



blackheath
RESOURCES INC

23rd Floor - 1177 West Hastings Street, Vancouver, B.C. V6E 4T5
Telephone: (604) 230-6736

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the shareholders of Blackheath Resources Inc. (the "**Company**") will be held at 10th Floor, 595 Howe Street, Vancouver, British Columbia, on July 16, 2020, at 11:00 a.m. (Pacific Time) for the following purposes:

1. To receive and consider the consolidated financial statements of the Company together with the auditor's report thereon for the financial year ended December 31, 2019.
2. To fix the number of directors at four (4).
3. To elect directors for the ensuing year.
4. To appoint PricewaterhouseCoopers LLP, Chartered Accountants, as the Company's auditors for the ensuing year.
5. To consider and, if thought fit, to pass an ordinary resolution, approving and ratifying the Company's Stock Option Plan, subject to regulatory approval, as set forth in the information circular accompanying this notice.
6. To transact such further or other business as may properly come before the meeting and any adjournments thereof.

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

If you are unable to attend the meeting in person, please complete and return the enclosed form of proxy within the time and in accordance with the instructions set out in the form of proxy accompanying this notice.

DATED at Vancouver, British Columbia, this 11th day of June, 2020.

BY ORDER OF THE BOARD

"Alexander Langer"

Alexander Langer

President and Chief Executive Officer



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INFORMATION CIRCULAR

(As at June 11, 2020, except as indicated)

Blackheath Resources Inc. (the "**Company**") is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the Company to be held on July 16, 2020 and at any adjournments. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

APPOINTMENT OF PROXYHOLDER

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

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

VOTING BY PROXY

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

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

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

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

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

In accordance with securities regulatory requirements, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders (NOBOs and OBOs).

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting. The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

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

NOTICE-AND-ACCESS

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

REVOCABILITY OF PROXY

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office

of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-registered holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.**

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the "**shares**"), of which 5,193,618 shares are issued and outstanding as of June 11, 2020. Persons who are registered shareholders at the close of business on June 11, 2020 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

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

Name	No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Shares
Shandong Donglin Investment Co., Ltd.	635,000 ⁽¹⁾	12.2%

⁽¹⁾ Information based on SEDI filings.

ELECTION OF DIRECTORS

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

Shareholder approval will be sought to fix the number of Directors of the Company at four (4).

The Company is required to have an audit committee. Members of the audit committee are as set out below.

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

Name, Jurisdiction of Residence and Position	Principal Occupation or Employment and, if not a Previously Elected Director, Occupation During the Past 5 Years	Previous Service as a Director	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾
James Robertson ⁽²⁾ British Columbia, Canada <i>Chairman and Director</i>	President of Midas Management Inc., a private company providing management and administrative services to public companies; director of various TSX Venture Exchange listed issuers	Since May 2011	359,150
Kerry Spong British Columbia, Canada <i>Chief Financial Officer, Corporate Secretary and Director</i>	Independent accountant; chief financial officer of various TSX Venture Exchange listed issuers	Since May 2011	154,400
Jonathan Carter ⁽²⁾ United Kingdom <i>Director</i>	Independent businessman; previously director of Primary Metals Inc.	Since May 2011	127,050

Name, Jurisdiction of Residence and Position	Principal Occupation or Employment and, if not a Previously Elected Director, Occupation During the Past 5 Years	Previous Service as a Director	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾
David Rokoss⁽²⁾ British Columbia, Canada <i>Director</i>	Partner, Corporate Development for Ptolemy Capital Ltd., a private company providing a range of capital market services to private and public companies; previous director of various private companies	Since June 2017	14,950

⁽¹⁾ Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at June 11, 2020, based upon information furnished to the Company by individual Directors. Unless otherwise indicated, such shares are held directly.

⁽²⁾ Member of the audit committee.

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

To the knowledge of the Company, no proposed Director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Company) that:
 - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

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

Name of Director	Name of Other Reporting Issuer
James Robertson	GFM Resources Limited ⁽¹⁾ Newport Exploration Ltd. ⁽²⁾
Kerry Spong	Abacus Mining and Exploration Corp. ⁽²⁾
Jonathan Carter	None
David Rokoss	Urban Select Capital Corp. ⁽²⁾

⁽¹⁾ Listed on the NEX board.

