



PASOFINO GOLD

**NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR  
WITH RESPECT TO THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON DECEMBER 21, 2020**

Dated: November 9, 2020

**PASOFINO GOLD LIMITED**  
550 Burrard Street, Suite 2900  
Vancouver, British Columbia, V6C 0A3

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING**

**NOTICE** is hereby given that the annual general and special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Pasofino Gold Limited (the “**Company**”), to be held at the Company’s Toronto offices located at 333 Bay Street, Suite 2400, Toronto, Ontario, Canada, M5H 2T6 on December 21, 2020 at 10 a.m. (Toronto time) for the following purposes:

1. to receive and consider the Report of the Directors and to receive and consider the audited financial statements for the fiscal year ended April 30, 2020 together with the report of the auditors thereon;
2. to appoint McGovern Hurley LLP, Chartered Accountants, as auditors for the ensuing year and to authorize the directors of the Company to fix the remuneration to be paid to the auditors;
3. to fix the number of directors of the Company for the ensuing year at five (5);
4. to elect the directors of the Company for the ensuing year;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to approve, for the ensuing year, the Company’s existing incentive stock option plan;
6. to consider, and if thought appropriate, pass, subject to regulatory approval, a special resolution granting the board of directors of the Company (the “**Board**”) authority to complete a share consolidation, if they deem appropriate, of the Company’s common shares on the basis of up to fifteen (15) pre-consolidation shares for every one (1) post consolidation share (15:1) to occur sometime before the next annual general meeting, with the exact consolidation ratio and time of the consolidation to be determined by the Board; and
7. to transact such other business as may properly be transacted at such meeting or at any adjournment thereof. The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular of the Company (the “**Circular**”) under the section entitled “*Particulars of Matters to be Acted Upon*”.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is November 12, 2020 (the “**Record Date**”). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof.

In order to mitigate risks to the health and safety of Shareholders, management, and the community at large, the Corporation, with regret, but in accordance with current public health guidelines, strongly discourages Shareholders from physically attending the Meeting and asks that all shareholders vote by proxy prior to the Meeting – but especially if experiencing cold or flu-like systems, or if a shareholder or someone the shareholder has been in close contact with has travelled to or from outside of Canada within 14 days prior to the Meeting. In light of the rapidly evolving news and guidelines related to the COVID-19 outbreak, we ask that, in considering whether to attend the Meeting, shareholders follow the instructions and Guidelines of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>), particularly with respect to “social distancing” efforts, as well as all additional provincial and local instructions and guidance.

If you are unable to attend the Meeting in person, please read the notes accompanying the instrument of proxy enclosed herewith (the “**Proxy**”) and then complete and return the Proxy within the time set out in the notes. As set out in the notes, the enclosed Proxy is solicited by management of the Company, but, you may amend it, if you so

desire, by striking out the names listed therein and inserting in the space provided, the name of the person you wish to represent you at the Meeting.

**DATED** at Toronto, Ontario, this 9th day of November, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS OF PASOFINO GOLD LIMITED**

*"Krisztian Toth"*  
\_\_\_\_\_  
Krisztian Toth  
Chairman

**PASOFINO GOLD LIMITED**  
550 Burrard Street, Suite 2900  
Vancouver, British Columbia, V6C 0A3

## **MANAGEMENT INFORMATION CIRCULAR**

Containing information as at November 9, 2020 unless otherwise noted.

### **SOLICITATION OF PROXIES**

#### **Solicitation of Proxies by Management**

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Pasofino Gold Limited (the “**Company**”) for use at the annual general and special meeting of shareholders of the Company (the “**Shareholders**”) (and any adjournment thereof) to be held on December 21, 2020 (the “**Meeting**”) at 10 a.m. (Toronto time) at the Company’s Toronto office located at 333 Bay Street, Suite 2400, Toronto, Ontario, Canada, M5H 2T6 and for the purposes set forth in the accompanying notice of annual general and special meeting of shareholders (the “**Notice of Meeting**”) and any adjournment thereof.

#### **Costs and Manner of Solicitation**

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone, facsimile or electronically by the directors and regular employees of the Company or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of common shares of the Company (the “**Common Shares**”). **All costs of solicitation will be borne by the Company.**

### **RECORD DATE**

The board of directors of the Company (the “**Board**”) has fixed November 12, 2020 as the record date (the “**Record Date**”) for the purpose of determining the Shareholders entitled to receive the Notice of Meeting and to vote at the Meeting. Each Shareholder is entitled to one vote for each Common Share held and shown as registered in such holder’s name on the list of the Shareholders prepared as of the close of business on the Record Date. The list of the Shareholders will be available for inspection during usual business hours at the principal office of the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**” or the “**Transfer Agent**”) located in Toronto, Ontario and will also be available for inspection at the Meeting.

### **VOTING IN PERSON AT THE MEETING**

Each registered shareholder of the Company (the “**Registered Shareholders**”), whose name has been provided to the Company’s Transfer Agent, will appear on a list of shareholders prepared by the registrar and Transfer Agent for purposes of the Meeting. To vote in person at the Meeting, each Registered Shareholder will be required to register for the Meeting by identifying themselves at the registration desk. Non-registered beneficial shareholders (other than NOBOs (as defined below)) must appoint themselves as a proxyholder to vote in person at the Meeting. Also see “Non- Registered Holders” below.

### **APPOINTMENT OF PROXYHOLDERS**

If a Registered Shareholder cannot attend the Meeting but wishes to vote on the resolutions, the Registered Shareholder should sign, date and deliver the enclosed form of proxy (the “**Proxy**”) to the Transfer Agent, Computershare, Attention: Proxy Department, at 135 West Beaver Creek, Po Box 300, Richmond Hill, Ontario, Canada L4B 4R5 so it is received no later than 10 a.m. (Toronto time) on December 17, 2020. The individuals named in the accompanying Proxy are officers and/or directors of the Company (the “**Management Nominees**”).

