



XALI
GOLD CORP

**NOTICE OF MEETING
AND INFORMATION CIRCULAR
FOR THE
ANNUAL GENERAL MEETING OF
XALI GOLD CORP.**

TO BE HELD ON TUESDAY, DECEMBER 14, 2021

DATED: NOVEMBER 01, 2021



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Vancouver BC, V6E 2S1
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NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 14, 2021

Meeting Date, Location and Purposes

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of holders of common shares of Xali Gold Corp. (“**Xali Gold**” or the “**Company**”) will be held on Tuesday, December 14, 2021 (“**Meeting Date**”), at 2:00 p.m. (Pacific Time) on the 3rd Floor Boardroom, 633 Kinghorne Mews, Vancouver, Canada, V6Z 3H5 for the following purposes:

to receive the report of the directors;

1. to receive the audited consolidated financial statements of the Company for the fiscal year ended March 31, 2021, and the auditors’ report thereon;
2. to fix the number of directors at five (5);
3. to elect the directors of the Company for the ensuing year;
4. to appoint Davidson & Company LLP, Chartered Professional Accountants, as the Company’s auditor for the ensuing year and authorize the directors to fix its remuneration;
5. to confirm, ratify and approve the Company’s Stock Option Plan, as more particularly described in the accompanying management information circular dated November 1, 2021 (the “**Information Circular**”); and
6. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

For detailed information with respect to each of the above matters, please refer to the sub-section bearing the corresponding title under “Particulars of Matters to be acted on at the Meeting” in the Information Circular.

Accompanying this Information Circular, are the Notice Document, the Form of Proxy (the “Proxy”) and Financial Statement Request Form. The Information Circular provides additional information relating to the matters to be addressed at the Meeting. Xali Gold recommends that shareholders review the Information Circular before voting.

Voting Process

Registered Shareholders at the close of business on October 26, 2021, may vote in person at the Meeting or by proxy as follows:

By telephone: Call the toll-free number indicated on the Proxy form and follow the instructions. If you choose the telephone, you cannot appoint any person other than the officers named on the form of Proxy as your Proxy holder.

On the internet: Go to the website indicated on the Proxy form and follow the instructions on the screen. If you return your Proxy via the internet, you can appoint another person, who need not be a shareholder, to represent you at the Meeting by inserting such person’s name in the blank space provided on the form of Proxy. Complete your voting

instructions and date and submit the form. Ensure that the person you appoint is aware that he or she has been appointed, and attends the Meeting.

By mail: Complete the form of Proxy and return it in the envelope provided. If you return your Proxy by mail, you can appoint another person, who need not be a shareholder, to represent you at the Meeting by inserting such person's name in the blank space provided in the form of Proxy. Complete your voting instructions and date and sign the form. Ensure that the person you appoint is aware that he or she has been appointed, and attends the Meeting.

The deadline for receiving duly completed and executed forms of Proxy or submitting your Proxy by telephone or over the internet is by 2:00 p.m. (Pacific Time) on December 10, 2021, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof.

Non-Registered Shareholders may vote or appoint a Proxy using their voting instruction form at least one business day in advance of the Proxy deposit deadline noted on the form. Please follow the instructions of your intermediary, including those regarding when and where the Proxy or voting instruction form is to be delivered.

In compliance with the current government orders and guidelines aimed at ensuring public safety in the face of the COVID-19 pandemic Xali Gold Corp. strongly encourages shareholders to vote in advance of the meeting using the Form of Proxy. Please be sure to vote in advance of the meeting prior to the 2:00 pm, Pacific Standard Time deadline on Friday, December 10, 2021.

Dated at Vancouver, British Columbia this 1st day of November 2021.

BY ORDER OF THE BOARD OF DIRECTORS

“Joanne C. Freeze” (signed)

Chief Executive Officer
President and Director

Letter to Shareholders

XALI GOLD CORP.

Dear Shareholder,

ANNUAL GENERAL MEETING 2021

The 2021 Annual General Meeting of Xali Gold Corp. will be held at 2:00pm (PST) on Tuesday December 14th, 2021.

The directors of Xali Gold would normally cordially invite you to attend the annual general meeting (the “**Meeting**”) of the shareholders of the Company, however, due to the COVID pandemic we ask you to vote in advance of the Meeting (prior to the 2:00 pm, Pacific Standard Time deadline on Friday, December 10th, 2021).

Shareholders can watch and participate in the Meeting by Zoom if desired. Details of the Zoom video/telephone call may be received by registering by email to info@xaligold.com by December 10, 2021 (prior to 2:00 pm).

The Meeting will cover the ordinary business transacted annually and any other business which may be brought before the Meeting in accordance with the Company’s charter documents.

Shareholders will be asked to support several resolutions being put at the meeting, namely (i) set the number of directors at 5; (ii) the re-election of the current Directors, Joanne C. Freeze, Larry D. Kornze, Ian Ward, Mark Lotz and Matthew Melnyk; (iii) appointing Davidson & Company LLP, Chartered Professional Accountants as auditors of the Company for the ensuing year and authorizing directors to fix their remuneration; (iv) approving the Company’s Stock Option Plan of the Company; and (iv) approving Other Business that may properly come before the meeting or any adjournment or adjournments thereof.

Further information on these resolutions can be found in the enclosed Notice of Meeting.

We look forward to your participation at the Meeting.

Sincerely,

“*Joanne C. Freeze*” (signed)

Chief Executive Officer
President and Director

XALI GOLD CORP.
Suite 801, 1112 West Pender Street
Vancouver, B.C., Canada V6E 2S1
Telephone: (604) 689-1957
Email: info@xaligold.com

MANAGEMENT INFORMATION CIRCULAR

(Containing information as at **November 1, 2021**, except as indicated otherwise)

SOLICITATION OF PROXIES

Xali Gold Corp. (“**Xali Gold**” or “**Company**”) is providing this information circular (the “**Information Circular**”) in connection with management’s solicitation of proxies for use at the annual general meeting of the Company (the “**Meeting**”) (and any adjournment thereof) to be held on **Tuesday, December 14, 2021**, at the time and place and for the purposes set forth in the accompanying Notice of Meeting (“**Notice of Meeting**”). Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included.

The solicitation of proxies (in the accompanying form of proxy (the “**Proxy**”) will be primarily by mail, but Proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* (“**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 the common shares in the capital of the Company (“**Common Shares**”) held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. All costs of this solicitation will be borne by the Company.

The Company has given notice of the Meeting in accordance with NI 54-101, pursuant to which it has sent the Notice of Meeting, Proxy and a financial statement request form directly to its registered shareholders (“**Registered Shareholders**”) and its beneficial shareholders (“**Beneficial Shareholders**”).

APPOINTMENT OF PROXYHOLDERS

The individuals named (“**Management Nominees**”) in the Proxy are directors and/or officers of the Company. **A shareholder wishing to appoint some other person (who need not be a shareholder) to represent him or her at the Meeting has the right to do so, either by striking out the names of those persons named in the Proxy and inserting the desired person’s name in the blank space provided in the Proxy or by completing another Proxy. A Proxy will not be valid unless the completed form of proxy is received by Computershare Investor Services Inc. (“Computershare” or the “Transfer Agent”), Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or any adjournment thereof. Proxies delivered after that time will not be accepted.**

REVOCAILITY OF PROXIES

A Registered Shareholder of Common Shares who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing, or, where the Registered Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5 (Attention: Brett Kagetsu), at any time up to and including the last business day preceding the day 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 a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

EXERCISE OF DISCRETION

The Common Shares represented by a properly executed Proxy in favour of Management’s Nominees in the Proxy will 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 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 OR FOR WHICH BOTH CHOICES HAVE BEEN SPECIFIED, BY THE REGISTERED SHAREHOLDER.

The Proxy will confer discretionary authority on the nominees named therein with respect to each matter or group of matters identified therein for which a choice is not specified other than the appointment of an auditor and the election of directors, any amendment to or variation of any matter identified therein and any other matter that properly comes before the Meeting.