⁽²⁾ Listed on the TSX Venture Exchange.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The objectives of the Company's compensation program are to attract, hold and inspire performance by members of senior management of a quality and nature that will enhance the growth of the Company.

The independent Directors of the Company have the responsibility for determining compensation for Named Executive Officers and other senior executives of the Company.

To determine future compensation payable, the independent Directors will review compensation paid to Named Executive Officers and other senior executives of companies of a similar size and stage of development in the Company's industry sector and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Named Executive Officers while taking into account the financial and other resources of the Company. It is expected that the Company's executive compensation program will be comprised of an annual base salary and annual bonus and, where appropriate, incentive stock options ("**Stock Options**"). The Stock Option award components of the program will be designed to reward long term commitment of executives to sustainable growth of the Company and annual salary ranges will be based on the level of responsibility and the importance of the executive's position to the Company's future objectives, the level of experience of the executive officer, and competitiveness with the base salaries paid by comparative companies.

Other than option-based awards pursuant to the Company's 10% rolling stock option plan (the "**Stock Option Plan**"), the Company does not have any long-term incentive plans, including any supplemental executive retirement plans.

Stock Option Plan

The Stock Option Plan is designed to advance the interests of the Company by encouraging eligible participants, being Directors, employees, management company employees, officers and consultants, to have equity participation in the Company through the acquisition of shares.

The Stock Option Plan has been used in the past and will be used in the future to provide share purchase options which are awarded based on the recommendations of the independent Directors, taking into account the level of responsibility of the executive as well as his or her past impact on or contribution to, and/or his or her ability in future to have an impact on or to contribute to the longer-term operating performance of the Company. In determining the number of Stock Options to be granted to the Company's executive officers,

the Board takes into account the number of Stock Options, if any, previously granted to each executive officer, and the exercise price of any outstanding Stock Options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange and to closely align the interests of executive officers with the interests of shareholders. The Board determines the vesting provisions of all Stock Option grants. Please refer to "*Particulars of Matters to be Acted Upon – Approval and Ratification of Stock Option Plan*" in this Circular for more complete details regarding the Stock Option Plan.

Compensation Risk Assessment and Governance

In light of the Company's size and limited elements of executive compensation, the Board does not have a Compensation Committee and does not deem it necessary to consider at this time the implications of the risks associated with the Company's compensation policies and practices. Also, there are no risks which have been identified in the Company's practices to date which would reasonably be likely to have a material adverse effect on the Company.

As previously mentioned, Stock Options are granted to retain executive officers and motivate the executive officers by rewarding sustained, long-term development and growth that will result in increases in share value. There is no formal process for assessing when Stock Options are to be granted, rather they are granted at a time determined necessary by the Board, in its discretion, and are priced at market-value at the time of grant.

The Company does not permit its executive officers or Directors to hedge any of the equity compensation granted to them.

Named Executive Officers

For the purposes of the remainder of this Circular, a Named Executive Officer of the Company means each of the following individuals:

- (a) the Chief Executive Officer of the Company ("**CEO**");
- (b) the Chief Financial Officer of the Company ("**CFO**");
- (c) the most highly compensated executive officer of the Company other than the individuals identified in paragraphs (a), (b) and (c) above, at December 31, 2019, whose total compensation was more than \$150,000; and
- (d) each individual who would be named an executive officer under paragraph (d) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at December 31, 2019.

(collectively the "**Named Executive Officers**" or "**NEOs**").

Director and Named Executive Officer Compensation

Excluding Compensation Securities

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

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Alexander Langer <i>President/CEO</i> ⁽¹⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Kerry Spong <i>CFO/Secretary/Director</i>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
James Robertson <i>Chairman/Director</i> ⁽²⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Jonathan Carter <i>Director</i>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
David Rokoss <i>Director</i>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil

Stock Options and Other Compensation Securities

The Company did not issue compensation securities in the most recently completed financial year (December 31, 2019) for services provided or to be provided, directly or indirectly, to the Company. No compensation securities were exercised by any of the Company's NEOs or Directors during the most recently completed financial year.