**IF YOU ARE A SHAREHOLDER ENTITLED TO VOTE AT THE MEETING, YOU HAVE THE RIGHT TO APPOINT A PERSON OR COMPANY OTHER THAN EITHER OF THE PERSONS DESIGNATED IN THE PROXY, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT FOR YOU AND ON YOUR BEHALF AT THE MEETING. YOU MAY DO SO EITHER BY STRIKING OUT THE NAMES OF THE MANAGEMENT NOMINEES AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING AND DELIVERING ANOTHER SUITABLE FORM OF PROXY.** A Shareholder giving a proxy has the right to attend the Meeting, or appoint someone else to attend as his or her proxy at the Meeting and the Proxy submitted earlier can be revoked in the manner described under "Revocation of Proxies" below.

If your Common Shares are held in physical form (i.e. paper form) and are registered in your name, then you are a Registered Shareholder. However, if, like most Shareholders, you keep your Common Shares in a brokerage account, then you are a beneficial shareholder of the Company (the "**Beneficial Shareholders**"). The manner for voting is different for Registered Shareholders and Beneficial Shareholders. The instructions below should be read carefully by all Shareholders.

### **REGISTERED SHAREHOLDERS**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following options to submit their proxy:

- (a) completing, dating and signing the enclosed Proxy and returning it to the Transfer Agent, **COMPUTERSHARE INVESTOR SERVICES INC., ATTENTION: PROXY DEPARTMENT, 135 WEST BEAVER CREEK, PO BOX 300, RICHMOND HILL, ONTARIO, CANADA, L4B 4R5**, by mail or by hand. In all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.
- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll-free number, the holder's account number and the proxy access number; or
- (c) use the internet through the website of the Transfer Agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy for the holder's account number and the proxy access number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

### **NON-REGISTERED SHAREHOLDERS**

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are "non-registered" Shareholders because the Common Shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their Common Shares in their own name (i.e. Beneficial Shareholders) should note that only Registered Shareholders may vote at the Meeting.** If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS Inc. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers' clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. The various brokers and other intermediaries have their own

mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the Proxy provided by the Company to the Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted.**

This Information Circular and accompanying materials are being sent to both Registered Shareholders and Beneficial Shareholders. If you are a Beneficial Shareholder and the Company or its Transfer Agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called “**NOBOs**” for Non-Objecting Beneficial Owners).

The Company is taking advantage of the provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from the Transfer Agent. The VIF is to be completed and returned to the Transfer Agent in the envelope provided or by facsimile. In addition, the Transfer Agent provides both telephone and internet voting methods, as described on the VIF itself, which contains complete instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These security holder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions. Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting, and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting and to vote your Common Shares at the Meeting.**

**IF YOU ARE A NON-REGISTERED OWNER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE REFER TO THE INSTRUCTIONS SET OUT ON THE “REQUEST FOR VOTING INSTRUCTIONS” (i.e. THE VIF) THAT ACCOMPANIES THIS INFORMATION CIRCULAR.**

The Company has not adopted the notice and access procedure described in National Instrument 54-101 and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) to distribute its proxy-related materials to the Registered Shareholders and Beneficial Shareholders. In addition, the Company has not agreed to pay to distribute the proxy-related materials to the OBOs and, unless the intermediaries acting for such OBOs agree to assume the cost of such delivery, OBOs will not receive the proxy-related materials for the Meeting.

All references to Shareholders in this Information Circular and the accompanying Proxy and Notice of Meeting are to Registered Shareholders unless specifically stated otherwise.

### **VOTING OF PROXIES**

The Common Shares represented by a properly executed Proxy in favour of persons proposed by management of the Company as proxyholders in the accompanying Proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the Proxy, be voted in accordance with the specification made in such Proxy.

ON A POLL SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed Proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed as proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed Proxy to vote in accordance with their best judgment on such matters or business.

At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented at the Meeting.

### **Revocation of Proxies**

A Shareholder who has appointed a proxy may revoke it by an instrument in writing executed by the Shareholder or by his attorney authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer or attorney of the company, and delivered to the registered office of the Company at 550 Burrard Street, Suite 2900, Vancouver, British Columbia, V6C 0A3 (Attention: Krisztian Toth) at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of an appointed proxy does not affect any matter on which a vote has been taken prior to the revocation.

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

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As at the Record Date, there were 275,593,844 Common Shares issued and outstanding.

Any holder of Common Shares of record at the close of business on the Record Date who either personally attends the Meeting (though physical attendance is regrettably discouraged due to the ongoing global COVID-19 pandemic) or who has completed and delivered the Proxy in the manner and subject to the provisions described above shall be entitled to vote or to have his/her/its Common Shares voted at the Meeting.

The presence in person or by proxy of not less than one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, holds at least 1% of the issued shares entitled to be voted at the Meeting is necessary to constitute a quorum of Shareholders. On a show of hands, every holder of Common Shares, who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders will have one vote, and on a poll every Shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate Shareholders, will have one vote for each Common Share registered in that Shareholder's name on the list of Shareholders as at the Record Date, which is available for inspection during normal business hours at the offices of the Transfer Agent and will be available at the Meeting. **Shareholders represented by proxyholders are not entitled to vote on a show of hands.**

To the knowledge of the directors and senior officers of the Company, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

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

No director or executive officer of the Company, or any person who has held such a position during financial year ended April 30, 2020, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

#### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

##### **Board of Directors**

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes effective decision making at the Board level.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) defines an “independent director” as a director who has no direct or indirect “material relationship” with the issuer. A “material relationship” is as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board is currently comprised of four (4) directors being Stephen Dunn, John Sanders, Darryl Levitt and Krisztian Toth. Mr. Levitt is independent within the meaning of NI 58-101. Messrs. Dunn and Sanders are not independent as they are officers of the Company and thereby have a “material relationship” with the Company. Mr. Toth is a partner at Fasken Martineau DuMoulin LLP, legal counsel for the Company, and therefore has a “material relationship” with the Company.

##### **Corporate Governance Guidelines**

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

National Policy 58-201 – *Corporate Governance Guidelines* (“**NI 58-201**”) 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. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations. NI 58-101 mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with:

- 1) the *Business Corporations Act* (British Columbia);
- 2) the Company's articles of incorporation;
- 3) the Company's code of business conduct;
- 4) the charters of the Board and the Board committees; and
- 5) other applicable laws and Company policies.

