to the Company is provided in the Company's comparative financial statements and management's discussion and analysis for its financial year ended February 29, 2020 which are available on SEDAR and may also be obtained by sending a written request to the President of the Company at the Company's head office located at 105-1245 West Broadway, Vancouver, BC Canada, V6H 1G7.

DATED as of the 3rd day of November, 2020.

BY ORDER OF THE BOARD

*"David O'Brien"*

David O'Brien  
President and CEO

## APPENDIX A

### STUHINI EXPLORATION LTD. (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 system 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.

##### **Composition**

The Committee shall be comprised of at least three directors as determined by the Board, all of whom shall be “independent” directors except as permitted by applicable securities regulatory guidelines (including applicable exemptions while 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 of the Committee 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 and the external auditor in separate sessions.

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

To fulfill its responsibilities and duties, the Committee shall:

##### **1. DOCUMENTS/REPORTS**

- (a) review and update, if applicable or necessary, this Audit Committee Charter annually;
- (b) review with management and the independent auditor the Company’s annual and interim financial statements, management’s discussion and analysis, any annual and interim earnings

press releases and any reports or other financial information to be submitted to any governmental and/or regulatory body, or the public, including any certification, report, opinion, or review rendered by the external auditor for the purpose of recommending their approval to the Board prior to their filing, issue or publication. The Chair of the Committee may represent the entire Committee for purposes of this review in circumstances where time does not allow the full Committee to be available;

- (c) review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgements made in connection with the preparation of the financial statements, including analyses of the effects of alternative IFRS methods on the financial statements;
- (d) review the effect of regulatory and accounting initiatives, as well as off balance sheet structures, on the financial statements of the Company;
- (e) review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the external auditor, based on the terms of reference agreed upon by the external auditor and the Committee;
- (f) review expenses of the Board Chair, President, Chief Executive Officer and Chief Financial Officer annually; and
- (g) ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, as well as review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures.

## **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 have an impact on 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 authority to pre-approve non-audit services may be delegated by the Committee to one or more independent members of the Committee, provided that such pre-approval must be presented to the Committee's first scheduled meeting following such pre-approval. Pre-approval of non-audit services is satisfied if:
  - (i) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company and subsidiaries to the Company's external auditor during the fiscal year in which the services are provided;
  - (ii) the Company or a subsidiary did not recognize the services as non-audit services at the time of the engagement; and
  - (iii) the services are promptly brought to the attention of the Committee and approved, prior to completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

### **3. FINANCIAL REPORTING PROCESSES**

- (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 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 auditor and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;
- (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 material related party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.