Employment, Consulting and Management Agreements

The Company has a management services agreement with Andros Capital Corp. pursuant to which the Company pays a fee of \$11,000 per month to Andros Capital Corp., a company controlled by Alexander Langer, in consideration for Mr. Langer's services as Chief Executive Officer. Effective June 1, 2016, the fee due to Andros Capital Corp. was reduced by 25% to \$8,250 until further notice. Effective January 1, 2017, the fee due to Andros Capital Corp. was reduced to \$nil until further notice.

The Company has a management services agreement with Midas Management Inc. pursuant to which the Company pays a fee of \$10,000 per month to Midas Management Inc., a company controlled by James Robertson, in consideration for Mr. Robertson's services as Chairman. Effective June 1, 2016, the fee due to Midas Management Inc. was reduced by 50% to \$5,000 until further notice. Effective January 1, 2017, the fee due to Midas Management Inc. was reduced to \$nil until further notice.

The Company has an administrative services agreement with Kerry Spong pursuant to which the Company pays a fee of \$5,000 per month to Kerry Spong in consideration for Mr. Spong's services as Chief Financial Officer. Effective June 1, 2016, the fee due to Kerry Spong was reduced by 25% to \$3,750 until further notice. Effective January 1, 2017, the fee due to Kerry Spong was reduced to \$nil until further notice.

Securities Authorized for Issuance Under Equity Compensation Plans

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

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	347,000	\$1.30	172,361
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	347,000		172,361

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at June 11, 2020, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

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

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

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a Director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of Directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

APPOINTMENT OF AUDITORS

PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Vancouver, British Columbia, are the auditors of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be

voted for the re-appointment of PricewaterhouseCoopers LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors of the Company.

MANAGEMENT CONTRACTS

The Company pays Midas Management Inc., a company controlled by James Robertson, for Mr. Robertson's services as Chairman of the Company and pays Andros Capital Corp., a company controlled by Alexander Langer, for Mr. Langer's services as Chief Executive Officer of the Company. See "*Employment, Consulting and Management Agreements*", above.

Other than disclosed above, no management functions of the Company or its subsidiaries are performed to any substantial degree by a person other than the Directors or executive officers of the Company or its subsidiaries. During the last completed financial year, and other than disclosed above, no additional amount was paid or is payable for performing management functions on behalf of the Company.

AUDIT COMMITTEE

The Audit Committee's Charter

The full text of the Company's audit committee charter is included as Schedule "A" to this Information Circular.

Composition of the Audit Committee

The following are the members of the audit committee:

Jonathan Carter	Independent ¹	Financially literate ¹
James Robertson	Not Independent ¹	Financially literate ¹
David Rokoss	Independent ¹	Financially literate ¹

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

Relevant Education and Experience

The education, background or experience of the following audit committee members has enabled each to perform his responsibilities as audit committee member and has provided the member with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting:

Jonathan Carter

Mr. Carter has a diversified business background that includes experience in management and operation of a number of private and public companies. He has served as President, director and member of the audit committee of Primary Metals Inc., previously a reporting issuer holding an operating tungsten mine in Portugal. Mr. Carter is experienced in the application of accounting principles, evaluation of financial statements and with internal controls and procedures for financial reporting.

James Robertson

James Robertson is a Professional Engineer with over 40 years of experience in mineral exploration and public companies. He has served as a Chief Executive Officer, director and member of the audit committee of several reporting issuers, and is experienced in the application of accounting principles, evaluation of financial statements and with internal controls and procedures for financial reporting.

David Rokoss

David Rokoss is a business consultant working with a variety of private and public companies. His experience includes working with the banking team at a private investment firm and is experienced in the application of accounting principles and evaluation of financial statements.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

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

External Auditors Service Fees (By Category)

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

Financial Year Ending	Audit Fees \$	Audit Related Fees \$	Tax Fees \$	All Other Fees \$
December 31, 2019	15,750	256	1,838 ⁽¹⁾	Nil
December 31, 2018	14,700	378	1,575 ⁽¹⁾	Nil

⁽¹⁾ Fees for preparation and filing of annual corporate tax return.