The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Board also monitors the Company's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Company's external auditor.

The Board is responsible for choosing the President and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Company's major communications, including annual and quarterly reports, financing documents and press releases. The Company communicates with its stakeholders through a number of channels including its web site. The Board approved the Company's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Company's internal control processes and management information systems. The Board consults with the internal auditor and management of the Company to ensure the integrity of these systems. The internal auditor submits a report to the Audit Committee each year on the quality of the Company's internal control processes and management information systems. The Board is responsible for determining whether or not each director is an independent director. The President, Secretary and any other officer are not considered independent. None of the other directors work in the day-to-day operations of the Company, are party to any material contracts with the Company, or receive any fees from the Company except as disclosed in this Information Circular dated November 9, 2020.

#### **Other Public Company Directorships**

The following Board nominees currently serve on the board of directors of reporting issuers (or the equivalent in a jurisdiction outside of Canada) other than the Company as listed below:

<b>Name of Directors</b>	<b>Name of Other Reporting Issuer</b>
Stephen Dunn	Crown Mining Corp., TSX-V; Western Troy Capital Resources Inc. TSX-V

Krisztian Toth	Trillium Gold Mines Inc., TSX-V
Darryl Levitt	Mansa Exploration Inc., TSX-V
Robert Metcalfe	BetterLife Pharma Inc., TSX-V; Medcolcanna Organics Inc., TSX-V; Blue Star Gold Corp., TSX-V; Gran Colombia Gold Corp., TSX

The Board brief all new directors with the policies of the Board, and other relevant corporate and business information.

The Board 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 in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders of the Company by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives and a willingness to serve.

The Board conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of directors with the return to shareholders. The Board monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the Board and sub-committees.

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

### **Presentation of Financial Statements**

The audited consolidated financial statements of the Company for the financial year ended April 30, 2020 and 2019, and the accompanying auditors' report thereon will be presented at the Meeting. The audited financial statements, the report of the auditor, together with the management's discussion and analysis can be found on [www.sedar.com](http://www.sedar.com).

### **Appointment of Auditor**

McGovern Hurley LLP, Chartered Accountants, of 251 Consumers Road, Toronto, Ontario, Canada M2J 3T5 were appointed auditor of the Company by the Board on June 11, 2018 upon recommendation by the Company's audit

committee (the “**Audit Committee**”) when Jackson & Company, Chartered Accountants resigned effective June 11, 2018 at the request of the Company and the Audit Committee. Shareholders are being asked to confirm the actions of the Board and appoint McGovern Hurley LLP, Chartered Accountants as auditor of the Company to hold office until the next annual meeting of shareholders. **Proxies received in favour of management will be voted FOR the appointment of McGovern Hurley LLP, Chartered Accountants as auditor of the Company to hold office until the next annual meeting of shareholders and the authorization of the directors to fix their remuneration, unless the shareholder has specified in the Proxy that his or her shares are to be withheld from voting in respect thereof.**

### **Election of Directors**

The number of directors of the Company to be elected at the Meeting is five (5). All nominees for election as directors, except for Robert Metcalfe, are currently directors of the Company. At the Meeting, it is proposed that the nominees set out herein be elected as directors of the Company. Each director elected will hold office until the next annual meeting of Shareholders or until such person’s successor is elected or appointed, unless such person’s office is earlier vacated in accordance with the by-laws of the Company, or with the provisions of the *Business Corporations Act* (British Columbia). **Each of the persons named below will be presented for election at the Meeting as management’s nominees and unless such authority is withheld, the persons named in the enclosed Proxy will vote FOR the election of each of the nominees whose names are set forth below.** No class of shareholders of the Company has the right to elect a specified number of directors or to cumulate their votes for directors.

The following table sets out the names of the nominees for election as directors, the municipality in which each is ordinarily resident, all offices of the Company now held by each of them, their present principal occupation or employment, the period of time for which each has been a director of the Company, and the number of Common Shares of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

<b>Name, Current Position with the Company and Province or State and Country of Residence<sup>(4)</sup></b>	<b>Principal Occupation</b>	<b>Date First Became a Director</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)(2)</sup></b>
Stephen Dunn <sup>(3)(5)(6)</sup> Director, President and Chief Executive Officer – North America Ontario, Canada	Director, President and Chief Executive Officer of the Company and Crown Mining Corp.	June 25, 2018	800,000 (0.29%)
John Sanders <sup>(7)</sup> Director, Chief Operations Officer Pretoria, South Africa	Chief Operations Officer of the Company	September 30, 2020	1,167,000 (0.42%)
Robert Metcalfe <sup>(3)</sup> Director Ontario, Canada	Lawyer, Businessman, Corporate Director	--	500,000 (0.18%)
Darryl Levitt <sup>(3)</sup> Director Ontario, Canada	Lawyer, Darryl Levitt Law	February 28, 2020	--
Krisztian Toth Director and Chairman Ontario, Canada	Partner at Fasken Martineau DuMoulin LLP.	April 29, 2020	3,000,000 (1.09%)

Notes:

- (1) Information as to voting shares beneficially owned, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Percentages calculated based on 275,593,844 Common Shares issued and outstanding as at the date of this Circular.
- (3) Member of Audit Committee.
- (4) The information as to country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (5) Effective January 23, 2019, Steve Roebuck resigned as President, Chief Executive Officer and Director of the Company. Stephen Dunn, Director, was appointed President and Chief Executive Officer. On September 30, 2020, Mr. Dunn was appointed as Chief Executive Officer – North America and Ian Stalker was appointed as President and Chief Executive Officer – Africa.

- (6) Effective February 28, 2020 Fiona Fitzmaurice resigned as Chief Financial Officer of the Company. Mr. Dunn is currently serving as interim Chief Financial Officer as the Company presently searches for a new Chief Financial Officer.
- (7) John Sanders was appointed as a Director on September 30, 2020.

