

**HUDSON RESOURCES INC.**  
#420 – 1639 West 2<sup>nd</sup> Avenue  
Vancouver, British Columbia  
V6J 1H3

Telephone: 604-628-5002

Facsimile: 604-688-3452

### **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the "**Meeting**") of the shareholders of Hudson Resources Inc. (the "**Company**") will be held at 10<sup>th</sup> Floor, 595 Howe Street, Vancouver, British Columbia, on Thursday, October 29, 2020, at the hour of 11:00 A.M., Vancouver time. Shareholders will also be able to access the Meeting by teleconference using the details below.

At the Meeting, the shareholders will consider resolutions, for the following purposes:

1. To receive and consider the report of the directors and the financial statements of the Company, together with the auditor's report thereon, for the financial year ended March 31, 2020.
2. To fix the number of directors at five.
3. To elect directors for the ensuing year.
4. To appoint the auditor for the ensuing year.
5. To consider and, if thought fit, to pass an ordinary resolution approving and ratifying the Company's existing 10% rolling stock option plan, as more fully set forth in the Information Circular accompanying this notice.
6. To transact such further or other business as may properly come before the Meeting and any adjournments thereof.

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

**All shareholders are entitled to attend and vote at the Meeting in person or by proxy; however, the board of directors (the "Board") is requesting that due to the current COVID-19 pandemic that all shareholders vote their shares by proxy and not attend in person. Shareholders should read, complete, sign and date the enclosed form of proxy and return the same in the enclosed return envelope provided for that purpose within the time and to the location set out in the form of proxy accompanying this notice.**

Shareholders that wish to access the Meeting by teleconference can do so by dialing in to the following numbers: Vancouver: 604-899-2339 or Toll Free (Canada and USA): 1-877-385-4099 Participant Code: 9457388#. Please note, voting will NOT be permitted over the phone, so you MUST complete the proxy form if you are attending the meeting by teleconference and wish to vote.

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

DATED this 28<sup>th</sup> day of September, 2020.

**BY ORDER OF THE BOARD**

*"Jim K. Cambon"*

Jim K. Cambon, President

**HUDSON RESOURCES INC.**  
#420 – 1639 West 2<sup>nd</sup> Avenue  
Vancouver, British Columbia V6J 1H3

*Telephone:* 604-628-5002

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## **INFORMATION CIRCULAR**

(As at September 28, 2020, except as indicated)

Hudson Resources Inc. (the "**Company**") is providing this information circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the Company to be held on October 29, 2020 at 11:00 A.M. (Vancouver time) and at any adjournments. 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.

### **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.** Shares represented by a properly executed proxy will be voted or be 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 information 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 Trust Company of Canada, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## **NON-REGISTERED HOLDERS**

**Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "**Nominee**"). If you purchased your shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this information circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your Shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as "non-objecting beneficial owners ("**NOBOs**"). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as "objecting beneficial owners" ("**OBOs**").

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 Nominees for distribution to NOBOs.

The Company does not intend to pay for Nominees 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 Nominee assumes the costs of delivery.

## **NOTICE-AND-ACCESS**

The Company is not sending the Meeting materials to shareholders using "notice-and-access", as defined under NI 54-101.

## **REVOCABILITY OF PROXY**

In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered 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 thereof, or with the chairman of the Meeting on the day of the Meeting.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the "shares"), of which 178,392,705 shares are issued and outstanding. Persons who are registered shareholders at the close of business on September 28, 2020 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 (the "Directors") and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company, except the following:

<i>Name</i>	<i>No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</i>	<i>Percentage of Outstanding Shares</i>
Robert Shields	18,750,827 <sup>(1)</sup>	10.51%

<sup>(1)</sup> The shares are held indirectly by Coal Island Ltd.

## 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.

Pursuant to the advance notice policy (the "**Advance Notice Policy**") of the Company adopted by the Board of Directors (the "**Board**") on August 28, 2013, any additional director nominations for the Meeting must have been received by the Company in compliance with the Advance Notice Policy no later than the close of business on September 29, 2020.

The Company is required to have an audit committee (the "**Audit Committee**"). Members of the Audit Committee are Flemming Knudsen, John McDonald and Herbert Wilson, all of whom are not standing for re-election as directors. The Audit Committee will be determined following the Meeting.