As of the date of this Information Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting but, if any amendment, variation or other matter properly comes before the Meeting, each nominee in the accompanying form of Proxy intends to vote thereon in accordance with the nominee's best judgment.

REGISTERED SHAREHOLDERS

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., by mail or by hand to the Proxy Dept., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to the toll-free number indicated in the Proxy. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the holder's account number and the Proxy control number;
- (c) using the Internet via the website of the Company's transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the Proxy control number; or
- (d) using a Smartphone, scan the QR codes on the Proxy,

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.

BENEFICIAL (NON-REGISTERED) SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular, collectively, as "Beneficial Shareholders") should note that only Proxies deposited by Registered Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon 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 the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In the United States the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS Inc. (the registration name for CDS Clearing and Depository Services Inc. and which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person in accordance with the procedures outlined in this section.

Applicable 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 (or the agent of the broker) is similar to the form of Proxy provided to a

Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (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**”) in the United States and in Canada. Broadridge typically prepares its own machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and requests the Beneficial Shareholders to return those forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or by 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 receiving a Broadridge voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting. That voting instruction form must be returned to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or by telephone), well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the instrument of Proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.**

This Information Circular and accompanying materials are being sent to both Registered Shareholders and Beneficial Shareholders who opted to receive one under Notice and Access. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**NOBOs**”). Subject to the provision of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of Proxy-related materials directly (not via Broadridge) to such NOBOs.

Meeting materials sent to Beneficial Shareholders who have not waived their right to receive Meeting materials are accompanied by a request for a voting instruction form. This form is provided instead of a Proxy. By returning the voting instruction form in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. Voting instruction forms, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the voting instruction form.

Management of the Company does not intend to pay for intermediaries to forward to OBOs (who have not otherwise waived their right to receive proxy-related materials) under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*. Accordingly, an OBO will not receive the materials unless the OBO’s intermediary assumes the costs of delivery.

The Company is sending proxy-related meeting materials to registered shareholders and Beneficial Shareholders using the Notice-and-Access procedure described in NI 54-101 and National Instrument 51-102 Continuous Disclosure Obligations (“**NI 51-102**”).

IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE REFER TO THE INSTRUCTIONS SET OUT ON THE “REQUEST FOR VOTING INSTRUCTIONS” THAT RELATES TO THIS INFORMATION CIRCULAR.

RECORD DATE AND VOTING SECURITIES

The Company has set the close of business on **Tuesday, October 26, 2021**, as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only the Registered Shareholders are entitled to receive notice of and to vote at the Meeting. Beneficial Shareholders receive notice and are entitled to vote by virtue of the provisions of NI 54-101.

On a show of hands, every individual 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. Shareholders represented by proxy holders are not entitled to vote on a show of hands.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares, of which 122,160,494 were issued and outstanding as at the record date of October 26, 2021. Persons who are Registered Shareholders at the close of business on **Tuesday, October 26, 2021**, will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Common Share held. The Company has only one class of shares.

To the knowledge of the directors and executive officers of the Company, the only person or corporation that beneficially owns, directly or indirectly, or exercises control or direction over Common Shares carrying 10% or more of the voting rights attached to any class of voting securities of the Company is as follows:

<i>Name</i>	<i>Number of Common Shares Held</i>	<i>Percentage</i>
Hans von Michaelis	13,640,333 ⁽¹⁾	11.16%

For information concerning the Company's incorporation particulars, corporate structure, business history and description, and projects, please refer to the Company's public filings available both on the Company's profile at www.sedar.com ("SEDAR") and on the Company's website at www.xaligold.com.

FIXING THE NUMBER OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at five (5). The board of directors ("the **Board**") proposes that the number of directors be fixed at five (5). Shareholders will, therefore, be asked to approve an ordinary resolution that the number of directors elected be fixed at five (5).

ELECTION OF DIRECTORS

The term of office of each of the current directors expires at the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Unless holders provide other instructions, the enclosed Proxy will be voted for the nominees listed below, all of whom are presently members of the Board of Directors. Management does not expect that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the Proxy will exercise his or her discretionary authority to vote the Common Shares represented by the Proxy for the election of any other person or persons as directors.

The following table and notes include the names of each person proposed to be nominated by management for election as a director (a "**proposed director**"), the province or state and country in which he or she is ordinarily resident, all offices of the Company now held by him or her, his or her principal occupation, the period of time for which he or she has been a director of the Company, and the number of Common Shares beneficially owned by him or her, directly or indirectly, or over which he or she exercises control or direction, as at the date hereof.

Name, Province or State and Country of Residence and Position ⁽¹⁾	Present Principal Occupation ⁽¹⁾	Date of Appointment/Election as a Director	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed
Joanne C. Freeze, P.Geo. British Columbia, Canada <i>President, CEO and Director</i>	Professional Geoscientist since 1989, Geological and Exploration Consultant since 1981. CEO, President and Director of the Company. CEO, President and Director of Candente Copper Corp. ⁽⁶⁾ since July 1997.	April 24, 2009	117,600 ⁽²⁾ 5,244,552 ⁽³⁾⁽⁷⁾
Larry D. Kornze, P.Eng. ⁽⁴⁾⁽⁵⁾ Idaho, USA <i>Independent Director</i>	Professional Engineer. Independent Director of the Company. Former Independent Director of Candente Copper Corp. ⁽⁶⁾ from 2002 until 2009.	May 12, 2009	383,000 ⁽²⁾
Ian Ward, P. Eng ⁽⁴⁾⁽⁵⁾ Ontario, Canada <i>Independent Director</i>	Professional Engineer. Independent Director of the Company. Director of NorZinc Ltd. Formerly, a Vice President of Metallurgy of Kinross Gold Corporation.	February 6, 2017	Nil
Mark Lotz ⁽⁴⁾ British Columbia, Canada <i>CFO and Director</i>	Chartered Professional Accountant. CFO and Director of the Company. CFO of Candente Copper Corp. ⁽⁶⁾	February 13, 2019	Nil
Matthew Melnyk ⁽⁵⁾ New York, USA <i>Director and Director of Operations</i>	Professional Geologist. Director of the Company. Director of Operations since April 2020.	June 6, 2019	Nil

Notes:

- (1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective nominees.
- (2) Common Shares beneficially owned, directly.
- (3) Common Shares beneficially owned, indirectly.
- (4) Member of the Audit Committee.
- (5) Member of the Compensation and Governance Committee.
- (6) Denotes publicly traded company.
- (7) Of this total, 534,552 shares are held by Freeze Family Holdings Ltd. and 4,710,000 shares are held by Ridley Rocks Inc., both companies controlled by Ms. Freeze.

To the knowledge of the Company, no director or proposed director (or any of their personal holding companies):

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company (including the Company) that:
 - (i) was the subject to an order that was issued while the proposed director was acting in the capacity of director, CEO or CFO of such company; or
 - (ii) was subject to an order 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 of director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; 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 security holder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

General

The following information of the Company is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*:

“**Company**” means Xali Gold Corp.;

“**Compensation Securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

“**External Management Company**” includes a subsidiary, affiliate or associate of the external management company;

“**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, during any part of the Company’s financial year ended March 31, 2021 served as chief executive officer (“**CEO**”) of the Company, including an individual performing functions similar to a CEO;
- (b) each individual who, during any part of the Company’s financial year ended March 31, 2021, served as chief financial officer (“**CFO**”) of the Company, including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officers other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year ended March 31, 2021 whose total compensation was more than \$150,000, as determined in accordance with subsection 1.2(5) of Form 51-102F6V, for the financial year ended March 31, 2021; and
- (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, as at March 31, 2021.

Based on the foregoing definition, the Company has two Named Executive Officers: Joanne Freeze, the Company’s CEO and President and Mark Lotz, the Company’s CFO.

