



INFORMATION CIRCULAR **as at October 19, 2020**

This Information Circular is furnished in connection with the solicitation by the management of Medgold Resources Corp. (the "**Company**") of votes with respect to the Annual General Meeting of the holders of common shares ("**Common Shares**") of the Company to be held on Wednesday, December 9, 2020 (the "**Meeting**") and any adjournment thereof, at the time and place and for the purposes set forth in the accompanying notice of the Meeting (the "**Notice of the Meeting**").

In this Information Circular, references to "**Non-Registered Holders**" means shareholders who do not hold Common Shares in their own name and "**Intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Holders.

VOTING

Notice-and-Access Process

The Company has elected to use the notice-and-access provisions ("**Notice-and-Access**") of National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), for distribution of this Information Circular, form of proxy ("**Proxy**") and other meeting materials (the "**Meeting Materials**") to registered shareholders and Non-Registered Holders of the Company.

Under Notice-and-Access, rather than the Company mailing paper copies of the Meeting Materials to shareholders, the Meeting Materials can be accessed online on the Company's SEDAR profile at www.sedar.com or on the Company's website at <http://www.radiusgold.com/s/Agm.asp>. The Company has adopted this alternative means of delivery for the Meeting Materials in order to reduce paper use and the printing and mailing costs.

Shareholders will receive a "notice package" (the "**Notice-and-Access Notification**") by prepaid mail, with details regarding the Meeting date, location and purpose, and information on how to access the Meeting Materials online or request a paper copy.

Shareholders will not receive a paper copy of the Meeting Materials unless they contact the Company at the toll free number as set out in the Notice of the Meeting. Provided the request is made prior to the Meeting, the Company will mail the requested materials within three business days. **Requests for paper copies of the Meeting Materials should be made by November 13, 2019 in order to receive the Meeting Materials in time to vote before the Meeting.**

Shareholders with questions about Notice-and-Access may contact the Company toll-free at 1-888-627-9378.

Non-Registered Holders

Only registered holders of Common Shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, Common Shares beneficially owned by a Non-Registered Holder are registered either:

- (a) in the name of an Intermediary that the Non-Registered Holder deals with in respect of the shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or
- (b) in the name of a clearing agency, such as The Canadian Depository for Securities Limited, of which the Intermediary is a participant.

In accordance with the requirements of NI 54-101, the Company will distribute the Notice-and-Access Notification to Intermediaries and clearing agencies for onward distribution to Non-Registered Holders. The Company does not intend to pay Intermediaries to forward the Notice-and-Access Notification if the Non-Registered Holders have provided instructions to their Intermediary that they object to the Intermediary disclosing ownership information about the Non-Registered Holders. In this case, such Non-Registered Holder will not receive the Meeting Materials if the Intermediary does not assume the cost of delivery.

Intermediaries are required to forward the Notice-and-Access Notification to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive Meeting Materials. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will be sent a voting instruction form (“VIF”), rather than a Proxy, which must be completed, signed and returned by the Non-Registered Holder in accordance with the directions in the VIF. In some cases, Non-Registered Holders will instead be given a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. This form of proxy does not need to be signed by the Non-Registered Holder, but, to be used at the Meeting, needs to be properly completed and deposited with Computershare Trust Company as described under “*Solicitation and Deposit of Proxies and VIFs*” below.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the Proxy and insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a VIF, follow the corresponding instructions on the form.

Non-Registered Holders should carefully follow the instructions in their Proxy or VIF, including instructions regarding when and where the Proxy or VIF is to be delivered.

Solicitation and Deposit of Proxies and VIFs

While it is expected that the solicitation will be primarily by Notice-and-Access and mail, votes may be solicited personally or by telephone by the directors and regular employees of the Company. All costs of solicitation will be borne by the Company. The Company has arranged for Intermediaries to forward the Notice-and-Access Notification to Non-Registered Holders of Common Shares held as of record by those Intermediaries and the Company may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

The individuals named in the Proxy and VIF are directors or officers of the Company. **A shareholder wishing to appoint some other person (who need not be a shareholder) to represent the shareholder at the Meeting has the right to do so, either by inserting such person’s name in the blank space provided in the Proxy or VIF and striking out the printed names, or by completing another form of proxy or VIF.** The Proxy or VIF will not be valid unless the completed, dated and signed Proxy or VIF is received by Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof, or is delivered to the Chair of the Meeting prior to commencement of the Meeting or any adjournment thereof.