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:

<i>Name, Jurisdiction of Residence and Position<sup>(1)</sup></i>	<i>Principal Occupation or Employment and, if not a Previously Elected Director, Occupation During the Past 5 Years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(3)</sup></i>
<b>JIM CAMBON</b> <sup>(2)</sup> Vancouver, BC, Canada <i>President and Director</i>	President, Hudson Resources Inc.	Since June 26, 2018	1,445,928
<b>DAVID FRATTAROLI</b> Stamford, CT, USA <i>Director</i>	Executive VP, High Roller Sand; Executive Advisor, Industrial Minerals of CT; Chief Commercial Officer, Unimin North America	Since February 1, 2019	149,000

<b>Name, Jurisdiction of Residence and Position<sup>(1)</sup></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>
<b>DONNA PHILLIPS</b> Calgary, AB, Canada <i>Director</i>	Executive VP, Pacific Canbriam Energy Ltd since 2014; Director and Vice-Chair of BoD, Geoscience BC since 2017 and 2018 respectively; Director and President, Petroleum Acquisition and Divestiture Association since 2006 and 2010 respectively; Director, Canadian Society of Unconventional Resources since 2017	Not Applicable	3,564,750
<b>KEVIN CRAWFORD</b> Spring Lake, NJ, USA <i>Director</i>	Retired Executive; Director, Connors Investor Services, since 2015; Chairman, SCR-Sibelco from 2006 - 2016	Not Applicable	Nil
<b>ANTONY HARWOOD</b> Kensington, South Africa <i>Director</i>	Director, President and CEO, Montero Mining and Exploration, Director since 2006, President and CEO since 2009; East Africa Metals, Director since 2013; Tesoro Resources, Director since 2013	Not Applicable	Nil

<sup>(1)</sup> The Company has an Audit Committee, Compensation Committee, Technical Committee and Corporate Governance and Nominating Committee and those committee members will be appointed immediately following the Meeting.

<sup>(2)</sup> Member of the Technical Committee.

<sup>(3)</sup> Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at September 28, 2020, based upon information furnished to the Company by individual Directors. Unless otherwise indicated, such shares are held directly.

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.

Except as set out below, to the knowledge of the Company, no proposed Director:

- (a) is, as at the date of the information circular, or has been, within 10 years before the date of the information 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 information circular, or has been within 10 years before the date of the 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; or
- (c) has, within the 10 years before the date of this information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director; 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.

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

Name of Director	Name of Other Reporting Issuers
Jim Cambon	N/A
David Frattaroli	N/A
Donna Phillips	N/A
Kevin Crawford	N/A
Antony Harwood	Montero Mining and Exploration <sup>(1)</sup> East Africa Metals <sup>(1)</sup> Tesoro Resources <sup>(1)</sup>

(1) TSX Venture listed company

## PROPOSED DIRECTORS

### Donna Phillips

Ms. Phillips has over thirty years of professional experience in business with particular focus in the areas of finance, corporate planning, land negotiations, business development, government relations, stakeholder/community relations and Indigenous negotiations in the energy industry. Ms. Phillips is the Executive Vice President, Corporate Development of Pacific Canbriam Energy Limited, a company with an organic growth story now producing > 40,000 barrels of oil equivalent per day.

Ms. Phillips adopted the principles of Environment, Social and Governance (ESG) throughout her career. She has a deep understanding of the role of ESG through her relationships with Indigenous Peoples. Environment and Social are strongly woven together in many of the facets of land use. For example, minimizing water use and reducing the surface footprint for development are key for Indigenous values

and the environment. She completed the ICD-Rotman Directors Education Program and is the holder of the Institute of Corporate Directors Director designation (ICD.D).

Prior to joining Canbriam in 2007, Donna held the positions of Director and Vice President, Land at Direct Energy/Centrica Canada Ltd. She began her oil and gas career in Finance at SaskOil, following which she worked in Corporate Planning, Asset Management and Land at Wascana Energy/CanOxy/Nexen (now CNOOC).

Ms. Phillips is Vice-Chair of the Board of Directors for Geoscience BC. She is President of the Petroleum Acquisition and Divestiture Association (PADA). In addition, she is a member of the Board of Directors for the Canadian Society of Unconventional Resources (CSUR). She is a member of the Canadian Association of Petroleum Producers British Columbia Executive Policy Group and the Canadian Association of Petroleum Landmen.

Ms. Phillips holds a Bachelor of Administration from the University of Regina, a CPA CMA certification and the ICD.D.