“**Plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

“**Underlying Securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

COMPENSATION DISCUSSION & ANALYSIS

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

2.1 Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to the Company’s Named Executive Officers and directors for each of the Company’s two (2) most recent completed financial years:

Table of Compensation Excluding Compensation Securities

Name and position	Year Ended March 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Joanne Freeze ⁽³⁾ President, CEO and Director	2021	48,000 ⁽¹⁾	Nil	N/A	Nil	Nil	48,000 ⁽¹⁾
	2020	48,000 ⁽¹⁾	Nil	N/A	Nil	Nil	48,000 ⁽¹⁾
Mark Lotz ⁽⁴⁾ CFO and Director	2021	29,125 ⁽¹⁾	Nil	N/A	Nil	Nil	29,125 ⁽¹⁾
	2020	28,500 ⁽¹⁾	Nil	N/A	Nil	2,250	30,750 ⁽¹⁾
Larry D. Kornze ⁽⁵⁾ Director	2021	Nil	Nil	N/A	Nil	Nil	Nil
	2020	Nil	Nil	N/A	Nil	Nil	Nil
Ian Ward ⁽⁶⁾ Director	2021	Nil	Nil	N/A	Nil	Nil	Nil
	2020	Nil	Nil	N/A	Nil	Nil	Nil
Matthew Melnyk ⁽⁷⁾ Director Operations and Director	2021	91,894 ⁽²⁾	Nil	N/A	Nil	Nil	91,894 ⁽²⁾
	2020	Nil	Nil	N/A	Nil	Nil	Nil

Notes:

(1) Amounts are unpaid and accrued as at March 31, 2021.

(2) Of this amount \$58,488 are unpaid and accrued as at March 31, 2021.

(3) Ms. Joanne Freeze was appointed President, CEO and director of the Company on April 24, 2009. All amounts pertain to Consulting Fees for Management and Geological Services billed to the Company by Ridley Rocks Inc. and provided by J. Freeze.

(4) Mr. Mark Lotz was appointed CFO of the Company on October 1, 2018 and director of the Company on February 13, 2019. All amounts pertain to Consulting Fees billed to the Company by Lotz CPA Inc. and provided by Mark Lotz.

(5) Mr. Larry D. Kornze was appointed a director of the Company on May 12, 2009.

(6) Mr. Ian Ward was appointed a director of the company on February 3, 2017.

(7) Mr. Matthew Melnyk was appointed a director of the Company on June 6, 2019 and Director of Operations in April 28, 2020.

2.2 External Management Companies

Ms. Joanne Freeze owns a management and geological consulting company, Ridley Rocks Inc., which bills the Company for her services.

Mr. Mark Lotz owns an accounting consulting company, Lotz CPA Inc., which bills the Company for his services.

2.3 Stock Options and Other Compensation Securities

The following table sets out all Compensation Securities granted or issued to all Named Executive Officers and directors by the Company or one of its subsidiaries during the most recently completed financial fiscal year ended March 31, 2021 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security on date of grant (\$)	Closing Price of Security on date at year end (\$)	Expiry Date
Joanne Freeze ⁽¹⁾ President, CEO and Director	Stock options	600,000	January 18, 2021	\$0.05	\$0.06	\$0.065	January 18, 2026
Mark Lotz ⁽²⁾ CFO and Director	Stock options	400,000	January 18, 2021	\$0.05	\$0.06	\$0.065	January 18, 2026
Larry D. Kornze ⁽³⁾ Director	Stock options	300,000	January 18, 2021	\$0.05	\$0.06	\$0.065	January 18, 2026
Ian Ward ⁽⁴⁾ Director	Stock options	300,000	January 18, 2021	\$0.05	\$0.06	\$0.065	January 18, 2026
Matthew Melnyk ⁽⁵⁾ Dir. Operations and Director	Stock options	600,000	January 18, 2021	\$0.05	\$0.06	\$0.065	January 18, 2026

Notes:

- (1) As at March 31, 2021, Ms. Joanne Freeze held stock options exercisable into 2,400,000 common shares, of which 1,950,000 stock options have vested.
- (2) As at March 31, 2021, Mr. Mark Lotz held stock options exercisable into 650,000 common shares, of which 350,000 stock options have vested.
- (3) As at March 31, 2021, Mr. Larry D. Kornze held stock options exercisable into 750,000 common shares, of which 525,000 stock options have vested.
- (4) As at March 31, 2021, Mr. Ian Ward held stock options exercisable into 750,000 common shares, of which 525,000 stock options have vested.
- (5) As at March 31, 2021, Mr. Matthew Melnyk held stock options exercisable into 850,000 common shares, of which 400,000 stock options have vested.

No director or NEO of the Company exercised stock option during the most recently completed financial fiscal year ended March 31, 2021.

2.4 Stock Option Plans and Other Incentive Plans

The Company's 2015 stock option plan (the "Plan") was adopted in August 17, 2015 and ratified and approved by shareholders at the Company's last annual general meeting held on December 18, 2020.

The Plan is a “rolling” stock option plan, and the purpose is to allow the Company to grant options to Directors, Employees and Consultants, as an incentive to dedicate their efforts to advance the success of the Company and its subsidiaries. Details of the Plan are set out in detail under the heading “Stock Option Plan and Securities Authorized for Issuance Under Executive Compensation Plan”.

2.5 Employment, Consulting and Management Agreements

The Company and its subsidiaries have no employment contracts with any NEOs, any contract, agreement, plan or arrangement that provides for payments to the NEOs at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation or a change in the NEOs’ responsibilities, except as follows:

Pursuant to the RRI Agreement made as of April 1, 2018, between the Company and Ridley Rocks Inc. (“RRI”, a company in respect of which Ms. Joanne Freeze, the Company's President and CEO, is the principal), the Company has agreed to pay RRI a monthly retainer of \$4,000 for 20% of her time and a daily fee for services rendered by RRI to the Company for time that exceeds the amount of time covered by the retainer. The RRI Agreement also contains a provision for the potential payment of an annual bonus (the “Target Bonus”) to be determined by the Company’s Compensation Committee. The Target Bonus has initially been set at the amount of \$75,000. Both the Target Bonus and the daily fee are subject to adjustment on an annual basis. On a "change of control" of the Company, at any time to the date that is sixty (60) days following the date of the change of control, either the Company or RRI may terminate the RRI Agreement, in which case the Company or the Surviving Corporation will pay to Consultant a fee equal to \$500,000, together with all applicable taxes including GST on such amounts (collectively, the "Control Fee"). In addition, the RRI Agreement provides for a Termination payment of \$200,000 on termination of the consulting services, by the Company, without cause. Any Termination payment would be deducted from the Change in Control payment.

Pursuant to a consulting services agreement (the “Melnyk Geological Services Agreement”) made as of April 21, 2020, between the Company and Bullion Exploration Inc (“Bullion”), a company owned by Mr. Melnyk, the Company agreed to retain Mr. Melnyk to provide geological consulting and Technical Officer services at a fee of US\$825/day. In the event the Company enters into a definitive agreement providing for a “change of control” (as defined in the Melnyk Agreement) or a change of control of the Company occurs, Melnyk has the right under the Melnyk Agreement at any time to the date that is sixty (60) days following the date of the change of control, to terminate the Melnyk Agreement, whereupon the Company is required to pay to Melnyk a fee of Cdn\$200,000. In addition, the Melnyk Agreement provides for Termination payment of Cdn\$50,000 on termination of the consulting services, by the Company, without cause. Any Termination payment would be deducted from the Change in Control payment.