Voting of Proxies and VIFs

Voting at the Meeting will be by way of a show of hands, with each registered shareholder and proxyholder having one vote, unless a ballot vote is required or requested. Common Shares represented by any properly executed and delivered Proxy or

VIF will be voted or withheld from voting only on a ballot, in accordance with the instructions given by the shareholder. **In the absence of such direction, such Common Shares will be voted in favour of the matters set forth herein.**

The Proxy or VIF, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of the Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the Proxy or VIF to vote in accordance with their best judgment on such matters or business. As at the date hereof, the management of the Company knows of no such amendment, variation or other matter that may be come before the Meeting.

Revocation of Proxies and VIFs

A shareholder who has given a Proxy or VIF may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, 200 Burrard Street, Suite 650, Vancouver, British Columbia, V6C 3L6, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chair 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 or VIF does not affect any matter on which a vote has been taken prior to the revocation.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at the date hereof, the Company had issued and outstanding 134,789,032 fully paid and non-assessable common shares, each share carrying the right to one vote. **THE COMPANY HAS NO OTHER CLASSES OF VOTING SECURITIES.**

Holders of Common Shares as at the Record Date of October 22, 2020 who either personally attend the Meeting or who have completed and delivered a Proxy or VIF in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the Meeting.

To the knowledge of the directors and senior officers of the Company, the only person or company who beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company is:

| <u>Name</u> | <u>No. of Shares</u> | <u>Percentage</u> |
|--|----------------------|-------------------|
| Fortuna Silver Mines Inc. ⁽¹⁾ | 21,079,700 | 15.64% |

Note:

(1) Publicly-traded company.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board of Directors of the Company (the “**Board**”), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of the Meeting, as more particularly described as follows:

Appointment and Remuneration of Auditors

The management of the Company will recommend to the Meeting to appoint Smythe LLP as auditors of the Company for the ensuing year, and to authorize the directors to fix their remuneration. Smythe LLP have been the Company’s auditors since February 25, 2014.

Election of Directors

The Board presently consists of five directors and shareholders will be asked at the Meeting to determine the number of Directors at five and to elect five Directors. The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the British Columbia *Business Corporations Act*.

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

| Name, Position and Residency ⁽¹⁾ | Principal Occupation ⁽¹⁾ | Period as a Director | No. of Common Shares ⁽¹⁾ |
|--|---|---------------------------------|--|
| Simon Ridgway Executive Chair & Director British Columbia, Canada | CEO of Radius Gold Inc. (mineral exploration); Chair of Fortuna Silver Mines Inc. (mining). | October 28, 2008 to present | 3,642,399 |
| Jeremy Crozier President, CEO & Director British Columbia, Canada | President and CEO of the Company. | March 28, 2019 to present | 716,000 |
| Ralph Rushton ⁽²⁾ Director British Columbia, Canada | President & CEO of Aftermath Silver Ltd. (mineral exploration). | March 30, 2009 to present | 221,334 |
| David Hall ⁽²⁾ Director Mayo, Ireland | Chair of Horizonte Minerals plc (mineral exploration); CEO of Thani Stratex Resources Ltd. (mineral exploration). | December 10, 2012 to present | 1,541,667 |
| Michael Skead Director Ontario, Canada | Director - Exploration Geology of Goldcorp Inc. (mining). | February 24, 2014 to present | Nil |

Notes:

- (1) The information as to residency, principal occupation, and shares beneficially owned is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Member of the Audit Committee.

Simon Ridgway was a director of a corporation when a management cease trade order was issued by the British Columbia Securities Commission (the "BCSC") on April 3, 2017 against the CEO and CFO of the corporation in connection with the corporation's failure to timely file financial statements, related management discussion and analysis and an annual information form for its financial year ended December 31, 2016. The delay in the filing of these documents was due to pending resolution of a regulatory review of certain of the corporation's filings by the United States Securities and Exchange Commission. On May 25, 2017, the BCSC revoked the management cease trade order after the corporation filed the required records.