### **Kevin Crawford**

Mr. Crawford is a retired executive who was the Chairman of the board at SCR-Sibelco, a global (3.2 billion Euro) industrial minerals company based in Belgium (and parent company of U.S.-based Unimin Corporation) until 2016. Prior to becoming the Chairman, Mr. Crawford held several executive positions with Sibelco, including Group CEO. Mr. Crawford is currently sits on the board of Connor Investor Services, Inc, a private investment advisory firm in Wyomissing, PA, with close to US\$1 billion under management.

Since becoming CEO of Sibelco, Mr. Crawford helped create one of the world's largest industrial minerals companies with over 200 operations in 40 countries, more than 10,000 employees and over 3.2 billion Euros in revenues. He also grew Unimin from a small (four plants), several-hundred employee company which generated \$100 million in sales, to the largest diversified-industrial minerals company in North America with over 40 plants, 2,500 employees and \$2 billion in revenues.

Mr. Crawford obtained his MBA, with distinction, from Pace university and holds a BBA, Accounting, cum laude, with Niagara University.

### **Tony Harwood**

Dr. Antony (Tony) Harwood is an economic geologist with 35 years of international exploration and mining experience focused on "green" and "battery" metals (REE's & lithium), gold and base metals. Dr. Harwood was a founder and appointed President and Chief Executive Officer (CEO) of Montero Mining & Exploration Ltd. in 2009 and took the company to IPO on the TSX-V in 2011 exploring for REE and lithium. Previous to this, Dr. Harwood was the President and CEO of Africo Resources Ltd., which he listed on the TSX to develop a major copper-cobalt project in the DRC. Dr. Harwood served as Vice President of Placer Dome Inc. for 8 years, a major Canadian mining company before its acquisition by Barrick Gold Corp.

Other past professional credits include: Executive Chairman of Universal Coal PLC, which he listed in 2010 on the ASX, and positions as non-executive director of various companies including; Adamus Resources (ASX/TSX), Endeavour Mining (TSX-ASX), Auryx Gold Corp. (TSX-V), African Gold Group (TSX), and Lapland Goldminers (STO).

Dr. Harwood currently serves as a non-executive director on the boards of Tesoro Resources (TSX-V) and East African Metals (TSX-V). Previously he was the founder of Harwood International Ltd., a geological consulting company operating for over 10 years. In addition, he held positions as lecturer in Economic Geology at the University of Wales, Cardiff (UK), and the University of Natal, Durban (South Africa). Dr.

Harwood graduated from the University of Wales, College Cardiff, with a B.Sc. (Hons) cum laude and Ph.D. in Economic Geology.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### *Definitions*

For the purposes of the remainder of this information circular:

"**CEO**" means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**closing market price**" means the price at which the company's security was last sold, on the applicable date,

- (a) in the security's principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IAS 2 Share-based payment of International Financial Reporting Standard ("**IFRS**");

"**grant date**" means a date determined for financial statement reporting purposes under IAS 2 of IFRS;

"**incentive plan**" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"**incentive plan award**" means compensation awarded, earned, paid, or payable under an incentive plan;

"**NEO**" or "named executive officer" means each of the following individuals:

- (a) the Chief Executive Officer of the Company ("**CEO**");
- (b) the Chief Financial Officer of the Company ("**CFO**");
- (c) each of the three most highly compensated executive officers or the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102 – Continuous Disclosure Obligations ("**National Instrument 51-102**"), for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

"plan" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons; and

"share-based award" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

### Director and Named Executive Officer Compensation

#### *Director and Named Executive Officer Compensation, Excluding Compensation Securities*

The following table sets forth a summary of all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each Named Executive Officer and Director of the Company, for services provided and for services to be provided, directly or indirectly in any capacity, to the Company by such persons, for the two most recently completed financial years, excluding compensation securities:

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 (\$)
James R. Tuer <sup>(1)</sup> <i>Former President, CEO &amp; Director</i>	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	27,083	Nil	Nil	Nil	650,000	677,083
Alnesh Mohan <sup>(2)</sup> <i>Former CFO and Secretary</i>	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	76,843	Nil	Nil	Nil	Nil	76,843
Jim Cambon <i>President &amp; Director Former VP Corporate Development</i>	2020	374,808	Nil	Nil	Nil	Nil	374,808
	2019	320,000	Nil	Nil	Nil	Nil	320,000
John W.W. Hick <sup>(3)</sup> <i>Former Director</i>	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	3,333	Nil	Nil	Nil	Nil	3,333
John McConnell <i>Director</i>	2020	20,000 <sup>(5)</sup>	Nil	Nil	Nil	Nil	20,000
	2019	20,000	Nil	Nil	Nil	Nil	20,000
Flemming Knudsen <i>Director</i>	2020	40,000 <sup>(5)</sup>	Nil	Nil	Nil	Nil	40,000
	2019	40,000	Nil	Nil	Nil	Nil	40,000
John McDonald <i>Director</i>	2020	20,000 <sup>(5)</sup>	Nil	Nil	Nil	Nil	20,000
	2019	20,000	Nil	Nil	Nil	Nil	20,000
Herbert Wilson <i>Director</i>	2020	20,000 <sup>(5)</sup>	Nil	Nil	Nil	Nil	20,000
	2019	20,000	Nil	Nil	Nil	Nil	20,000
Robert Shields <i>Director</i>	2020	20,000 <sup>(5)</sup>	Nil	Nil	Nil	Nil	20,000
	2019	16,667	Nil	Nil	Nil	Nil	16,667
David Frattaroli <i>Director</i>	2020	20,000 <sup>(5)</sup>	Nil	Nil	Nil	Nil	20,000
	2019	3,333	Nil	Nil	Nil	Nil	3,333
Sam Yik <i>CFO and Secretary</i>	2020	236,143	Nil	Nil	Nil	Nil	236,143
	2019	190,000	Nil	Nil	Nil	Nil	190,000
Kenneth Palko <sup>(4)</sup> <i>Chief Operating Officer</i>	2020	50,250	Nil	Nil	Nil	101,250	151,500
	2019	45,000	Nil	Nil	Nil	Nil	45,000

<sup>(1)</sup> Mr. Tuer resigned as President, CEO and a director of the Company on January 31, 2019.

<sup>(2)</sup> Mr. Mohan resigned as the Company's CFO effective June 26, 2018 and as the Company's Secretary effective October 17, 2018.

<sup>(3)</sup> Mr. Hick retired as director of the Company effective May 17, 2018.

<sup>(4)</sup> Mr. Palko was appointed Chief Operating Officer of the Company effective February 1, 2019 and resigned on June 7, 2019.

<sup>(5)</sup> The director fees have been accrued, but not paid.

### *Stock Options and Other Compensation Securities*

There were no compensation securities granted or issued to each Director and Named Executive Office by the Company or one of its subsidiaries in the most recently completed financial year.

### *Exercise of Compensation Securities*

The following table sets forth a summary of all compensation securities exercised by each Director and Named Executive Officer in the most recently completed financial year:

<b>Exercise of Compensation Securities by Directors and NEOs</b>							
<b>Name and Position</b>	<b>Type of Compensation Security</b>	<b>Number of underlying securities exercised</b>	<b>Exercise price per security (\$)</b>	<b>Date of exercise</b>	<b>Closing price per security on date of exercise (\$)</b>	<b>Difference between exercise price and closing price on date of exercise (\$)</b>	<b>Total value on exercise date (\$)</b>
John W.W. Hick <i>Former Director</i>	Options	100,000	0.34	April 17, 2019	0.37	0.03	3,000
John McConnell <i>Director</i>	Options	100,000	0.34	April 18, 2019	0.365	0.025	2,500
John McDonald <i>Director</i>	Options	100,000	0.34	April 24, 2019	0.34	0.00	Nil
Herbert Wilson <i>Director</i>	Options	100,000	0.34	April 9, 2019	0.365	0.025	2,500

### *Employment, Consulting and Management Agreements*

The Company has an employment agreement (the "**Executive Vice-President Employment Agreement**") with its Executive Vice-President, Jim Cambon (the "**Executive Vice-President**"). Pursuant to the Executive Vice-President Employment Agreement, the Executive Vice-President's employment may be terminated by the Company; however, except in the case of termination of the Executive Vice-President's employment for cause, the Company must pay to the Executive Vice-President, in lieu of notice, an amount equal to two times his annual salary in effect at the time of such termination. It further provides that in the case of termination of the Executive Vice-President's employment without cause within ninety days of a change of control (as defined in the Executive Vice-President Employment Agreement), an amount equal to three times his annual salary in effect at the time of such termination will be payable to Mr. Cambon and any unvested options held by him pursuant to the Company's Option Plan will immediately vest. The amounts payable to Mr. Cambon in case of termination without cause and due to change in control are \$670,000 and \$1,005,000 respectively.