Exemption in Section 6.1 of NI 52-110

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

CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board of Directors considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices which disclosure is set out below.

Independence of Members of Board

The Company's Board of Directors consists of four (4) Directors, two (2) of whom are independent based upon the tests for independence set forth in NI 52-110. Jonathan Carter and David Rokoss are independent. James Robertson and Kerry Spong are not independent as they hold the positions of the Chairman of the Company and Chief Financial Officer and Corporate Secretary of the Company, respectively.

Management Supervision by Board

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board of Directors. The Board of Directors considers that management is effectively supervised by the independent Directors on an informal basis as the independent Directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. Further supervision is performed through the audit committee which is composed of a majority of independent Directors who meet with the Company's auditors without management being in attendance. The Board of Directors may from time to time appoint a lead Director to direct Board of Directors operations.

Orientation and Continuing Education

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

1. information respecting the functioning of the Board of Directors, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
3. access to management and technical experts and consultants; and
4. a summary of significant corporate and securities responsibilities.

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

Ethical Business Conduct

The Board of Directors has not adopted a formal code of business conduct and ethics. Given the stage of development of the Company, the Board of Directors has determined that the fiduciary duties placed on individual Directors by the Company's governing legislation and common law together with corporate

statutory restrictions on an individual Director's participation in decisions of the Board in which the Director has an interest are sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board of Directors has responsibility for identifying potential Board candidates. The Board of Directors assesses potential candidates to fill perceived needs on the Board of Directors for required skills, expertise, independence and other factors.

Compensation

The Board of Directors is responsible for determining compensation including for the individual Directors and officers of the Company. Compensation of the President and the Chief Executive Officer is determined by the Board of Directors, other than the President and Chief Executive Officer.

Board Committees

At this time, the Board of Directors does not have any standing committees other than the audit committee.

The following are the members of the audit committee:

Jonathan Carter
James Robertson
David Rokoss

Assessments

The Board of Directors annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board of Directors, the Directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board of Directors may conduct informal surveys of its Directors, and reports from the audit committee respecting its own effectiveness. As part of the assessments, the Board of Directors or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

The Board of Directors does not consider that formal assessments would be useful at this stage of the Company's development. The Board of Directors conducts informal annual assessments of the Board of Director's effectiveness, the individual Directors and each of its committees. As part of the assessments, the Board of Directors or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

Nomination and Assessment

The Board of Directors determines new nominees to the Board of Directors, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board of Directors members, including both formal and informal discussions among Board of Directors members and the President. The Board of Directors monitors but does not formally assess the performance of individual Board of Directors members or committee members or their contributions.

Expectations of Management

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

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval and Ratification of Stock Option Plan

The Board of Directors of the Company implemented a stock option plan (the "**Plan**") effective July 22, 2011, which was subsequently approved by the TSX Venture Exchange and the shareholders of the Company. The number of common shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. In addition, the number of shares which may be reserved for issuance under the Plan and all other share compensation arrangements:

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

The purpose of the Plan is to attract and motivate Directors, senior officers, employees, management company employees and consultants (collectively, the "**Optionees**") and to give such persons, as additional compensation, the opportunity to participate in the success of the Company. Under the Plan, options are exercisable over periods of up to 10 years as determined by the Company's Board of Directors and are required to have an exercise price no less than the closing market price of the common shares on the trading day immediately preceding the day on which the Company announces the grant of options (or, if the grant is not announced, the closing market price prevailing on the day that the option is granted), less the applicable discount, if any, permitted by the policies of the TSX Venture Exchange and approved by the Company's Board of Directors. The Plan contains no vesting requirements, but permits the Company's Board of Directors to specify a vesting schedule in its discretion, subject to the TSX Venture Exchange's minimum vesting requirements, if any.