Pursuant to a consulting services agreement (the “Lotz CPA Agreement”) made as of October 1, 2018, between the Company and Lotz CPA Inc. (“Lotz CPA”), a company owned by Mr. Mark Lotz, the Company agreed to retain Mr. Lotz to provide financial consulting & Chief Financial Officer services at a fee of \$28,500 per annum. In the event the Company enters into a definitive agreement providing for a “change of control” (as defined in the Lotz CPA Agreement) or a change of control of the Company occurs, Lotz CPA has the right under the Lotz CPA Agreement at any time to the date that is sixty (60) days following the date of the change of control, to terminate the Lotz CPA Agreement, whereupon the Company is required to pay to Lotz CPA a fee of \$28,500. In addition, the Lotz CPA Agreement provides for Severance payment of \$28,500 on termination of the consulting services, by the Company, without cause. Any Severance payment would be deducted from the Change in Control payment. Effective January 1, 2021 the annual fee was increased to \$29,925 per annum.

2.6 Oversight and Description of Named Executive Officer and Director Compensation

The Company does not have a formal executive compensation program. The Company’s Named Executive Officer and Director Compensation is administered by the Board with recommendations made to it by the Compensation Committee. The Board has primary responsibility for approval with respect to the appointment and remuneration of Named Executive Officers of the Company and the remuneration of the Board. The Board also evaluates the performance of the Company’s senior executive officers and reviews the design and competitiveness of the Company’s compensation plans.

The executive compensation program is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and the long term. Base salaries are competitive with corporations of a comparable size and stage of development within the mineral exploration industry, thereby enabling the Company to compete for and retain executives critical to the Company's long term success. Incentive compensation is directly tied to corporate and individual performance. Share ownership opportunities are provided to align the interests of executive officers with the longer term interests of shareholders. Compensation for each of the Named Executive Officers consists of a base fee, along with annual incentive compensation in the form of a performance based bonus, and a longer term incentive in the form of stock options.

Base Fee

The Board approves ranges for base salaries/fees to be paid to the Chief Executive Officer, Chief Financial Officer and Corporate Secretary of the Company based on reviews of market data from peer companies in the mineral exploration industry. In selecting peer group companies, the Board primarily looks for public companies that are comparable in terms of business and size. The level of base salary for each employee within a specified range is determined by the level of past performance, as well as by the level of responsibility and the importance of the position to the Company.

The Board approves the base fees to be paid to the Chief Executive Officer, Chief Financial Officer and Corporate Secretary.

Annual Bonus

Senior managers are eligible for annual incentive awards. Corporate performance, as assessed by the Board, determines the aggregate amount of bonus to be paid by the Company to all eligible senior managers in respect of a fiscal year.

The aggregate amount of bonus to be paid will vary with the degree to which targeted corporate performance was achieved for the year. The individual performance factor allows the Company effectively to recognize and reward those individuals whose efforts have assisted the Company to attain its corporate performance objective.

The Board approves the bonuses to be paid to the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary.

Stock Options

The Plan is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term, to enable the Company to attract and retain individuals with experience and ability and to reward individuals for current performance and expected future performance. The Board considers stock option grants when reviewing executive officer compensation packages as a whole.

The Board has sole discretion to determine the key employees to whom it recommends that grants be made and to determine the terms and conditions of the options forming part of such grants. The Board approves ranges of stock option grants for each level of executive officer. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of the position to the Company.

The number of stock options which may be issued under the Plan in the aggregate and in respect of any fiscal year is limited under the terms of the Plan and cannot be increased without shareholder approval.

Directors

The Board of Directors determined that no Directors fees are to be paid until the Company has a minimum Market Value of \$75,000,000. This is reviewed annually and could be changed.

In addition, all directors are entitled to be reimbursed for reasonable travel expenses incurred with respect to their attendance at meetings of the Board of Directors and the Board Committees. In addition, each director is eligible to receive stock options pursuant to the Plan.

2.7 Pension Disclosure

The Company does not have any pension plans in place that provide for payments or benefits made to the NEOs or directors at, following, or in connection with retirement during the during the most recently completed financial fiscal year ended March 31, 2021.

STOCK OPTION PLAN AND SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

On July 27, 2015, the Company transferred the listing of the Common Shares from the Toronto Stock Exchange to the TSX Venture Exchange, and in connection with such transfer, the TSXV required the Company to make significant changes to its then existing stock option plan (the “**Old Option Plan**”) to comply with requirements set forth in TSXV policies. On August 17, 2015, the Board approved a new 10% rolling Stock Option Plan that incorporated TSXV requirements and replaced the Old Option Plan. The Stock Option Plan was last approved by Shareholders on December 18, 2020. Under Policy 4.4 of the TSXV, "rolling" stock option plans must receive approval of the shareholders on a yearly basis. Accordingly, Shareholders will be asked at the Meeting to pass an ordinary resolution approving the Stock Option Plan.

The following is a brief description of the material provisions of the Stock Option Plan, and is qualified in its entirety by the full text of the Stock Option Plan, a copy of which will be available for inspection at the Meeting. A Shareholder may also obtain a copy of the Plan by contacting the Company.

Administration: The Stock Option Plan is administered by the Board or by a committee of two or more directors who may be designated from time to time to serve as the committee for the Stock Option Plan. Subject to the limitations of the Stock Option Plan, the Board has full power to grant options, to determine the terms, limitations, restrictions and conditions respecting such options and to settle, execute and deliver option agreements and bind the Company accordingly, to interpret the Stock Option Plan and to adopt such rules, regulations and guidelines for carrying out the Stock Option Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Stock Option Plan.

Total number of securities issuable and securities issued under the Stock Option Plan: The maximum aggregate number of Common Shares reserved for issuance pursuant to the exercise of options granted under the Stock Option Plan is 10% of the outstanding Common Shares as at the date of a stock option grant. If any option subject to the Stock Option Plan is forfeited, expires, is terminated or is cancelled for any reason other than by reason of exercise, then the maximum number of Common Shares for which options may be granted must be increased by the number of Common Shares which were the subject of such forfeited, expired, terminated or cancelled option. The maximum number of Common Shares must be appropriately adjusted in the event of a subdivision or consolidation of the Common Shares.

Option Exercise Price: The exercise price per Common Share under an option must be determined by the administrator, in its discretion, at the time such option is granted, but such price shall not be less than the closing price of the Common Shares on the TSXV on the trading day immediately preceding the day on which the option is granted, less any allowable discount (provided that if there are no trades on such day then the last closing price within the preceding ten trading days will be used, and if there are no trades within such ten-day period, then the simple average of the bid and ask prices on the trading day immediately preceding the day of grant will be used) and, in any event, the exercise price per Common Share will not be less than \$0.05, being the minimum exercise price allowable under the policies of the TSXV. Subject to TSXV approval, the exercise price per optioned share under an option may be reduced at the discretion of the administrator if (i) prior TSXV approval is obtained and at least six months has elapsed since the later of the date such option was granted and the date the exercise price for such option was last amended; and (ii) disinterested shareholder approval is obtained for any reduction in the exercise price under an option held by an insider of the Company at the time of the proposed reduction; provided that if the exercise price is reduced to the then discounted market price (as defined by policies of the TSXV), the TSXV four month hold period will apply from the date of the amendment and further provided that no such conditions will apply in the case of an adjustment made in the event of any subdivision or consolidation of the Common Shares.

Tax Withholding: The Stock Option Plan establishes that the Company shall have the right to withhold from any amount payable to an optionee such amount as may be necessary to enable the Company to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to awards under the Stock Option Plan. The Company shall also have the right in its discretion to satisfy any liability for any withholding obligations by selling, or causing a broker to sell, on behalf of any participant such number of Common Shares issued to the participant pursuant to an exercise of options under the Stock Option Plan as is sufficient to fund the withholding obligations (after deducting commissions payable to the broker), or retaining any amount or consideration which would otherwise be paid, delivered or provided to the participant under the Stock Option Plan. The Company may require a participant, as a condition to exercise of an option, to make such arrangements as the Company may require so that the Company can satisfy applicable withholding obligations, including, without limitation: (i) requiring the participant to remit the amount of any such withholding obligations to the Company in advance; (ii) requiring the participant to reimburse the Company for any such withholding obligations; or (iii) causing a broker who sells such shares on behalf of the participant to withhold from the proceeds realized from such sale the amount required to satisfy any such withholding obligations, and remitting such amount directly to the Company.