The Company has an employment agreement (the "**CFO Employment Agreement**") with its Chief Financial Officer, Samuel Yik. Pursuant to the CFO Employment Agreement, the CFO's employment may be terminated by the Company; however, except in the case of termination of the CFO's employment for cause, the Company must pay to the CFO, in lieu of notice, an amount equal to six months' salary in effect at the time of such termination. It further provides that in the case of termination of the CFO's

employment without cause within ninety days of a change of control (as defined in the CFO Employment Agreement), an amount equal to one time his annual salary in effect at the time of such termination will be payable to Mr. Yik and any unvested options held by him pursuant to the Company's Option Plan will immediately vest. The amounts payable to Mr. Yik in case of termination without cause and due to change in control are \$125,000 and \$250,000 respectively.

The Company had an employment agreement (the "**COO Employment Agreement**") with its former Chief Operating Officer, Kenneth Palko (the "**COO**"). Pursuant to the COO Employment Agreement, the COO's employment may be terminated by the Company; however, except in the case of termination of the COO's employment for cause, the Company must pay to the COO, in lieu of notice, an amount equal to six months' salary in effect at the time of such termination. It further provides that in the case of termination of the COO's employment without cause within ninety days of a change of control (as defined in the COO Employment Agreement), an amount equal to one time his annual salary in effect at the time of such termination will be payable to Mr. Palko and any unvested options held by him pursuant to the Company's Option Plan will immediately vest. Mr. Palko was paid \$101,250 for termination without cause in the most recently completed financial year.

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

The objective of the Company's compensation strategy is to provide adequate levels of base compensation for its NEOs as well as discretionary bonuses to act as incentive mechanisms for achieving corporate goals and objectives and ensure compensation is competitive so as to enable the Company to continue to attract talented individuals. Each NEO receives a base salary in recognition of the position's day-to-day duties and responsibilities, which constitutes the largest share of the NEO's compensation package.

The Compensation Committee, a committee of the Board, is responsible for establishing management compensation. The Board, and the Compensation Committee thereof, do not have a pre-determined, performance-based compensation plan, but rather review the performance of management at the end of each fiscal year. The Compensation Committee, as at March 31, 2020, was comprised of Flemming Knudsen, John McDonald and Herbert Wilson. Each of the members of the Compensation Committee is independent of management of the Company.

The Board reviews each NEO's base salary on an annual basis, and may also consider an NEO's qualifications, experience, length of service and past contributions in determining an NEO's base salary.

The Company's executive compensation policy consists of an annual base salary and long term incentives in the form of stock options granted under the Company's Option Plan (as defined below).

#### Base Salaries

The base salary component is intended to provide a fixed level of competitive pay that reflects each NEO's primary duties and responsibilities. It also provides a foundation upon which performance based incentive compensation elements are assessed and established. The Company intends to pay base salaries to its NEO's, including the CEO, that are in the range of those for similar positions within the industry peer group. The Company does not benchmark its executive compensation program. Salaries of the NEO's, including that of the CEO are reviewed annually.

### Short-Term Incentive Compensation – Cash Bonuses

In addition to base salaries, the Company has a discretionary bonus plan pursuant to which the Board, upon recommendation to the Board, may award annual cash bonuses to NEO's. The annual cash bonus element of the executive compensation program is designed to reward both corporate and individual performance during the Company's last completed financial year. It is the Board's philosophy that an individual bonus should be tied primarily to that individual's contribution to corporate performance. Currently, the amount of the bonus paid is not set in relation to any formula or specific criteria but is the result of a subjective determination of the Company's and the individual's performance.

### Long Term Incentive Compensation – Stock Options

NEO's, along with all of the Company's officers, Directors, employees, contractors and other service providers, are eligible to participate in the Company's share option plan (the "**Option Plan**"). The Option Plan and the common shares of the Company reserved thereunder have been approved by the Company's shareholders on an annual basis. The Option Plan promotes an ownership perspective among executives, encourages the retention of key executives and provides an incentive to enhance shareholder value by furthering the Company's success. As with most companies in the Company's peer group, options form an integral component of the total compensation package provided to the Company's NEO's. Participation in the Option Plan rewards overall corporate performance, as measured through the price of the Company's common shares. In addition, the Option Plan enables executives to develop and maintain a significant ownership position in the Company. Option grants may be made periodically, typically annually, to ensure that the number of Options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Company. In considering option grants, the Compensation Committee evaluate the number of Options an individual has been granted, the exercise price and value of the Options and the term remaining on those Options.