### *Biographies of Proposed Directors*

**Stephen Dunn, Chief Executive Officer, President, Director.** Mr. Dunn's principal occupation is to serve as the Chief Executive Officer and a director of the Company. Mr. Dunn is President, Chief Executive Officer and director of Crown Mining Corp, a junior exploration company listed on the TSX Venture Exchange. He founded Crown Mining Corp. in 2007 and has also been a director of numerous other public companies. Prior to Crown Mining Corp., Mr. Dunn held portfolio management, sales and trading positions at a large Canadian insurance company, a Canadian Schedule A bank and two Canadian investment dealers. He has earned a BA in Economics and an MBA from the University of Western Ontario.

**Robert James Metcalfe, Director.** Mr. Metcalfe, a lawyer, was a senior partner with the law firm Lang Michener LLP for 20 years. He is the former President and Chief Executive Officer of Armadale Properties and Counsel to all of the Armadale Group of Companies, with significant holdings across numerous industries including finance, construction of office buildings, airport ownership, management and refurbishing, land development, automotive dealerships as well as newspaper publishing, radio and television stations. Mr. Metcalfe has served as President, CEO, Lead Director, Chairman and Committee member on numerous publicly listed natural resource and industry company corporate boards in Canada, the United States, England, South America and Africa. As director and shareholder, Mr. Metcalfe has been engaged in numerous acquisitions, divestitures, corporate reorganizations, financings and corporate improvements, as well as serving on numerous special committees across many sectors. He is a member of the Institute of Corporate Directors and a member in good standing of the Law Society of Ontario.

**Darryl Levitt, Director.** Darryl Levitt practices law in Ontario focusing on corporate and securities matters with experience advising sovereign wealth funds. He is dual qualified in South Africa and Ontario. Mr. Levitt has advised on a number of high-profile matters including being on the team of the Petro-Canada Suncor merger valued at \$65 billion and the reverse takeover of Pelawan for \$165 million and initial public offering of First Uranium for \$235 million. Prior to starting his own firm, Mr. Levitt was a senior lawyer at two prominent Bay Street law firms and has consistently been recognized by Who's Who Legal as a leading mining and business lawyer.

**John Sanders, Director.** John Sanders is an exploration and mining geologist with 36 years of experience having served in operational, senior and executive roles within the industry. This has included both the delivery of mineral resources and as part of the team in mine builds/developments, with multi-commodity experience. John was formerly Exploration Manager east and west Africa for AngloGold Ashanti, VP Exploration at Uramin Inc. and thereafter COO and subsequently MD of Elemental Minerals (now KORE Potash), VP Exploration at LSC Lithium Corp, GM Africa for the ASX listed lithium developer Infinity Lithium Corp, COO for Helium One a privately owned company exploring for helium in Tanzania and more recently ARX Resources Limited, which was acquired by the Company.

**Krisztian Toth, Director.** Krisztian Toth is an experienced mining, securities and M&A lawyer and partner at the law firm of Fasken Martineau DuMoulin LLP, which is a leading international business law and litigation firm with eight offices with more than 700 lawyers across Canada and in the UK and South Africa. Fasken's Global Mining Group has been #1 ranked globally 11 times since 2005, including for the past five years in a row. Mr. Toth began his career at Fasken in 2002, eventually becoming a partner of the firm in 2009. He has expertise in the national and international mining and oil and gas sectors in Europe, Africa, Latin America, Canada and the United States. Mr. Toth has particular expertise in mining M&A and mining finance including royalty, streaming and joint venture transactions and acts for both Canadian and international companies involved in takeover bids, proxy contests, plans of arrangement, domestic and cross-border offerings (both public and private), corporate reorganizations, stock exchange listings, continuous disclosure obligations and other regulatory compliance issues. He has been recognized by the *Canadian Legal Expert Directory* for his mining experience and the *IFLR1000* for his capital markets work. Mr. Toth is also currently the Chairman of Pasofino Gold Limited (TSX-V:VEIN),

which is developing gold projects in Canada and West Africa, and a director of Trillium Gold Mines Inc. (TSX-V:TGM), which is developing gold projects in Canada.

#### *Cease Trade Orders, Penalties and Sanctions and Bankruptcies*

Except as noted below, no proposed director of the Company is, or within 10 years before the date hereof, has been: (a) a director, chief executive officer or chief financial officer of any company (including the Company) that, (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (b) 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. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

Mr. Robert Metcalfe was the director of a company subject to a cease trade order in his capacity as a director of Xinerger Ltd., a U.S. producer of metallurgical and thermal coal in West Virginia. On April 6, 2015, Xinerger Ltd. became the subject of a cease trade order for failure to file its financial statements on time as a result of the collapse of the coal industry in North America.

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

No proposed director of the Company has, within the 10 years before the date hereof, 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 director.

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

The Company wishes to renew the existing incentive stock option plan (the “**Stock Option Plan**”). A summary of the material provisions of the Stock Option Plan is set forth below. The definitive Stock Option Plan will be available for inspection at the Meeting. The Board believes that the Stock Option Plan is in the Company’s best interests and recommends that the Shareholders approve the Stock Option Plan.

The exercise price of the Common Shares subject to each option shall be determined by the Board but in no event shall such exercise price be lower than the exercise price permitted by policies of the TSX Venture Exchange (the “**Exchange**”). No single participant may be granted stock options to purchase a number of Common Shares (“**Options**”) equaling more than 5% of the issued Common Shares in any one 12-month period without disinterested Shareholder approval. Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12-month period to any one consultant of the Company. Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12-month period to employees of the Company conducting investor relations activities. The maximum term of any Options granted may not exceed 10 years. If the Common Shares are increased, decreased or changed through re-organization, merger, re-capitalization, reclassification, stock dividend, subdivision or consolidation, an appropriate adjustment shall be made by the Board in the number of Options issued and the exercise price per Option.

In fiscal year 2020, the Company granted 275,000 Options under the Stock Option Plan. As at April 30, 2020, 275,000 Options were outstanding under the Stock Option Plan and as the date hereof, there are 27,284,384 Options available to be granted under the Stock Option Plan.