Stock Option Plan

The TSX Venture Exchange (the "Exchange") requires that the Company obtain shareholder approval to its stock option plan (the "Option Plan") yearly at the annual general meeting. The material terms of the Option Plan are as follows:

1. the Option Plan reserves a rolling maximum of 10% of the issued capital of the Company at the time of granting of each option, with no vesting provisions other than the vesting restrictions required by the Exchange for options granted to investor relations consultants;
2. no more than 5% of the issued capital may be reserved for issuance to any one individual in any 12 month period;
3. no more than 2% of the issued capital may be reserved for issuance to any Consultant (as defined by the Exchange) or to an optionee providing investor relations services in any 12 month period;
4. the minimum exercise price of an option cannot be less than the Market Price (as defined by the Exchange) of the Company's shares;
5. options will be granted for a period of up to ten years;
6. options are non-assignable and non-transferable;
7. unless otherwise determined by the Board, a vested option is exercisable for up to 90 days from the date the optionee ceases to be a director, officer, employee or service provider of the Company or of its subsidiaries, unless: (i) such optionee was terminated for cause, in which case the option shall be cancelled, or (ii) if an optionee dies, the legal representative of the optionee may exercise the option for up to one year from the date of death;
8. unless otherwise determined by the Board, if an optionee's employment or service with the Company is terminated by the Company without cause, by the optionee for "Good Reason" (as defined in the Option Plan) or due to disability or death, a portion of the unvested options held by such optionee shall immediately vest according to a set formula;
9. unless otherwise determined by the Board, where an optionee's employment is terminated by the Company within 12 months after a change of control of the Company, the optionee resigns for Good Reason within 12 months after a change of control, or if the optionee dies while performing his or her regular duties as a director, officer and/or employee of the Company or its subsidiaries, then all of his or her outstanding options shall immediately vest; and
10. there are provisions for adjustment in the number of shares issuable on exercise of options in the event of a share consolidation, split, reclassification or other relevant change in the Company's corporate structure or capitalization.

In order to approve the Option Plan for the ensuing year, the shareholders will be asked at the Meeting to approve an ordinary resolution as follows:

"RESOLVED that the Stock Option Plan of the Company, with terms substantially as described in the information circular dated October 19, 2020, be and is hereby approved, and that the directors of the Company are hereby authorized to make any changes to the Plan which may be required in order to obtain acceptance for filing by the Exchange."

Other Matters

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the Proxy and VIF to vote the same in accordance with their best judgment of such matters.

STATEMENT OF EXECUTIVE COMPENSATION

During the fiscal year ended December 31, 2019, four individuals were "named executive officers" of the Company within the meaning of the definition set out in National Instrument Form 51-102F6V, *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**"). As required by Form 51-102F6V, the following includes disclosure of the compensation paid or payable by the Company to Simon Ridgway, its Executive Chair and former Chief Executive Officer ("**CEO**"), to Jeremy Crozier, its current President and CEO, Daniel James, its former President, and Kevin Bales, its Chief Financial Officer ("**CFO**") (hereinafter collectively referred to as "**NEOs**"), and to the Company's directors.

Compensation Excluding Compensation Securities

The following summarizes compensation, excluding Compensation Securities (as defined below), paid or payable to NEOs and directors of the Company during the fiscal years ended December 31, 2019 and 2018:

| 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 (\$) |
| Simon Ridgway ⁽¹⁾ Director, Executive Chair & former CEO | 2019 | 60,000 ⁽¹⁾ | Nil | Nil | Nil | Nil | 60,000 |
| | 2018 | 60,000 ⁽¹⁾ | Nil | Nil | Nil | Nil | 60,000 |
| Jeremy Crozier ⁽²⁾ Director, President & CEO | 2019 | 168,000 ⁽²⁾ | Nil | Nil | Nil | Nil | 168,000 |
| | 2018 | Nil | Nil | Nil | Nil | Nil | Nil |
| Daniel James ⁽³⁾ Former President & Director | 2019 | 15,500 ⁽³⁾ | Nil | Nil | Nil | Nil | 15,500 |
| | 2018 | 186,000 ⁽³⁾ | Nil | Nil | Nil | Nil | 186,000 |
| Kevin Bales CFO | 2019 | 34,833 ⁽⁴⁾ | Nil | Nil | Nil | Nil | 34,833 |
| | 2018 | 30,709 ⁽⁴⁾ | Nil | Nil | Nil | Nil | 30,709 |
| Ralph Rushton Director | 2019 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2018 | Nil | Nil | Nil | Nil | Nil | Nil |
| David Hall Director | 2019 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2018 | 5,533 ⁽⁵⁾ | Nil | Nil | Nil | Nil | 5,533 |
| Jeremy Martin ⁽⁶⁾ Former Director | 2019 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2018 | Nil | Nil | Nil | Nil | Nil | Nil |
| Michael Skead Director | 2019 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2018 | Nil | Nil | Nil | Nil | Nil | Nil |

Notes:

- (1) Paid or payable to Mill Street Services Ltd. ("**Mill Street**") for the corporate development and financial advisory services of Simon Ridgway. Mr. Ridgway resigned as CEO and was appointed Executive Chair on March 28, 2019.
- (2) Paid or payable to Virv International Inc. ("**Virv**") for the services of Jeremy Crozier as President and CEO of the Company. Mr. Crozier was appointed Acting President on January 16, 2019 and President and CEO on March 28, 2019.
- (3) Includes amounts paid or payable to Wellhead Management Ltd. ("**Wellhead**") commencing September 1, 2017 for the services of Daniel James as President of the Company. The 2017 amount includes \$43,000, being the fair market value of Common Shares issued to Mr. James pursuant to a shares-for-services agreement dated June 23, 2017. Mr. James resigned as President and a Director on January 16, 2019.
- (4) Paid or payable to Gold Group Management Inc. ("**Gold Group**") for the services of Kevin Bales as CFO of the Company.
- (5) For geological consulting services.
- (6) Jeremy Martin resigned as a director on March 16, 2020.

Compensation Securities

The following sets forth the details of stock options, convertible securities, exchangeable securities or similar instruments including stock appreciation rights, deferred share units or restricted stock units (collectively “**Compensation Securities**”) granted or issued to NEOs and directors during the fiscal year ended December 31, 2019:

| COMPENSATION SECURITIES | | | | | | | |
|--|-------------------------------|---|------------------------|--|--|---|---------------|
| Name and Position | Type of Compensation Security | No. of Compensation Securities, No. of Underlying Securities, and Percentage of Class | Date of Issue or Grant | Issue, Conversion or Exercise Price (\$) | Closing Price of Security or Underlying Security on Date of Grant (\$) | Closing Price of Security or Underlying Security at Year End (\$) | Expiry Date |
| Jeremy Crozier Director, President & CEO | Stock Option | 1,500,000 22.7% | Jan. 16, 2019 | 0.15 | 0.06 | 0.06 | Jan. 15, 2029 |

Notes:

- (1) Stock options are exercisable to purchase an equal number of underlying common shares of the Company.
- (2) The total number of Compensation Securities, and underlying securities, held by each NEO and director as at December 31, 2019 are:

| | |
|----------------|--|
| Simon Ridgway | 750,000 stock options (and underlying common shares) |
| Jeremy Crozier | 1,500,000 stock options (and underlying common shares) |
| Kevin Bales | 250,000 stock options (and underlying common shares) |
| Ralph Rushton | 350,000 stock options (and underlying common shares) |
| David Hall | 350,000 stock options (and underlying common shares) |
| Jeremy Martin | 350,000 stock options (and underlying common shares) |
| Michael Skead | 350,000 stock options (and underlying common shares) |

The Company’s NEOs and directors did not exercise any Compensation Securities during the fiscal year ended December 31, 2019.