### Compensation Policies and Risk Management

The Board considers the implications of the risks associated with the Company's compensation policies and practices when determining rewards for its officers. Commenced in 2012, the Board reviews at least once annually the risks, if any, associated with the Company's compensation policies and practices at such time. Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Company's Option Plan. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the shareholders is extremely limited. Furthermore, the short-term component of executive compensation (base salary) represents a relatively small part of the total compensation. As a result, it is unlikely an 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 small size of the Company and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

### Hedging of Economic Risks in the Company's Securities

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

### *Pension Disclosure*

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

### **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.

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights (b)<sup>(1)</sup></i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</i>
Equity compensation plans approved by securityholders	10,790,000	0.46	7,049,270
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	10,790,000	0.46	7,049,270

<sup>(1)</sup> At the end of the most recently completed financial year, the Company also had 52,791,416 common share purchase warrants outstanding with a weighted average exercise price of \$0.50.

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

As at September 28, 2020, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or its subsidiary which is owing to the Company or its subsidiary or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiary, 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 subsidiary; or
- (ii) whose indebtedness to another entity 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 subsidiary,

in relation to a securities purchase program or other program.

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

Except as set out herein, 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 other than the election of Directors or the appointment of auditors.

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

No informed person 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 its subsidiary.

#### **APPOINTMENT OF AUDITORS**

Davidson & Company LLP, Chartered Professional Accountants, of Vancouver, British Columbia, is the auditor of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Davidson & Company LLP as the auditor of the Company to hold office for the ensuing year.

#### **MANAGEMENT CONTRACTS**

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

#### **CORPORATE GOVERNANCE DISCLOSURE**

A summary of the responsibilities and activities and the membership of each of the Committees is set out below.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. 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 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 consists of seven Directors, six of whom are independent based upon the tests for independence set forth in NI 52-110. Robert Shields, John McConnell, Flemming Knudsen, John McDonald, Herbert Wilson and David Frattaroli are independent. Jim Cambon is not independent as he is the President of the Company.

### **Management Supervision by Board**

The operations of the Company do not support a large Board and the Board has determined that the current constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. 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 which is composed of independent Directors who meet with the Company's auditors without management being in attendance.

### **Risk Management**

The Board is responsible for adoption of a strategic planning process, identification of principal risks and implementing risk management systems, succession planning and the continuous disclosure requirements of the Company under applicable securities laws and regulations.

The Audit Committee is responsible for the risk management items set out in the Audit Committee Charter (the "**Charter**").

### **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 information circular.

### **Orientation and Continuing Education**

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

1. access to recent publicly filed documents of the Company, technical reports and the Company's internal financial information;
2. access to management and technical experts and consultants; and
3. a summary of significant corporate and securities responsibilities.

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 views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a Code of Conduct that is posted on its website at [www.hudsonresourcesinc.com](http://www.hudsonresourcesinc.com) and has instructed its management and employees to abide by the Code.

### **Nomination of Directors**

The 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. Members of the Board and representatives of the mineral exploration industry are consulted for possible candidates. The Nominating Committee is comprised of Flemming Knudsen, John McConnell, and Robert Shields.

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

The independent Directors are Robert Shields, John McConnell, Flemming Knudsen, John McDonald, Herbert Wilson and David Frattaroli. To determine compensation payable, the independent Directors review compensation paid for Directors and CEOs of companies of similar size and stage of development in the mineral exploration industry and determine 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 independent Directors annually review the performance of the CEO in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

### **Board Committees**

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, the Board has determined that additional 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 conducts informal annual assessments of the Board's effectiveness, the individual Directors and each of its committees. To assist in its review, the Board conducts informal surveys of its Directors, receives an annual report from the Corporate Governance and Nominating Committee on its assessment of the functioning of the Board and reports from each committee respecting its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

### *Audit Committee*

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

##### *Mandate*

The primary function of the Audit Committee is to assist the 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.