The Stock Option Plan is a “rolling” stock option plan as the aggregate number of Common Shares reserved for issuance upon the exercise of the Options pursuant to the Stock Option Plan is such number of Common Shares as is equal to 10% of the total number of Common Shares issued and outstanding from time to time. Accordingly, in accordance with the policies of the Exchange, the Shareholders of the Company will be asked to approve the following resolution (the “**Option Plan Resolution**”) at the Meeting:

**“BE IT RESOLVED THAT:**

1. the Company’s stock option plan (the “**Option Plan**”), as described in the Management Information Circular of the Company dated November 9, 2020 be and it is hereby approved and re-confirmed, including the reservation for issuance under the Option Plan at any time of a maximum of 10% of the then issued and outstanding shares of the Company, in accordance with the policies of the TSX Venture Exchange (the “**Exchange**”);
2. the Company be and is hereby authorized to make such amendments, if any, to the Option Plan, as may be requested by the Exchange in order that the Option Plan complies with applicable policies of the Exchange; and
3. the directors and officers of the Company be and are hereby authorized and directed to make all such filings, cause all such documents, instruments and other writings to be executed and delivered and to cause all such acts and things to be done, all for and on behalf of the Company, as the Board may consider necessary or desirable to give effect to the foregoing resolution.”

**The Board recommends that Shareholders vote FOR the approval of the Option Plan Resolution. Unless the Shareholder directs that his or her Common Shares are to be voted against the approval of the Option Plan Resolution, the persons named in the enclosed Proxy intend to vote FOR the approval of the Option Plan Resolution. A majority of votes cast by the Shareholders at the Meeting is required for the approval of the Option Plan Resolution.**

**Approval of Share Consolidation**

*General Information*

The Company is asking shareholders to authorize the Board to effect, in its discretion and if they deem it appropriate, a share consolidation of the outstanding Common Shares (the “**Share Consolidation**”), at a consolidation ratio of up to fifteen (15) Common Shares being consolidated into one (1) Common Share (15:1), such Share Consolidation to occur at some time before the next annual meeting of shareholders. The Share Consolidation, if passed by the shareholders, will be effected by amending the Company’s articles of incorporation, after obtaining Board and regulatory approval. The Company believes that the availability of a range of Share Consolidation ratios up to (15:1) will provide it with the flexibility to implement the Share Consolidation in a manner designed to maximize the anticipated benefits for the Company and its shareholders. In determining which precise Share Consolidation ratio to implement, if any, following the receipt of shareholder approval, the Board may consider, among other things, factors such as:

- the historical trading prices and trading volume of the Common Shares;
- the then prevailing trading price and trading volume of the Common Shares and the anticipated impact of the Share Consolidation on the trading market(s) for the Common Shares;
- the outlook for the trading price of the Common Shares;
- threshold prices of brokerage houses or institutional investors that could impact their ability to invest or recommend investments in the Common Shares;
- the greatest overall reduction in the Company’s administrative costs; and
- prevailing general market and economic conditions.

At the close of business on November 9, 2020, the closing price of the Common Shares on the Exchange was C\$0.17. There were 275,593,844 issued and outstanding Common Shares on such date. Based on the number of Common Shares currently issued and outstanding, immediately following the completion of the Share Consolidation, for illustrative purposes only, assuming a Share Consolidation ratio of 15:1, there would be approximately 18,372,922 Common Shares issued and outstanding. The Company does not expect the Share Consolidation itself to have any economic effect on shareholders or other securityholders.

#### *Reasons for the Share Consolidation*

The Board believes that the Share Consolidation could heighten the interest of the financial community in the Company and potentially broaden the pool of investors that may consider investing or be able to invest in the Company by increasing the trading price of the Common Shares and decreasing the number of outstanding Common Shares. It could also help to attract institutional investors who have internal policies that either prohibit them from investing in public companies whose share price is below a certain minimum price or tend to discourage individual brokers from recommending such stock to their customers.

#### *Risks Associated with the Share Consolidation*

Reducing the number of issued and outstanding Common Shares through the Share Consolidation is intended to increase the per share market price of the Common Shares; however, the market price of the Common Shares will also be based on other factors, which are unrelated to the number of shares outstanding. As a result, there can be no assurance that the market price of the Common Shares will in fact increase following the Share Consolidation or will not decrease in the future. In addition, in the future, the market price of the Common Shares following the Share Consolidation may not exceed or remain higher than the market price prior to the Share Consolidation and thus the total market capitalization of the Common Shares after the Share Consolidation may be lower than the total market capitalization before the Share Consolidation.

While the Company believes that a higher share price could help to attract institutional investors who have internal policies that either prohibit them from purchasing stock below a certain minimum price or tend to discourage individual brokers from recommending such stock to their customers, the Share Consolidation may not result in a share price that will attract institutional investors or that satisfy the investing guidelines of institutional investors.

If the Share Consolidation is affected and the market price of the Common Shares declines, the percentage decline as an absolute number and as a percentage of the Company's overall market capitalization may be greater than would occur in the absence of the Share Consolidation. In many cases, both the total market capitalization of a company and the market price of such company's common shares following a share consolidation are lower than they were before the share consolidation. Furthermore, the reduced number of Common Shares that would be outstanding after the Share Consolidation could adversely affect the liquidity of the Common Shares. The Share Consolidation will, in all likelihood, also result in some shareholders owning "odd lots" of fewer than 100 Common Shares on a post-consolidation basis. Odd lots may be more difficult to sell, or require greater transaction costs per share to sell, and brokerage commissions and other costs of transactions in odd lots are generally somewhat higher than the costs of transactions in "round lots" of even multiples of 100 Common Shares.

#### *Effecting the Share Consolidation*

Once the Company determines the consolidation ratio and that it is in the best interests of the Company to proceed with the Share Consolidation, it will amend its articles in accordance with the *Business Corporations Act* (British Columbia) (the "BCBCA"), upon which time the Share Consolidation will become effective. Concurrently, a new CUSIP number will be assigned to the Common Shares and letters of transmittal will be distributed to Registered Shareholders in order to issue replacement share certificates. Registered Shareholders will complete the letter of transmittal and return it along with the old share certificate to the Transfer Agent. The Transfer Agent will then issue the new share certificates to all Registered Shareholders who have validly submitted letters of transmittal.

### *Fractional Common Shares*

No fractional Common Shares will be issued as a result of the Share Consolidation. Where the Share Consolidation would result in a shareholder being entitled to receive a fractional share, the fractional Common Share resulting from the Share Consolidation will be rounded down to the next whole number. In all other respects, the post consolidated Common Shares will have the same attributes as the pre-consolidated Common Shares.