Stock Option Plans and Other Incentive Plans

The Company has a stock option plan, the material terms of which are described under “*Particulars of Matters to be Acted Upon – Stock Option Plan*” herein.

Compensation Agreements or Arrangements

Pursuant to an agreement dated effective January 1, 2020, Mill Street is paid a monthly fee for the corporate development and financial advisory consulting services of Simon Ridgway. The agreement has no fixed expiry date and contains provisions regarding fees and expenses, and termination of services. The agreement may be terminated by the Company without cause on 12 months’ notice and by Mill Street on three months’ notice. If, on December 31, 2019, the Company had terminated the agreement without cause, \$15,000 would have been payable to Mill Street. Mill Street is controlled by Mr. Ridgway, the Executive Chair of the Company.

Pursuant to a consulting agreement dated effective April 1, 2019, Virv is paid a monthly fee for the services of Jeremy Crozier as President and CEO of the Company. The agreement has no fixed expiry date and contains provisions regarding fees and expenses, and termination of services. The agreement may be terminated by the Company without cause on six months’ notice, and by Virv on three months’ notice. If, on December 31, 2019, the Company had terminated the agreement without

cause, \$43,500 would have been payable to Virv. If a change of control of the Company had occurred, \$261,000 (1.5x the annual fee) would have been payable to Virv. Virv is controlled by Mr. Crozier.

Pursuant to an agreement dated effective July 1, 2012, as amended January 1, 2020, Gold Group is reimbursed by the Company on a monthly basis for certain shared costs and other business related expenses paid by Gold Group on behalf of the Company, including the services of the Company's CFO. The agreement may be terminated by the Company without cause on 12 months' notice and by Gold Group on three months' notice. Gold Group is controlled by Mr. Ridgway, the Executive Chair of the Company.

Pursuant to a consulting agreement dated effective September 1, 2017, Wellhead was paid a monthly fee for the services of Daniel James as President of the Company. The agreement had no fixed expiry date and contained provisions regarding fees and expenses, and termination of services.

Oversight and Description of Director and NEO Compensation

The Company does not have a formal compensation program. The Board relies on the experience of its members as officers or directors of other junior exploration companies to ensure that total compensation paid to the Company's NEOs and directors is fair and reasonable. The Board meets periodically to discuss and determine such compensation, without reference to formal objectives, criteria or analysis.

The general philosophy of the Company's compensation strategy is to: (a) encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interest of shareholders; (c) provide a compensation package that is commensurate with other mineral exploration companies in order to attract and retain highly qualified executives and directors; and (d) ensure that total compensation paid takes into account the Company's overall financial position.

Compensation of the Company's NEOs is comprised primarily of cash salaries and/or incentive stock options. The compensation to the Company's NEOs for the fiscal year ended December 31, 2019 was comprised cash salaries and a stock option granted to the CEO. Stock options were previously granted to NEOs and directors during the 2016 fiscal year, and the Company may in the future grant additional stock options to its NEOs and directors.

In establishing levels of cash or share compensation and the granting of stock options, the individual's performance, level of expertise, and responsibilities are considered. Stock options are generally granted at the time of the individual's appointment and periodically thereafter. Previous grants of options are taken into account by the Board when it considers the granting of new stock options.

Incentive stock options are granted pursuant to the Option Plan which is designed to encourage share ownership on the part of the Company's management, directors, employees, and consultants. The Board believes that the stock option plan aligns the interests of the Company's personnel with shareholders by linking compensation to the longer term performance of the Company's shares. The granting of incentive stock options is an important component of executive compensation as it allows the Company to reward an individual's efforts to increase shareholder value without requiring the use of the Company's cash reserves.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Company has in place is the Option Plan which was previously approved by the shareholders on December 4, 2019. The Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Option Plan provides that the number of common shares of the Company issuable under the Option Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding common shares. The material terms of the Option Plan are set out above under the heading "*Particulars of Matters to be Acted Upon – Stock Option Plan*".