Eligible participants under the Stock Option Plan: Options may be granted to:

- (a) a director of the Company;
- (b) a senior officer of the Company;
- (c) an employee of the Company, which is an individual who (i) is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source); (ii) works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or (iii) works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (d) a management company employee, which is an individual employed by a person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in investor relations activities (as defined by the policies of TSXV);
- (e) a consultant to the Company and its affiliates (as defined by the policies of TSXV), which is an individual (or a corporation or partnership of which the individual is an employee, shareholder or partner), other than an employee, senior officer, management company employee or director of the Company that (i) is engaged to provide on an ongoing bona fide basis, consulting, technical management or other services to the Company or its affiliate other than services provided in relation to a distribution of securities; (ii) provides the services under a written contract between the Company or its affiliate and the individual or the consultant company; (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or its affiliate; and (iv) has a relationship with the Company or its affiliate that enables the individual to be knowledgeable about the business and affairs of the Company;
- (f) an issuer all the voting securities of which are owned by such persons,

who are in the opinion of the administrator in a position to contribute to the success of the Company or any of its subsidiaries or who, by virtue of their service to the Company or any of its subsidiaries, are in the opinion of the administrator, worthy of special recognition.

The maximum percentage of Common Shares that insiders are entitled to receive under the Stock Option Plan: Unless the Company obtains “disinterested shareholder” approval in accordance with the policies of the TSXV:

- (a) the maximum aggregate number of Common Shares that may be reserved for issuance to insiders of the Company under the Stock Option Plan; and
- (b) the maximum aggregate number of options granted to insiders of the Company under the Stock Option Plan within a 12-month period,

may not exceed 10% of outstanding Common Shares at the time of grant.

The maximum percentage of Common Shares that any one individual is entitled to receive under the Stock Option Plan: Unless the Company obtains “disinterested shareholder” approval in accordance with the policies of the TSXV, the maximum aggregate number of Common Shares that may be reserved under the Stock Option Plan for issuance to any one person (and any companies wholly-owned by that person), in any 12-month period must not exceed 5% of the outstanding Common Shares at the time of grant.

The maximum percentage of Common Shares that any one consultant is entitled to receive under the Stock Option Plan: The maximum aggregate number of Common Shares that may be reserved under the Stock Option Plan for issuance to any one consultant during any 12-month period must not exceed 2% of the outstanding Common Shares at the time of grant.

The maximum percentage of Common Shares that persons retained to provide investor relations activities are entitled to receive under the Stock Option Plan: The maximum aggregate number of Common Shares that may be reserved during any 12-month period under the Stock Option Plan for issuance to all persons retained to provide investor relations activities, as that term is defined by the policies of the TSXV, must not exceed 2% of the outstanding Common Shares at the time of grant.

Vesting of Options: Subject to the policies of the TSXV, an option shall vest and may be exercised (in each case to the nearest full Common Share) during the option period in accordance with any vesting schedule as the Board may determine from time to time in its sole discretion. The vested portions of options will be exercisable, in whole or in part, at any time after vesting. If an option is exercised for fewer than all of the Common Shares for which the option has then vested, the option shall remain in force and exercisable for the remaining Common Shares for which the option has then vested, according to the terms of such option. Options issued to persons retained to provide investor relations activities will be subject to a vesting schedule of at least 12 months whereby no more than 25% of the options granted may be vested in any 3 month period.

Terms of Options: The option period for an option shall be determined by the administrator at the time the option is granted and may be up to 10 years from the date the option is granted. At the time an option is granted, the administrator may determine that, with respect to that option, upon the occurrence of an optionee ceasing to be a director, senior officer, employee, management company employee, or consultant of the Company for any reason excluding termination for cause or death or on account of disability, there shall come into force a time limit for exercise of such option which is different than the option period, and in the event of such a determination, the option agreement for such option shall contain provisions which specify the events and time limits related to that determination. Subject to the applicable maximum option period provided for under the Stock Option Plan and subject to applicable regulatory requirements and approvals, the administrator may extend the option period of an outstanding option beyond its original expiration date (whether or not such option is held by an insider), provided such option has been outstanding for at least one year prior to such extension. If such expiry of the option period falls within a blackout period, the expiry of the option shall automatically be extended to the date which is 10 business days after the expiry of the blackout period, provided that the optionee or the Company is not subject to a cease trading order, or similar order under securities laws, in respect of the Company’s securities.

Causes of cessation of entitlement: In the event that the optionee shall cease to be a director, senior officer, employee, management company employee or consultant of the Company by reasons of such optionee’s termination for cause, the option shall terminate and shall cease to be exercisable upon such termination for cause. In the event that the optionee shall cease to be a director, senior officer, employee, management company employee or consultant of the Company by reason of such optionee’s disability, any options held by such optionee that could have been exercised immediately prior to such cessation shall be exercisable by such optionee, or by his or her guardian, for a period of 30 days following the date of such cessation (if such optionee dies within that 30 day period, any option held by such optionee that could have been exercised immediately prior to his or her death shall pass to the qualified successor of

such optionee, and shall be exercisable by the qualified successor until the earlier of 30 days following the death of such optionee and the expiry of the option period). In the event that the optionee shall cease to be a director, senior officer, employee, management company employee or consultant of the Company by reason of such optionee's death, any options held by such optionee shall pass to the qualified successor of the optionee and shall be exercisable by such qualified successor until the earlier of one year following the date of such death and the original expiry date of such option.

Assignability of Options: Neither the options nor the benefits and rights of any optionee under any option or under the Stock Option Plan shall be assignable or otherwise transferable, except as specifically provided under the Stock Option Plan in the event of the death or disability of an optionee. During the lifetime of the optionee, all options may only be exercised by the optionee.

Amendment or termination of the Stock Option Plan: The Board reserves the right to amend or terminate the Stock Option Plan at any time if and when it is deemed advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding options granted under the Stock Option Plan without the consent of the optionee. Any amendment to the Stock Option Plan shall also be subject to acceptance of such amendment or amended plan for filing by the TSXV and, where required by the TSXV, the approval of the Shareholders.

Adjustments: Following the date an option is granted, the exercise price for and the number of Common Shares which are subject to an option will be adjusted, with respect to the then unexercised portion thereof, in the events and in accordance with the provisions and rules set out under the Stock Option Plan, with the intent that the rights of optionees under their options are, to the extent possible, preserved and maintained notwithstanding the occurrence of such events. If the outstanding Common Shares are changed into or exchanged for a different number of Common Shares or into or for other securities of the Company or securities of another company or entity, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then on each exercise of the option which occurs following such events, for each optioned share for which the option is exercised, the optionee shall instead receive the number and kind of shares or other securities of the Company or other company into which such Common Share would have been changed or for which such Common Share would have been exchanged if it had been outstanding on the date of such event and the exercise price will be similarly adjusted so that the aggregate price to exercise the option is preserved.

The following table sets out equity compensation plan information as at the end of the financial year ended March 31, 2021. The Stock Option Plan was last approved by Shareholders on December 18, 2020.

Plan Category	Number of securities to be issued upon exercise of outstanding options ⁽¹⁾	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) ⁽²⁾
	(a)	(b)	(c)
Equity compensation plans approved by securityholders	10,700,000	\$0.06	1,220,692
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	10,700,000	\$0.06	1,220,692

Notes:

- (1) Assuming outstanding options are fully vested.
- (2) Excluding the number of shares issuable on exercise of the outstanding options shown in the second column.

INDEBTEDNESS TO COMPANY OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's last completed financial year or as of November 1, 2021, was any director, executive officer or employee or proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries is or has been indebted to the Company or any of its subsidiaries, or is or has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

APPOINTMENT OF AUDITOR

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

MANAGEMENT CONTRACTS

Except as disclosed herein, no management functions of the Company are performed to any substantial degree by persons other than the directors and officers of the Company. Please see "Summary Compensation Table" and "Termination and Change of Control Benefits" above for a summary of the Company's management contracts.