### *Recommendation of the Board*

The Board has determined that the Share Consolidation is in the best interests of the shareholders and the Company. The Board recommends that the shareholders vote FOR the adoption of the Share Consolidation Resolution.

### *Approval of Share Consolidation Resolution*

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass, with or without amendments, the following special resolution:

#### **“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the Company’s authorized share capital be altered by consolidating all its Common Shares without par value on the basis of up to every fifteen (15) of such Common Shares without par value being consolidated into one (1) Common Share without par value, such Share Consolidation to occur at some time before the next annual and general meeting;
2. any fractional shares of the Company arising from the Share Consolidation be rounded down to the nearest whole share of the Company;
3. the directors of the Company, in their sole and complete discretion, may act upon these resolutions to effect the Share Consolidation if deems it appropriate and without any further approval from the shareholders of the Company, may choose not to act upon these resolutions notwithstanding shareholder approval of the Share Consolidation; and
4. any one director or senior officer of the Company is authorized and directed on behalf of the Company to take all necessary steps and proceedings and to execute, deliver all documents and instruments and take such other actions, including making all necessary filings with applicable regulatory bodies and stock exchanges, as such director or officer may determine to be necessary or desirable to implement this special resolution and the matter authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument and the taking of any such action.”

In accordance with the Company’s articles and the BCBCA, in order to pass the special resolutions, at least two-thirds of the votes cast at the Meeting must be voted in favour of the resolution.

If shareholders pass the resolution, the consolidation will take effect on a date to be coordinated with the Exchange and announced in advance by the Company. The Share Consolidation is subject to the approval of the Exchange.

The persons designated in the enclosed Form of Proxy, unless instructed otherwise, intend to vote in favour of the foregoing resolution.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Executive Compensation**

For the purposes of this Information Circular, a Named Executive Officer (“NEO”) of the Company means each of the following individuals:

- (a) a chief executive officer (“CEO”) of the Company;
- (b) a chief financial officer (“CFO”) of the Company;
- (c) each of the Company’s three most highly compensated executive officers of 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 Form 51-102F6, for the fiscal year ended April 30, 2020; 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 or its subsidiaries, nor acting in a similar capacity at the fiscal year ended April 30, 2020.

Stephen Dunn (CEO – North America) is an NEO of the Company for the purposes of the following disclosure.

### **Compensation Discussion and Analysis**

The Company does not have a formal compensation program. The general objectives of the Company’s compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; (c) provide a compensation package that is proportionate with other junior companies in the energy efficiency industry sector to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior company without a history of earnings.

The Board ensures that total compensation paid to all NEOs is fair and reasonable. The Board relies on the experience of its members as officers and directors of other junior mining companies in assessing compensation levels. The Company’s process for determining executive compensation will be done on a case by case basis and will involve discussion by the Board of the factors the Board deems relevant to each case. There are not expected to be any formally defined objectives, benchmarks, criteria and analysis that will be used in all cases.

The Company has not placed a restriction on the purchase by its NEOs or other employees of financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly by the NEO or employee. To the Company’s knowledge, none of the NEOs have purchased any such financial instruments.

The Board has not considered the implications of the risks associated with the Company’s compensation program. The Company intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Company’s compensation program and how it might mitigate those risks.

### **Share Based and Option Based Awards**

Options are granted by the Board. In monitoring or adjusting the option allotments, the Board takes into account the level of options granted by other junior issuers for similar levels of responsibility and its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objects set for the NEO and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. A maximum number of Common Shares equal to 10% of the issued and outstanding Common Shares, from time to time, may be reserved for issuance under the Stock Option Plan provided that options may not be granted to any one individual to purchase in excess of 5% of the then outstanding Common Shares within a 12-month period (with additional restrictions in respect of options granted to consultants and persons retained to preform investor relations activities). Options issued pursuant to the Stock Option Plan shall have an exercise price determined by the Board, provided that the exercise price shall not be less than the price permitted by the Exchange.

## Compensation Governance

The Board has not appointed a Compensation Committee. The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management, with a view to fulfilling its responsibilities concerning executive and director compensation, reviewing director compensation, overseeing the Company base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers and employees and evaluating the performance of officers generally, all in light of the Company's annual goals and objectives.

## Summary Compensation Table for Named Executive Officers

The following tables provide information regarding NEO compensation for the Company the financial years ended April 30, 2020, 2019 and 2018:

Name and principal position	Year	Salary <sup>(1)</sup> (\$)	Share-based awards <sup>(2)</sup> (\$)	Option-based awards <sup>(3)</sup> (\$)	Non-equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Steve Roebuck, Former CEO <sup>(4)</sup>	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2019	Nil	Nil	\$68,513	N/A	N/A	N/A	Nil	\$222,644
	2018 <sup>(8)</sup>	\$154,131	Nil	Nil	N/A	N/A	N/A	Nil	\$29,538
Stephen Dunn, CEO <sup>(4)</sup>	2020	\$60,000 <sup>(6)</sup>	Nil	Nil	N/A	N/A	N/A	Nil	\$60,000 <sup>(6)</sup>
	2019	\$60,000 <sup>(7)</sup>	Nil	Nil	N/A	N/A	N/A	Nil	\$60,000 <sup>(7)</sup>
	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiona Fitzmaurice, Former CFO <sup>(5)</sup>	2020	\$14,000	Nil	Nil	N/A	N/A	N/A	Nil	\$14,000
	2019	\$80,000	Nil	Nil	N/A	N/A	N/A	Nil	\$80,000
	2018	\$96,686	Nil	\$25,693	N/A	N/A	N/A	Nil	\$122,379

### Notes:

- (1) Salaries for the executive is proportionate with other junior companies in the energy efficiency industry sector.
- (2) Fair value of common share units estimated at the date of grant. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.
- (3) Fair value of option based awards estimated at the date of grant. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.
- (4) Effective January 23, 2019, Steve Roebuck resigned as CEO of the Company and Stephen Dunn was appointed CEO effective January 23, 2019.
- (5) Fiona Fitzmaurice resigned as an employee of the Company effective July, 2019. A third party, Optimize Group CFO Services ("Optimize") was retained following her resignation to provide CFO services. Ms. Fitzmaurice was an employee of Optimize and the amounts reflected for 2019 reflect both amounts paid to Ms. Fitzmaurice and to Optimize. All amounts paid after July 2019 related to amounts paid to Optimize. Effective February 28, 2020, Fiona Fitzmaurice resigned as CFO of the Company.
- (6) Of the amount paid in 2020, \$35,000 related to 2020 and 25,000 was paid on account of amounts accrued and not paid in 2019.
- (7) \$35,000 of this was paid in 2019 and \$25,000 was accrued and not paid.
- (8) Mr. Roebuck was a director and NEO during the financial year ended April 30, 2018.