The following table sets out information regarding compensation plans under which equity securities of the Company are authorized for issuance, as at December 31, 2019:

| EQUITY COMPENSATION PLAN | | | |
|--|---|--|---|
| Plan Category | (a) No. of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights | (b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights | (c) No. of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding Securities Reflected in column (a)) |
| Equity Compensation Plan Approved by Shareholders | 6,615,000 | \$0.15 | 2,863,903 |
| Equity Compensation Plans Not Approved by Shareholders | N/A | N/A | N/A |
| Total: | 6,615,000 | N/A | 2,863,903 |

AUDIT COMMITTEE

Pursuant to the provisions of National Instrument 52-110, *Audit Committees* (“**NI 52-110**”), the Company’s Audit Committee has adopted a written charter (the “**Charter**”) that sets out its mandate and responsibilities. The Charter is attached hereto as Schedule “A”. As the Company is a “venture issuer” (as defined in NI 52-110), it is relying on the exemptions provided to it in Section 6.1 of NI 52-110 with respect to audit committee composition and reporting obligations.

The Audit Committee is presently comprised of Ralph Rushton, David Hall and Jeremy Crozier, a majority of whom are “financially literate” and are “independent” within the meanings given to those terms in NI 52-110 and applicable to a “venture issuer”. The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member is as follows:

Audit Committee Member

Ralph Rushton

Education and Experience

Mr. Rushton holds a Master’s degree in economic geology from the University of Alberta, and a Certificate in Business Writing, Public Relations and Marketing Communications from Simon Fraser University. He has 30 years’ experience in mining and exploration, much of which has been gained in southern Africa, the Middle East, eastern Europe and the Americas. For the past 13 years, he has worked in business development and investor relations for a number of public mineral exploration and mining companies. Mr. Rushton currently serves as a director or officer of several publicly traded resource companies.

David Hall

Mr. Hall is a graduate in geology from Trinity College Dublin and holds a Masters Degree in Mineral Exploration from Queens University, Kingston, Ontario. He has 30 years of experience in the exploration sector and has worked on and assessed exploration projects and mines in over 50 countries. He is founder of Stratex International Plc and Chair of Horizonte Minerals plc, both publicly listed mineral exploration companies, and is also Chief Executive of Thani Stratex Resources Ltd., an affiliate of Stratex International. Mr. Hall is a fellow of the Society of Economic Geologists and EuroGeol.

Jeremy Crozier

Mr. Crozier holds BSc and MSc degrees in geology and has over 20 years of exploration and commercial experience gained across a variety of project operations in Europe, North America and Africa. He has extensive experience in the management of complex mineral projects in remote environments, in discovery and resource definition, in the identification and appraisal of M&A opportunities, in capital raising, and in the negotiation of transactions with property vendors and joint venture partners.

The Committee has adopted specific policies and procedures for the engagement of non-audit services, all as more particularly described in the Audit Committee's Charter under the heading "Responsibilities". Amounts billed to the Company during the past two fiscal years for services by the external auditors are as follows:

| | 2019 | 2018 |
|--------------------|----------|----------|
| Audit Fees | \$35,000 | \$32,000 |
| Audit-Related Fees | Nil | Nil |
| Tax Fees | \$ 3,000 | \$ 3,000 |
| All Other Fees | Nil | Nil |
| Total: | \$38,000 | \$35,000 |

"Audit Fees" are the aggregate fees billed for the audit of the Company's consolidated annual financial statements.

"Audit-Related Fees" are fees charged for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees".

"Tax Fees" are fees for tax return preparation.

"All Other Fees" are amounts not included in the categories above.

CORPORATE GOVERNANCE

The Board is of the view that the Company's corporate governance practices are appropriate and effective for the Company, given its relatively small size and limited operations. The Company's method of corporate governance allows for the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

In accordance with National Instrument 58-101, *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Instrument Form 58-101F2, *Corporate Governance Disclosure (Venture Issuers)*, the Company discloses its corporate governance practices as follows:

Board of Directors

The Board considers Ralph Rushton, David Hall, and Michael Skead to be "independent" according to the definition set out in NI 58-101. Simon Ridgway and Jeremy Crozier are not independent as they are officers of the Company.