INTEREST OF CERTAIN PERSONS OR COMPANIES 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, none of Company management's proposed nominees for election as 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 the auditor. Directors and executive officers may be interested in the annual approval of the Stock Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, no informed person of the Company or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

On September 10, 2020, the Company signed a Letter of Intent ("Agreement") to enter into a profit sharing agreement on the Cocula Gold Project ("Cocula") in Jalisco State, Mexico. It will be the Company's responsibility to put the Property into production and property owners will retain 25% of the profits derived from mining, processing and product sales. Xali Gold will be entitled to receive 70% of any potential profits that may be derived from mining and processing of the deposit.

The Company has also agreed to pay 5% of profits to Mingeo International as a finder's fee such that the Company will have the rights to retain 70% of all profits. Matthew Melnyk, a Director of the Company, is a partner in Mingeo and is to receive 50% of the profits Mingeo receives (2.5% of all profits).

An "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;

- (c) any person or company who beneficially owns, directly or indirectly, the Company's voting securities or who exercises control or direction over the Company's voting securities or a combination of both carrying more than 10 percent of the voting rights attached to all the Company's outstanding voting securities other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of the Company's securities, so long as the Company holds any of its securities.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") requires issuers to disclose the corporate governance practices that they have adopted on an annual basis. The corporate governance practices adopted by the Company are set out in the attached Schedule "A".

AUDIT COMMITTEE INFORMATION

Under National Instrument 52-110 – *Audit Committees* ("NI 52-110"), venture issuers must include in its management information circular the disclosure required by Form 52-110F2 – *Disclosure by Venture Issuers* with respect to their audit committee, including the text of the audit committee's charter, the composition of the audit committee and the fees paid to the external auditor. This information is set out in the attached Schedule "B" to this Information Circular.

PARTICULARS OF MATTERS TO BE ACTED UPON

Annual Approval of Stock Option Plan

As noted under the heading "Stock Option Plan and Securities Authorized for Issuance Under Equity Compensation Plan" the Company adopted the new Stock Option Plan on August 17, 2015 that incorporated TSXV requirements and replaced the old stock option plan. The Stock Option Plan was last approved by the shareholders of the Company on December 18, 2020. See "Stock Option Plans and other Incentive Plans" for the terms and conditions governing the Stock Option Plan.

A copy of the Stock Option Plan may be requested from the Company and be mailed, free of charge, to any holder of common shares who requests a copy, in writing, from the Secretary of the Company. Any such requests should be mailed to the Company, at its head office, to the attention of the Secretary.

As a "rolling" stock option plan, the Stock Option Plan is required, pursuant to the policies of the TSXV, to be approved by the shareholders each year at the Company's annual general meeting.

Shareholders will be asked at the Meeting to pass the following ordinary resolution:

"RESOLVED as an ordinary resolution, that:

1. the Company's Stock Option Plan, as described in the Company's Information Circular dated November 1, 2021 is hereby ratified, confirmed and approved;
2. the number of common shares of the Company reserved for issuance under the Company's Stock Option Plan shall be no more than 10% of the Company's issued and outstanding share capital at the time of any stock option grant; and
3. the Board of Directors of the Company be authorized to make any changes to the Company's Stock Option Plan, if required by the TSX Venture Exchange."

In the absence of instructions to the contrary, the shares represented by proxy will be voted FOR the approval and confirmation of the Stock Option Plan.

ANY 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 on such matter in accordance with their best judgement.

ADDITIONAL INFORMATION

Additional information relating to the Company and its business activities is available on the Company's Profile on SEDAR located at www.sedar.com "Company Profiles – Xali Gold Corp." Shareholders may contact the Company at Suite 801, 1112 West Pender Street, Vancouver, British Columbia, Canada, V6E 2S1, Telephone: 604-689-1957, or email: info@xaligold.com to request copies of the Company's financial statements and management's discussion and analysis ("MD&A").

The Company's financial information is provided in the Company's audited comparative financial statements and related MD&A for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above.

DATED: **November 1, 2021.**

BY ORDER OF THE BOARD OF DIRECTORS

Signed "*Joanne Freeze*"

President, Chief Executive Officer and Director

SCHEDULE "A"

CORPORATE GOVERNANCE DISCLOSURE - XALI GOLD CORP.

NI 58-101 requires the Company to disclose information about its corporate governance practices on an annual basis. This disclosure must be made against the corporate governance guidelines contained in National Policy 58-201 *Corporate Governance Guidelines* (the "**Guidelines**").

The Company's board of directors (the "**Board**") has adopted certain corporate governance policies to reflect the Company's commitment to good corporate governance, and to comply with NI 58-101, Form 58-101F2 *Corporate Governance Disclosure*. The Board periodically reviews these policies and proposes modifications to the Board for consideration as appropriate. The Company considers good corporate governance to be central to the effective and efficient management and operation of the Company, and the Board is directly responsible for developing the Company's approach to corporate governance issues.

Board of Directors

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no 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 director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

The Board is currently composed of five persons. Applying the definition set out in NI 52-110, as at the date of this Information Circular, two of the five current members of the Board are independent. The members who are independent are Larry D. Kornze and Ian Ward. Joanne C. Freeze is not independent by virtue of the fact that she is the Company's Chief Executive Officer and President, Mark Lotz is not independent by virtue of the fact that he is the Company's Chief Financial Officer and Matthew Melnyk is not independent by virtue of the fact that he is the Company's Director of Operations.

In addition to their positions on the Board, the following directors also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

Other reporting issuers of which the Company's directors are also directors	
Name of Director	Names of Reporting Issuers
Joanne C. Freeze	Candente Copper Corp.
Larry D. Kornze	Dynasty Gold Corp., Goldex Resources Corporation, Thunder Mountain Inc., and Mesa Exploration Corp.
Ian Ward	NorZinc Ltd.
Mark Lotz	Candente Copper Corp., Specialty Liquid Transportation Corp., Handa Mining Corporation, Teal Valley Health Inc., PreveCeutical Medical Inc., Vodis Pharmaceuticals Inc., Voleo Trading Systems Inc., Fiorentina Minerals Inc., Ascent Industries Corp.
Matthew Melnyk	None

The independent directors do not have regularly scheduled meetings in the absence of the non-independent directors. On occasions where it is considered advisable, the Company's independent directors will and do hold meetings at which non-independent directors and members of management are not in attendance. Two of the current directors are independent, the Board does not believe it is presently necessary to have any formal structure or procedures in place to ensure that the Board can function independently of management and is of the view that the current Board structure is sufficient to facilitate open and candid discussion among independent directors. Board Mandate

The mandate of the Board is contained in the Company's Corporate Governance Policy and is as follows:

“The mandate of the Board is to oversee the management of the business and affairs of the Company. The Board shall have responsibility for the stewardship of the Company and shall assume responsibility for the following matters:

- the adoption of a strategic planning process;
- the identification of the principal risks to the business of the Company and the implementation of systems to manage such risks;
- appointing, training and monitoring senior management and planning for succession of senior management;
- establishing a communications policy for the Company; and
- ensuring the integrity of the Company’s internal control and management information systems.”