## INCENTIVE PLAN AWARDS

### Pension Plan Benefits

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

### Incentive Plan Compensation

The Company currently does not have any non-equity incentive plan compensation plans for payments or benefits to the NEOs.

### Outstanding Option-Based Awards

The following table sets forth for the NEOs, the incentive stock options (option-based awards), pursuant to the Company's Stock Option Plan outstanding as at April 30, 2020.

Name and Principal Position	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)
Steve Roebuck, Former CEO <sup>(2)</sup>	Nil	Nil	Nil	Nil
Stephen Dunn, CEO <sup>(2)</sup>	Nil	Nil	Nil	Nil
Fiona Fitzmaurice, Former CFO <sup>(3)</sup>	Nil	Nil	Nil	Nil

Notes:

- (1) "In-the-Money Options" means the excess of the market value of the Company's shares on April 30, 2020 over the exercise price of the options. The market price for the Common Shares on April 30, 2020 was C\$0.07.
- (2) Effective January 23, 2019, Steve Roebuck resigned as CEO of the Company and Stephen Dunn was appointed CEO effective January 23, 2019.
- (3) Effective February 28, 2020 Fiona Fitzmaurice resigned as CFO of the Company.

### DIRECTOR COMPENSATION

Directors who are not officers of the Company may be paid fees for their services as directors. In addition, directors are entitled to be reimbursed for their expenses for attending meetings of the Board and any committees thereof and are entitled to receive options under the Stock Option Plan.

The following table is a summary of compensation paid to the directors for the Company's financial year ended April 30, 2020:

Name	Fees Earned (\$)	Share-Based Awards <sup>(1)</sup> (\$)	Option-Based Awards (\$)	Non-Equity incentive plan Compensation	All other Compensation (\$)	Total Compensation (\$)
Stephen Dunn	Nil	Nil	Nil	Nil	Nil	Nil
Darryl Levitt	Nil	Nil	Nil	Nil	Nil	Nil
Krisztian Toth	Nil	Nil	Nil	Nil	Nil	Nil
Edward Milewski <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Christian Scovenna <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Fair value of option based awards estimated at the date of grant. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.
- (2) Effective March 6, 2020, Edward Milewski resigned as Director of the Company.
- (3) Effective September 30, 2020, Christian Scovenna resigned as a Director of the Company, and John Sanders was appointed as a Director of the Company to fill the Board vacancy left by Mr. Scovenna, effective September 30, 2020.

### Outstanding Option-Based Awards

Below is a summary of all option-based awards outstanding of directors (excluding NEOs) as at the financial year ended April 30, 2020:

Name	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)
Darryl Levitt	Nil	Nil	Nil	Nil
Krisztian Toth	Nil	Nil	Nil	Nil
Edward Milewski <sup>(2)</sup>	Nil	Nil	Nil	Nil
Christian Scovenna <sup>(3)</sup>	Nil	Nil	Nil	Nil

Notes:

- (1) "In-the-Money Options" means the excess of the market value of the Company's shares on April 30, 2016 over the exercise price of the options. The market price for the Common Shares on April 30, 2020 was C\$0.07.
- (2) Effective March 6, 2020, Edward Milewski resigned as Director of the Company.
- (3) Effective September 30, 2020, Christian Scovenna resigned as a Director of the Company.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of April 30, 2020 with regard to compensation plans under which equity securities of the Company are authorized for issuance.

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) <sup>(1)</sup>
Equity compensation plans approved by Shareholders	275,000	\$0.05	1,045,985
Equity compensation plans not approved by Shareholders	Nil	Nil	Nil
Total	275,000	\$0.05	1,045,985

Notes:

(1) Based on 275,000 Options and 13,209,856 Common Shares outstanding as at April 30, 2020.

## AUDIT COMMITTEE INFORMATION

### The Audit Committee's Charter

The directors of the Company have adopted a charter for the Audit Committee (the “**Charter**”), which sets out the Audit Committee’s mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached hereto as Schedule “A” to this Information Circular.

### Composition of the Audit Committee

The members of the Audit Committee are Stephen Dunn, Robert Metcalfe and Darryl Levitt. Mr. Levitt and Mr. Metcalfe are independent (as defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) adopted by the Canadian Securities Administrators), and all members are financially literate (as defined in NI 52-110).

Name of Member	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>
Stephen Dunn	No	Yes
Robert Metcalfe	Yes	Yes
Darryl Levitt	Yes	Yes

Notes:

- (1) To be considered independent, a member of the Audit Committee must not have any direct or indirect “material relationship” with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment.
- (2) To be considered financially literate, a member of the Committee must have 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 reasonably be expected to be raised by the Company’s financial statements.

### Relevant Education and Experience

#### **Stephen Dunn**

Mr. Dunn has over 30 years experience in the investment industry and worked with a major Canadian insurance company, a Canadian Schedule A bank and two investment dealers. Mr. Dunn holds a Bachelor’s Degree in Economics and a Master’s Degree in Business, both from the University of Western Ontario.

#### **Darryl Levitt**

Darryl Levitt practices law in Ontario focusing on corporate and securities matters with experience advising sovereign wealth funds. He is dual qualified in South Africa. Mr. Levitt has advised on a number of high-profile

matters including being on the team of the Petro-Canada Suncor merger valued at \$65 billion, the reverse takeover of Pelawan for \$165 million and initial public offering of First Uranium for \$235 million. Prior to starting his own firm, Mr. Levitt was a senior lawyer at two prominent Bay Street law firms and has consistently been recognized by Who's Who Legal as a leading mining and business lawyer.