### *Composition*

The Audit Committee shall be comprised of three Directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, 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 at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

### *Meetings*

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

### *Responsibilities and Duties*

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

#### Documents/Reports Review

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

#### External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board 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 take, appropriate action to oversee the independence of the external auditors.

- (e) Recommend to the Board 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 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.

### Risk Management

1. To review, at least annually, and more frequently if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).
2. To inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.
3. To request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.
4. To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

### *Other*

Review any related-party transactions.

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

The following are the members of the Audit Committee:

Flemming Knudsen	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
John McDonald	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Herbert Wilson	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

<sup>(1)</sup> As defined by NI 52-110.

The new members of the Audit Committee will be appointed immediately following the Meeting.

### **Audit Committee Member Education and Experience**

***Flemming Knudsen*** – Mr. Knudsen is a highly respected businessman in Greenland where, from 2007 to 2011, he served as the CEO of Royal Greenland A/S, which is the biggest company in Greenland and one of Europe's largest seafood companies. Prior to this, he was the CEO of Air Greenland for five years. His mining experience stems from 1974, when he served for nine years as Finance and Accounting Manager, then VP Finance of Cominco's Black Angel lead/zinc/silver mine in Greenland.

***John McDonald*** – Mr. McDonald has over 40 years' experience in the mining industry, most notably as the V.P. Exploration for Winspear Diamonds Inc., where he played a significant role for the discovery and development of the Snap Lake diamond deposit, subsequently acquired by De Beers for \$480 million in 2000. His career includes positions as the V.P. Exploration for Diamondex Resources Ltd.; Chief Geologist and Exploration Manager, Western Canada for Esso Minerals Canada; and a Professor at both the University of Saskatchewan, Saskatoon and at the Australian National University, Canberra, Australia.

***Herbert Wilson*** – Mr. Wilson has over 40 years of experience in the development and operation of construction materials and industrial minerals operations. Mr. Wilson joined Polaris Materials

Corporation in 2001, was its president and CEO from 2009 to 2015 prior to which he was President of United States Lime & Minerals Inc., a NASDAQ-listed public company producing lime products and construction materials from limestone quarries located in the south-central states. From 1992 to 1998, he was a founding director and Executive Vice-President and Chief Operating Officer of Global Stone Corporation, a Toronto-listed public company producing construction aggregates and lime products.

### **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.

### **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*), 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".

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

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees</i>	<i>Audit Related Fees</i>	<i>Tax Fees</i>	<i>All Other Fees</i>
March 31, 2020	\$49,500	N/A	\$7,500	N/A
March 31, 2019	\$50,000	N/A	\$7,500	N/A

### **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).

### *Compensation Committee*

The Compensation Committee is responsible for reviewing all overall compensation strategy, objectives and policies; annually reviewing and assessing the performance of the executive officers; recommending to the Board the compensation of the executive officers; reviewing executive appointments; and recommending the adequacy and form of Directors' compensation.

For information relating to the Compensation Committee's report on executive compensation, see "Report on Executive Compensation" above. This Committee meets at least once annually. Currently, the members are Flemming Knudsen, John McConnell and Herbert Wilson, all of whom are unrelated Directors.

The new members of the Compensation Committee will be appointed immediately following the Meeting.

### *Corporate Governance Committee*

The Company's Board and management are committed to the highest standards of corporate governance. The Company's corporate governance practices are in accordance with the guidelines. The Company is also cognizant of and compliant with various corporate governance requirements in Canada.

The Company's prime objective in directing and managing its business and affairs is to enhance shareholder value. The Company views effective corporate governance as a means of improving corporate performance and, accordingly, benefit to the Company and all shareholders.

The Corporate Governance Committee meets at least once annually. The members are Flemming Knudsen, John McConnell and Robert Shields, all of whom are unrelated Directors.

The new members of the Corporate Governance Committee will be appointed immediately following the Meeting.

### *Technical Committee*

The Technical Committee is responsible for reviewing the technical strategy and objectives related to the overall exploration and development of the Company's projects. The Committee is composed of Jim Cambon, John McConnell, John McDonald and Herbert Wilson, all experts in this field.

***Jim Cambon*** - Mr. Cambon has over 30 years international business development and project management experience in the mineral exploration, consulting and engineering industries with a focus on Arctic projects. He has held senior positions with engineering firms AMEC and Bateman. He was Co-Founder of Mongolian exploration company QGX Ltd., which was acquired for \$300 million in 2008. He served as the Honorary Consul for Mongolia for eight years. He obtained a Bachelor of Science (Geology) from the University of Western Ontario.