The Plan also contains a black-out provision. In accordance with good corporate governance practices and as recommended by National Policy 51-201 – *Disclosure Standards*, the Company may impose black-out periods restricting the trading of its securities by Directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the Board. In order to ensure that holders of outstanding stock options are not prejudiced by the imposition of such black-out periods, any outstanding stock options with an expiry date occurring during a management imposed black-out period or within five days thereafter will be automatically extended to a date that is 10 trading days following the end of the black-out period.

The Plan provides that, on the death or disability of an option holder, all vested options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such optionee will expire at the earlier of (i)

the expiry date of such options and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Company.

The Plan is administered by the Board of Directors of the Company, which has full and final authority with respect to the granting of all options thereunder.

Under Exchange policy, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

Therefore, at the Meeting, shareholders will be asked to consider and, if thought fit, approve an ordinary resolution to approve and ratify the Plan, in the following form:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT the Company's 10% "rolling" stock option plan, as described in the Company's Information Circular dated June 11, 2020, be and is hereby ratified, confirmed and approved."

The full text of the Plan is available for viewing up to the date of the Meeting at the Company's offices at 23rd Floor, 177 West Hastings Street, Vancouver, British Columbia and will also be available for review at the Meeting.

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

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

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at (604) 230-6736 to request copies of the Company's financial statements and MD&A.

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

OTHER MATTERS

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

DATED this 11th day of June, 2020.

APPROVED BY THE BOARD OF DIRECTORS

"Alexander Langer"

ALEXANDER LANGER

President and Chief Executive Officer

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

General

The Audit Committee is a committee of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems that management has established under supervision of the Audit Committee, the Company's internal and external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to attempt to maintain an open communication between the Company's external auditors and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

Membership

The Audit Committee consists of at least three Directors who shall serve on behalf of the Board. The members are appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the TSX Venture Exchange and other regulatory agencies as required.

Procedural Matters

The Audit Committee shall be governed by the Committee Terms of Reference adopted by the Board, save as modified by the following procedural requirements and powers. The Audit Committee:

- (a) Shall meet at least four times per year, either by telephone conference or in person.
- (b) May invite the Company's external auditors, the Chief Financial Officer, and such other persons are deemed appropriate by the Audit Committee to attend meetings of the Audit Committee.
- (c) Shall report material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Committee may deem appropriate, at the next Board meeting.
- (d) Shall review the performance of the Audit Committee on an annual basis and report to the Board.
- (e) Shall review and assess the Mandate for the Audit Committee at least annually and submit any proposed revisions to the Board for approval.
- (f) Has the power to conduct or authorize investigations into any matter within the scope of its responsibilities. It has the right to engage independent counsel and other advisors as it determines

necessary to carry out its duties and the right to set the compensation for any advisors employed by the Audit Committee.

- (g) Has the right to communicate directly with the CFO and other members of management who have responsibility for the audit process ("**internal audit management**"), if applicable, and external auditors.
- (h) Has the right to pre-approve non-audit services (subject to ratification by the Board at its next meeting) to be performed by the external auditors. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of its Committee if it first adopts specific policies and procedures respecting same and provided such decisions are presented to the full Audit Committee for approval at its next meeting.

No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.

The Audit Committee shall have the authority to engage independent counsel and other advisors as the Audit Committee may deem appropriate in its sole discretion and to set and pay the compensation for any advisors employed by the Audit Committee. The Audit Committee shall not be required to obtain the approval of the Board in order to retain or compensate such consultants or advisors.

The Audit Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or CFO such records and other matters considered appropriate.

Responsibilities

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the Board. For this purpose, the audit Committee may consult with management.

External Auditors

The responsibilities of the Audit Committee are to:

- (a) Recommend to the Board:
 - (i) whether the current external auditor should be reappointed for the ensuing year and the amount of compensation payable; and
 - (ii) if the current external auditor is not to be reappointed, select and recommend a suitable alternative.
- (b) Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company.