Orientation and Continuing Education

The Company does not currently have a formal orientation or continuing education process in place. New directors are furnished with appropriate documentation relating to the Company’s business activities and internal organization, and are encouraged to spend time with management and incumbent directors in order to familiarize themselves with the Company’s business and operations, as well as the role of the Board, its committees and its directors. Both new and incumbent directors are also encouraged to communicate with management, auditors, technical consultants and legal counsel to keep themselves current with industry trends and developments and changes in legislation. Management regularly provides corporate updates at scheduled meetings of the Board and passes along updates regarding legal and regulatory changes received from its legal and other professional advisors when such information is relevant to the Board. Going forward, the Company is arranging for an annual educational session to be provided to the Board by the Company’s legal counsel. The Company may also pay the reasonable costs of attendance by directors at continuing education courses and seminars with respect to corporate governance, directors’ duties and obligations and similar matters upon request. The Company’s directors are experienced corporate directors and all of them serve as directors of other public companies where they receive various degrees of additional formal and informal continuing education and are also kept apprised of issues relevant to publicly traded mineral exploration companies. Most of the Company’s directors are also members of professional associations through which they also receive relevant continuing education. If the growth of the Company’s operations and/or increased turnover of the Board warrants it, the Board would consider implementing further formal orientation and/or continuing education process.

Ethical Business Conduct

The Company adopted a Code of Ethics which was approved on November 10, 2011. The Company’s Code of Ethics affirms the Company’s commitment to uphold high moral and ethical principles and specifies the basic norms of behavior for those conducting business on its behalf. Most of the Company’s directors are also members of professional associations which have disciplinary and practice review boards and processes. While the Company’s business practices must be consistent with the business and social practices of the communities in which the Company operates, the Company believes that honesty and transparency is the essential standard of integrity in any locale of the Company’s business. Thus, though local customs may vary, the Company’s activities are to be based on honesty, integrity and respect. The Company’s Code of Ethics is posted on the Company’s profile on SEDAR and is posted on the Company’s website www.xaligold.com.

The Company adopted a Whistleblower Policy on June 28, 2010 which allows its directors, officers and employees who feel that a violation of the Code of Ethics has occurred, and/or who have concerns regarding financial statements disclosure issues, accounting, internal accounting controls or auditing matters, to report such violation or concerns on a confidential and anonymous basis. Such reporting can be made by email or telephone through a Compliance Hot Line, to lawyers independent of the Company, fluent in English and Spanish, and is available in Peru, Mexico, and Canada to all directors, officers and employees. All complaints are to be forwarded to the Chair of the Audit Committee for investigation and corrective and disciplinary action, if appropriate. The Whistleblower Policy and the procedures it establishes assist the Board in monitoring compliance with the Code of Ethics.

The Company’s Whistleblower Policy in both English and Spanish languages is available on the Company’s website www.xaligold.com.

The Company has not filed any material change reports since the beginning of its most recently completed financial year that pertains to any departures from the Code of Ethics by any director or executive officer of the Company.

In addition to the provisions of the Code of Ethics, the directors and officers of the Company are bound by the provisions of the Company's Articles and the *Business Corporations Act* (British Columbia), which contain detailed provisions as to how any conflicts of interests are to be dealt with. In particular, any director who has a material interest in a particular transaction is required to disclose such interest to the Company and to abstain from voting with respect to the approval of such transaction.

In addition, the Board has also adopted a Corporate Governance Policy and Corporate Disclosure Policy on June 28, 2010. The Corporate Governance Policy establishes the mandate of the Board and sets out various matters with respect to the corporate governance of the Company, including requirements with respect to the independence of Board members, matters relating to Board composition and Board Committees, employee and insider trading guidelines and accounting services approval. The Corporate Disclosure Policy is applicable to all employees and is intended to ensure that communications to the public about the Company are timely, factual and accurate and are broadly disseminated in accordance with applicable legal and regulatory requirements. Copies of the Corporate Governance Policy and Corporate Disclosure Policy and are available on the Company's website at www.xaligold.com.

Board Committees

The Board has two committees: the Audit Committee and the Compensation and Governance Committee. The committees and their memberships are described below.

Audit Committee

The mandate of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- oversee the process of selecting and appointing an auditor;
- oversee the conduct of the audit;
- identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
- monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- ensure the independence of the Company's auditor in accordance with applicable standards and monitor the auditor's performance; and
- provide an avenue of communication between and amongst the Company's auditors, management and the Board.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and it has direct access to the Company's auditors and anyone in the Company that it deems necessary. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties. It is the Company's policy for the Audit Committee to have in-camera sessions with the Company's auditors during the meetings in which that auditors are involved.

As at the date of this Information Circular, the Audit Committee is composed of Mark Lotz, Larry D. Kornze, and Ian Ward (Chair), all of whom are "financially literate" and two of whom are "independent" within the meaning of sections 1.4, 1.5 and 1.6 of NI 52-110 and applicable exchange rules and regulations as of this date.

Compensation and Governance Committee

The mandate of the Compensation and Governance Committee is to discharge the Board's responsibilities relating to compensation of the Company's executive officers. Among other things, the Compensation and Governance Committee has overall responsibility for recommending levels of executive compensation that are competitive and

motivating in order to attract, hold and inspire the chief executive officer, senior officers and other key employees and for recommending compensation for directors.

The Compensation and Governance Committee performs any other duties or responsibilities delegated to the Compensation and Governance Committee by the Board from time to time. For further information on the duties and responsibilities of the Compensation and Governance Committee, see “Executive Compensation – Compensation and Governance Committee” in this Information Circular.

As of the date of this Information Circular, the Compensation and Governance Committee members are Ian Ward, Matthew Melnyk (Chair), and Mr. Larry D. Kornze, two of whom are independent directors.

Nomination of Directors

The Board does not have a nominating committee composed of independent directors. The CEO submits to the Board candidates to fill vacancies on the Board and the full Board then considers the proposed candidates. As the Board is comprised of a majority of independent directors, the Board is of the view that this is sufficient to ensure objectivity in the nomination process.

Assessment

While there is no formal process for assessing Board or its committees on an ongoing basis, the directors are free to discuss specific situations from time to time among themselves and/or with the President and CEO and, if need be, steps are taken to remedy the situation, which steps may include a request for resignation. Given the current structure and size of the Board, the Board believes that it is not necessary to adopt a more formal assessment process at this time and that the present system is sufficient.

SCHEDULE "B"

AUDIT COMMITTEE INFORMATION

Following is text of the current charter for Xali Gold's Audit Committee:

I. MANDATE

The Audit Committee is elected by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- A. Oversee the process of selecting and appointing an auditor.
- B. Oversee the conduct of the audit.
- C. Identify and monitor the management of the principal risks that could impact the financial reporting of the Company.
- D. Monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance.
- E. Ensure the independence of the Company's auditor in accordance with applicable standards and monitor his performance.
- F. Provide an avenue of communication among the Company's auditors, management and the Board of Directors.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and it has direct access to the Company's auditors and anyone in the Company that it deems necessary. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

II. COMPOSITION AND QUORUM

- A. The Audit Committee shall consist of a minimum of three independent directors and shall be elected at the first meeting of the Board after any Annual General Meeting.
- B. The Chair of the Audit Committee shall be elected by the Audit Committee from among their number and shall be financially literate.
- C. The members of the Audit Committee other than the Chair shall also be financially literate, subject to the exception that the Board of Directors may appoint to the Audit Committee any independent director who is not financially literate on the condition that such director become financially literate within a reasonable amount of time following his or her appointment to the Audit Committee and provided that the Board of Directors at the time of such appointment determine in writing (as evidenced by the Board's consent resolution or minutes of the Board meeting appointing such director to the Audit Committee) that the reliance on such exception from the requirement that all members of the Audit Committee be financially literate will not materially adversely affect the ability of the Audit Committee to satisfy the requirements of applicable corporate and securities laws pertaining to audit committees, including National Instrument 52-110.
- D. A quorum for the transaction of business at all meetings of the Audit Committee shall be a majority of members.

III. DUTIES OF THE CHAIR OF THE AUDIT COMMITTEE

- A. Lead the Audit Committee in the performance of its duties and carrying out its responsibilities within the Terms of Reference established by the Board.
- B. Report to the Board of Directors on the outcome of the deliberations of the Audit Committee and periodically report to the Board of Directors on the activities of the Audit Committee.