***John McConnell*** – Mr. McConnell is a graduate of Colorado School of Mines, with a B.Sc. in Mining Engineering. He has more than 35 years of mining experience, including exploration, engineering, environmental assessment and permitting, construction and operations. He has worked in a senior management capacity with the following public companies: Victoria Gold Corporation (currently the President and a Director), De Beers Canada Ltd., Strategic Resource Acquisition Corporation, Western Keltic Mines Inc. and Breakwater Resources Ltd.

***Dr. John McDonald*** – Mr. McDonald has over 40 years' experience in the mining industry, most notably as the V.P. Exploration for Winspear Diamonds Inc., where he played a significant role for the discovery and development of the Snap Lake diamond deposit, subsequently acquired by De Beers for \$480 million in 2000. His career includes positions as the V.P. Exploration for Diamondex Resources Ltd.; Chief Geologist and Exploration Manager, Western Canada for Esso Minerals Canada; and a Professor at both the University of Saskatchewan, Saskatoon and at the Australian National University, Canberra, Australia.

***Herbert Wilson*** – Mr. Wilson has over 40 years' experience in the development and operation of construction materials and industrial minerals operations. Mr. Wilson joined Polaris Materials Corporation in 2001, was its president and CEO from 2009 to 2015 prior to which he was President of United States Lime & Minerals Inc., a NASDAQ-listed public company producing lime products and construction materials from limestone quarries located in the south-central states. From 1992 to 1998,

he was a founding director and Executive Vice-President and Chief Operating Officer of Global Stone Corporation, a Toronto-listed public company producing construction aggregates and lime products.

The new members of the Technical Committee will be appointed immediately following the Meeting.

### **Nomination and Assessment**

The Board determines new nominees to the Board, 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 CEO. 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 and Ratification of Stock Option Plan**

The Board implemented a Stock Option Plan (the "**Plan**") effective September 6, 2019, which was approved by the TSX Venture Exchange (the "**Exchange**") and the shareholders of the Company. The number of common shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant.

In addition, the options are exercisable over periods of up to 10 years as determined by the Board and are required to have an exercise price no less than the closing market price of the common shares on the trading day immediately preceding the day on which the Company announces the grant of options (or, if the grant is not announced, the closing market price prevailing on the day that the option is granted), less the applicable discount, if any, permitted by the policies of the Exchange and approved by the Board. The number of shares which may be reserved for issuance under the Plan and all other share compensation arrangements:

- (a) to any one individual in a one-year period, may not exceed 5% of the issued shares, or 2% if the Optionee is a consultant;
- (b) to Insiders (as such term is defined in the New Plan) as a group in a one-year period, may not exceed 10% in the aggregate of the number of issued and outstanding shares;
- (c) to all Optionees undertaking investor relations activities in one-year period, may not exceed 2% in the aggregate of the total number of issued and outstanding shares.

Under TSX Venture Exchange policy, all such rolling Stock Option Plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis. At the Meeting, shareholders will be asked to pass a resolution substantially in the following form:

“UPON MOTION IT WAS RESOLVED that the Company approve and ratify, subject to regulatory approval, the Stock Option Plan pursuant to which the Directors may, from time to time, authorize the issuance of options to Directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company’s issued and outstanding shares being reserved to any one person on a yearly basis.”

The purpose of the Plan is to allow the Company to grant options to Directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options will be exercisable over periods of up to five years as determined by the Board of the Company and are required to have an exercise price no less than the closing market price of the Company’s shares prevailing on the day that the option is granted. Pursuant to the Plan, the Board may from time to time authorize the issue of 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 Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion. The Plan provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

The full text of the Plan is available for viewing up to the date of the Meeting at the Company’s offices at Suite 420, 1639 West 2nd Avenue, Vancouver, BC, V6J 1H3.

**The Directors of the Company believe the passing of the foregoing ordinary resolution is in the best interests of the Company and recommend that shareholders of the Company vote in favour of the resolution.**

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval and ratification of the Plan.**

#### **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 Suite 420, 1639 West 2nd Avenue, Vancouver, BC, V6J 1H3, to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative 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.

DATED this 28<sup>th</sup> day of September, 2020.

APPROVED BY THE BOARD OF DIRECTORS

*Jim Cambon*

Jim Cambon

President