### **Robert Metcalfe**

Mr. Metcalfe, a lawyer, was a senior partner with the law firm Lang Michener LLP for 20 years. Mr. Metcalfe has served as President, CEO, Lead Director, Chairman and Committee member on numerous publicly listed natural resource and industry company corporate boards in Canada, the United States, England, South America and Africa. As director and shareholder, Mr. Metcalfe has been engaged in numerous acquisitions, divestitures, corporate reorganizations, financings and corporate improvements, as well as serving on numerous special committees across many sectors. He is a member of the Institute of Corporate Directors and a member in good standing of the Law Society of Ontario

### **Audit Committee Oversight**

At no time during the last financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the external auditors of the Company not been adopted by the Board.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in its Charter.

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

The following table discloses the fees billed to the Company by its external auditor during the last two completed financial years:

<b>Financial Period Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Ending Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
April 30, 2020	\$17,000	Nil	Nil	Nil
April 30, 2019	\$17,840	Nil	4,000	Nil

Notes:

- (1) The aggregate fees billed for professional services rendered by the auditor for the audit of the Company's annual financial statements.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) No other fees were billed by the auditor of the Company other than those listed in the other columns.

### **Exemption**

Since the Company is a "Venture Issuer" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America or a market outside of Canada and the United States of America), it is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

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

No director, nominee for election as a director, executive officer, employee or former director, executive officer or employee of the Company or any of its subsidiaries, or any of their associates or other member of management of the Company, was indebted to the Company at any time during financial year ended April 30, 2020 or as at the date hereof.

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

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company at any time since the beginning of the last financial year of the Company, or any proposed nominee for election as a director of the Company, or any known associate or affiliates of such persons in any matter to be acted upon at the Meeting, other than the election of directors or the appointment of auditors, or as otherwise disclosed herein.

### **MANAGEMENT CONTRACTS**

Except as set out below, during the most recently completed financial year, no management functions of the Company were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Company. ALOE Finance Inc. provided senior level finance and management consulting services to the Company, including, but not limited to, transactional services, treasury, cash management, and financial reporting.

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

An informed person is one who generally speaking is a director or executive officer or a 10% shareholder of the Company. To the knowledge of management of the Company, other than as set out in this Information Circular, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction during the Company's financial year ended April 30, 2020 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries other than as set out in a document already disclosed to the public and as except as disclosed in this Information Circular.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company including the Company's audited consolidated financial statements for the completed financial year ending April 30, 2020 can be found under the Company's profile at [www.sedar.com](http://www.sedar.com). Financial information is provided in the annual financial statements and the management and discussion & analysis ("MD&A") of the Company for its most recently completed financial year and the report of the auditors thereon which will be placed before shareholders at the Meeting. Copies of the Company's audited financial statements and MD&A for the year ended April 30, 2020 are available upon request from the Company at 550 Burrard St Suite 2900, Vancouver, BC V6C 0A3, Email: [lgreenidge@pasofinogold.com](mailto:lgreenidge@pasofinogold.com). Copies of these documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

### **OTHER MATTERS**

As of the date of this Information Circular, management of the Company is not aware of any other matters which may come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the Common Shares represented thereby in accordance with their best judgement on such matter.

The contents of this Information Circular and the distribution to Shareholders have been approved by the Board.

DATED at Toronto, Ontario, November 9, 2020.

### **BY ORDER OF THE BOARD OF DIRECTORS**

*"Krisztian Toth"*

\_\_\_\_\_  
Krisztian Toth  
Chairman

## SCHEDULE “A”

### AUDIT COMMITTEE CHARTER

National Instrument 52-110 – *Audit Committees* (“NI 52-110”) requires the Company to disclose annually in its management information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

#### The Audit Committee’s Charter

The Audit Committee’s mandate and charter can be described as follows:

1. Each member of the Audit Committee shall be a member of the Board of Directors, in good standing, and the majority of the members of the audit committee shall not be officers, employees or Control Persons of the Company (as such term is defined in Policy 1.1 of TSX Venture Exchange) in order to serve on this committee.
2. At least one of the members of the Audit Committee shall be financially literate.
3. Review the Audit Committee’s charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board of Directors. Consider changes that are necessary as a result of new laws or regulations.
4. The Audit Committee shall meet at least four times per year, and each time the Company proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Audit Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.
5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the committee.
6. The Audit Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
7. Appoint the independent auditors to be engaged by the Company, establish the audit fees of the independent auditors, pre-approve any non-audit services provided by the independent auditors, including tax services, before the services are rendered. Review and evaluate the performance of the independent auditors and review the full board of directors any proposed discharge of the independent auditors.
8. Review with management the policies and procedures with respect to officers’ expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
9. Consider, with management, the rationale for employing audit firms rather than the principal independent auditors.
10. Review with management and the independent auditors, all significant risks or exposures facing the Company; assess the steps the Management has taken or proposes to take to minimize such risks to the Company; and periodically review compliance with such steps.
11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.

12. Inquire regarding the "quality of earnings" of the Company from a subjective as well as an objective standpoint.
13. Review with the independent accountants: (a) the adequacy of the Company's internal controls including computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with management's responses thereto.
14. Review with management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.
15. Review with management and the independent auditors, the interim annual financial report before it is filed with the regulatory authorities.
16. Review with each public accounting firm that performs an audit: (a) all critical accounting policies and practices used by the Company; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, the ramifications of each alternative and the treatment preferred by the Company.
17. Review all material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
18. Review with management and the independent auditors: (a) the Company's annual financial statements and related footnotes; (b) the independent auditors' audit of the financial statements and their report thereon; (c) the independent auditor's judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors' audit plan; and (e) any serious difficulties or disputes with management encountered during the audit.
19. Periodically review the Company's code of conduct to ensure that it is adequate and up-to-date.
20. Review the procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.
21. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.
22. The Audit Committee will perform such other functions as assigned by law, the Company's charter or bylaws, or the board of directors.
23. The Audit Committee will evaluate the independent auditors.