The independent Directors believe that their majority on the Board, their knowledge of the Company's business, and their independence are sufficient to facilitate the functioning of the Board independently of management. The independent Directors have the discretion to meet in private in the absence of the other Directors whenever they believe it is appropriate to do so.

Directorships

The directors of the Company are directors of one or more other reporting issuers, as follows:

| Director | Other Issuers |
|-----------------|---|
| Simon Ridgway | CROPS Inc. Fortuna Silver Mines Inc. Rackla Metals Inc. Radius Gold Inc. Volcanic Gold Mines Inc. |
| Jeremy Crozier | Rackla Metals Inc. |
| Ralph Rushton | Aftermath Silver Ltd. CROPS Inc. Revelo Resources Corp. |
| David Hall | Horizonte Minerals plc Thani Stratex Resources Ltd. |

Orientation and Continuing Education

Management will ensure that a new appointee to the Board is aware of his or her duties and responsibilities of a director of the Company. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director, as well as the continuing education needs of all Board members.

Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance objectives and goals. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

Given the Company's current stage of development and size of the Board, the Board is presently of the view that it functions effectively as a committee of the whole with respect to the nomination of directors. The entire Board will assess potential nominees and take responsibility for selecting new directors. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and senior officers of the Company.

Other Board Committees

The only Board committee of the Company is the Audit Committee.

Assessments

The Company has not determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. The contributions of an individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as may be disclosed in this Circular, no insider, proposed nominee for election as a director, or any associate or affiliate of the foregoing, had any material interest, direct or indirect, in any transaction or proposed transaction since January 1, 2019 which has materially affected or would materially affect the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is available for viewing at www.sedar.com. Financial information is provided in the Company's financial statements and accompanying management's discussion and analysis for the fiscal year ended December 31, 2019. Copies of financial statements and accompanying MD&A may be obtained by contacting the Company, attention Corporate Secretary, at 200 Burrard Street, Suite 650, Vancouver, BC V6C 3L6 (Tel: 604-801-5432; Fax: 604-662-8829).

BY ORDER OF THE BOARD

Jeremy Crozier,
President and Chief Executive Officer

MEDGOLD RESOURCES CORP.
(the "Corporation")

AUDIT COMMITTEE CHARTER

This Audit Committee Charter has been adopted by the board of directors of the Corporation in order to comply with National Instrument 51-102 Continuous Disclosure Obligations (the "Instrument") and to more properly define the role of the Audit Committee (the "Committee") in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the board of directors or the Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

Effective Date

This Charter was implemented by the Board on September 28, 2009, and revised October 17, 2014.

Purpose

The purpose of the Committee is to:

- (a) improve the quality of the Corporation's financial reporting;
- (b) assist the board of directors to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditors;
- (d) enhance the external auditor's independence;
- (e) increase the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

The board of directors has hereby established the Committee for, among other purposes, compliance with the Instrument. The board of directors, after each annual shareholders' meeting, must appoint or re-appoint its Committee.

Relationship with External Auditors

The Corporation will require its external auditor to report directly to the Committee.

Responsibilities

- (1) The Committee must have a written charter that sets out its mandate and responsibilities.
- (2) The Committee must recommend to the board of directors:
 - (a) the external 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 Corporation; and
 - (b) the compensation of the external auditor.
- (3) The Committee must be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

- (4) Except as exempted by securities regulatory policies, the Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.
- (5) The Committee must review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.
- (6) The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (5), and must periodically assess the adequacy of those procedures.
- (7) The Committee must establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (8) The Committee must review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

Composition

The Committee membership shall satisfy the laws governing the Corporation and the independence, financial literacy and experience requirements under securities law, stock exchange and any other regulatory requirements as are applicable to the Corporation.

Authority

The Committee shall have the authority to:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- (b) to set and pay the compensation for any advisors employed by the Committee,
- (c) to communicate directly with the internal and external auditors; and
- (d) recommend the amendment or approval of audited and interim financial statements to the board of directors.

Chair

The members of the Corporation shall elect a chair from among their number.

Meetings

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than once a year. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members. Minutes shall be kept of all meetings of the Committee.

The quorum for a meeting of the Committee is a majority of the members.