- C. Meet regularly and as required with the Chief Financial Officer of the Company and other members of management to review material issues and to ensure that the Audit Committee and the Board are provided in a timely manner with all information necessary to permit the Board to fulfill its statutory and other obligations.

IV. TERMS OF REFERENCE

- A. The Audit Committee must recommend to the Board of Directors:
 - (a) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and,
 - (b) the compensation of the auditor.
- B. The Audit Committee must determine the scope and terms of reference of the audit engagement and the process by which and the terms under which the auditor formally reports to the Company.
- C. The Audit Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.
- D. The Audit Committee must pre-approve all non-audit services to be provided to the Company or any subsidiary of the Company by the Company's auditor.
- E. The Audit Committee must determine that the audit fees charged by the auditor with respect to the audit are, in the opinion of the Audit Committee, appropriate in relation to the work required to support an audit opinion, without regard to fees that are paid, payable or might be paid to the auditor for other services.
- F. The Audit Committee must review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
- G. The Audit Committee shall prepare annually a report to the shareholders describing the steps it has taken to ensure that the auditor is independent of the Company, including:
 - (a) the policies and procedures followed so that any contracts for non-audit services with the auditor do not compromise the auditor's independence; and,
 - (b) the nature of any non-audit service contracts with the auditor and the amount of the related fees.
- H. The Audit Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived it from the Company's financial statements, other than the public disclosure referred to in paragraph E above, and must periodically assess the adequacy of those procedures.
- I. The Audit Committee will review all post-audit or management letters containing the recommendations of the Company's auditor and management's response/follow-ups in respect of any identified weakness.
- J. The Audit Committee will have the right, for the purpose of performing its duties, to inspect all of the books and records of the Company and its affiliates and to discuss such accounts and records and any matters relating to the financial position or condition of the Company with the officers and auditors of the Company and its affiliates.
- K. The Audit Committee must establish procedures for:
 - (a) The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and,
 - (b) Confidential, anonymous submissions by employees of the Company of concerns regarding questionable accounting or auditing matters.

- L. The Audit Committee must establish and monitor compliance with the Company's policies regarding:
 - (a) The auditor's provision of services beyond the scope of the Company's audit; and,
 - (b) The Company's hiring of partners, employees and former partners and employees of the present and former external auditor of the Company to fill senior officer positions of the Company.
- M. The Audit Committee will have such other duties, power and authorities, consistent with applicable corporate and securities laws, as the Board may, by resolution, delegate to the Audit Committee from time to time.

V. REGULATIONS

The following regulations shall apply to the proceedings of the Audit Committee:

- A. The Audit Committee shall meet on such dates as the Chair of the Audit Committee determines. Notice of any meeting shall be given by letter, telecopy, email or other means of recorded electronic communication or by telephone not less than 24 hours before the time fixed for the meeting. Members may waive in writing notice of any meeting before or after the holding thereof.
- B. The business of the Audit Committee shall be transacted either at meetings thereof or by conference telephone or other communications facilities that permit all persons participating in the meeting to hear each other, or by resolution in writing. All questions at a meeting shall be decided in accordance with the vote of a majority of those present and the Chair of the meeting shall not have a second or casting vote.
- C. A resolution in writing signed by all members of the Audit Committee entitled to vote on that resolution at a meeting of the Audit Committee shall be as valid as if it has been passed at a duly called and constituted meeting. Such resolutions in writing may be in one or more counterparts, all of which, when taken together, shall be deemed to constitute one resolution.
- D. The auditor of the Company shall, at the expense of the Company, be entitled to attend and be heard at any meeting of the Audit Committee.
- E. The Audit Committee shall meet with the auditor regularly at a frequency that is reasonable in the circumstances and when otherwise reasonably necessary, without management present, to determine whether there are any disagreements between the auditor and management relating to the Company's financial disclosure and, if so, whether those issues have been resolved to the auditor's satisfaction.
- F. The auditor and senior management of the Company shall have the opportunity to meet separately with the Audit Committee.
- G. The minutes of the proceedings of the Audit Committee and any resolutions in writing shall be kept in a book provided for that purpose which shall always be open for inspection by any director of the Company.
- H. The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any such advisors.
- I. Subject to the foregoing, the calling, holding and procedure at meetings of the Audit Committee shall be determined from time to time by the Audit Committee."

Composition of the Audit Committee

Xali Gold's Audit Committee is made up of the following directors:

Name	Independent ⁽¹⁾	Status ⁽²⁾
Larry D. Kornze	Independent	Financially Literate
Ian Ward	Independent	Financially Literate
Mark Lotz	Non- Independent	Financially Literate

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment. Mark Lotz is not independent, as he is the CFO of the Company.
- (2) An individual is financially literate if the member has 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

Experience and education of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is as follows:

Larry D. Kornze. Mr. Kornze has been in the mining business for more than 40 years and at the senior management level of public companies for in excess of 20 years. He is an economic geological engineer familiar with the evaluation and feasibility of mining projects and understands the financial statements and financial issues affecting mineral exploration and mining companies.

Ian Ward. Mr. Ward is a professional engineer (Ontario) and metallurgist with extensive experience in the processing of gold and base metal ores and industrial minerals. He has executive/senior management experience, practical plant operating experience, extensive engineering experience and has for the past 19 years been intimately involved in a variety of feasibility studies, audits, operations support and project evaluations. After operational positions, Ian spent 16 years with Kilborn Ltd. (now SNC-Lavalin), then 12 years with Micon International (including 3 years as President) followed by 5 years with Kinross Gold Corp mostly as VP and Chief Metallurgist.

Mark Lotz. Mr. Lotz, a Chartered Professional Accountant, is a senior executive with extensive experience in public companies, tax and consulting. Formerly a CEO and CFO in the brokerage industry, he also has senior management experience in the mining, manufacturing and digital media sectors. Mr. Lotz has been on the board of and been a member of the audit committees of Canada Jetlines Corp., Logan Resources Ltd., Commander Resources, African Queen Mines and Sacre-Coeur Minerals. He has served as the CFO of TrackX Holdings Inc. and Prophecy Coal, among others.

Reliance on Certain Exemptions

At no time since April 1, 2020, being the commencement of Xali Gold's most recently completed financial year, has the Company relied on the exemptions of the following sections of National Instrument 52-110 *Audit Committees* ("NI 52-110"):

- (a) Section 2.4 (De Minimis Non-audit Services);
- (b) Section 3.2 (Initial Public Offerings);
- (c) Section 3.3(2) (Controlled Companies);
- (d) Section 3.4 (Events Outside Control of Member);
- (e) Section 3.5 (Death, Disability or Resignation of Audit Committee Member);
- (f) Section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances);
- (g) Section 3.8 (Acquisition of Financial Literacy); or,
- (h) an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Audit Committee Oversight

At no time since April 1, 2020, being commencement of Xali Gold'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.

Exemption

The Company is relying upon the exemption in section 6.1 of the NI 52-110, which exempts venture issuers (as defined therein) from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of that instrument.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading “Terms of Reference” of the Audit Committee Charter set out above in this Schedule “B”.

External Auditor Service Fees (By Category)

The table below sets out all fees billed by our external auditor in each of the last two fiscal years. In the table “Audit Fees” are fees billed by our external auditor for services provided in auditing our financial statements for the fiscal year. “Audit-Related Fees” are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. “Tax Fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All Other Fees” are fees billed by the auditor for products and services not included in the foregoing categories.

Financial Year Ending	Audit Fees⁽¹⁾	Audit-Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
March 31, 2021	\$22,774.50	Nil	\$2,500	Nil
March 31, 2020	\$19,130.58	Nil	\$2,500	Nil

Notes:

- (1) The aggregate audit fees billed.
- (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 which are not included under the heading “Audit Fees”.
- (3) Fees billed for preparation of Company’s corporate tax return.
- (4) The aggregate fees billed for products and services other than as set out under the headings “Audit Fees”, “Audit Related Fees” and “Tax Fees”.