- (c) Resolve disagreements, if any, between management and the external auditors regarding financial reporting. It accomplishes this by querying management and the external auditors. The Audit Committee provides the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable.
- (d) Take reasonable steps to confirm the independence of the external auditors, including but not limited to pre-approving any non audit related services provided by the external auditors to the Company or the Company's subsidiaries, if any, with a view to ensuring independence of the auditors, and in accordance with any applicable regulatory requirements, including the requirements of The Toronto Stock Exchange with respect to approval of non audit related services performed by the external auditors.
- (e) Obtain from the external auditors confirmation that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 – *Auditor Oversight* and are in compliance with governing regulations.
- (f) Review and evaluate the performance of the external auditors including the external auditors' internal quality-control procedures.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's external auditors.

Internal Auditors

The Audit Committee is to assist Board oversight of the performance of the Company's internal audit function, if any. In connection with the Company's internal audit function, if any, the Audit Committee shall:

- (a) review the terms of reference of the internal auditor, if any, and meet with the internal auditor as the Audit Committee may consider appropriate to discuss any concerns or issues;
- (b) in consultation with the external auditor and the internal audit group, review the adequacy of the Company's internal control structure and procedures designed to ensure compliance with laws and regulations and any special audit steps adopted in light of material deficiencies and controls;
- (c) review the internal control report prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting; and
- (d) periodically review with the internal auditor, if any, any significant difficulties, disagreements with management or scope restrictions encountered in the course of the work of the internal auditor.

Audit and Review Process and Results

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the financial position and risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the Audit Committee is required to:

- (a) Review annually the Company's internal system of audit and financial controls, internal audit procedures and results of such audits.

- (b) Prior to the annual audit by external auditors, consider the scope and general extent of the external auditors' review, including their engagement letter.
- (c) Ensure the external auditors have full, unrestricted access to required information and have the cooperation of management.
- (d) Review with the external auditors, in advance of the audit, the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles.
- (e) Review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements. Review the appropriateness and disclosure of any off-balance sheet matters. Review disclosure of related-party transactions.
- (f) Receive and review with the external auditors, the external auditors' audit report and the audited financial statements. Make recommendations to the Board respecting approval of the audited financial statements.
- (g) Meet with the external auditors separately from management to review the integrity of the Company's financial reporting, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Company with prior recommendations of the external auditors. The Audit Committee shall direct management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review.
- (h) Meet at least annually with the external auditors, independent of management, and report to the Board on such meetings.

Interim Financial Statements and MD&A

The Board has delegated to the Audit Committee the power to approve the Company's interim financial statements and management's discussion and analysis. The Audit Committee shall:

- (a) Review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditors.
- (b) Conduct all such reviews and discussions with the external auditors and management as it deems appropriate.
- (c) Review and, if appropriate approve the interim financial statements and management's discussion and analysis.
- (d) Review the interim financial statements with the external auditors if the external auditors conduct a review of the interim financial statements.

Involvement with Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee:

- (a) Shall review all public disclosure of financial information extracted from the Company's financial statements prior to such information being made public by the Company and for such purpose, the CEO assumes responsibility for providing the information to the Audit Committee for their review.
- (b) Review material financial risks with management, the plan that management has implemented to monitor and deal with such risks and the success of management in following the plan.
- (c) Consult annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies.
- (d) Obtain such certifications by the CEO and CFO attesting to internal controls, disclosure and procedures as deemed advisable.
- (e) Review management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by management.
- (f) Review as required with management annual financial statements, quarterly financial statements, management's discussion & analysis, Annual Information Forms, future-oriented financial information or pro-forma information and other financial disclosure in continuous disclosure documents.
- (g) Review with management the Company's compliance with applicable laws and regulations respecting financial matters.
- (h) Review with management proposed regulatory changes and their impact on the Company.
- (i) Review with management and approve public disclosure of the Audit Committee Mandate in the Company's Annual Information Form, Information Circular and on the Company's website.

Complaints

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted to the Audit Committee, attention: The Chair. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential. Upon receipt of a complaint, the Chair will conduct or designate a member of the Audit Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Audit Committee for a determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Audit Committee for a period of three years.

Reporting

The Audit Committee shall report to the Board of Directors at its regularly scheduled meetings.