

KENADYR MINING (HOLDINGS) CORP.
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INFORMATION CIRCULAR
as at August 31, 2020 *(except as otherwise indicated)*

This Information Circular is furnished in connection with the solicitation of proxies by the management of Kenadyr Mining (Holdings) Corp. for use at the annual general meeting (the “Meeting”) of its shareholders to be held on October 7, 2020 at the time and place and for the purposes set forth in the accompanying notice of Meeting.

In this Information Circular, references to “the Company”, “we” and “our” refer to Kenadyr Mining (Holdings) Corp. “Common Shares” means common shares in the capital of the Company. “Beneficial Shareholders” 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 Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “Proxy”) are officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by choosing one of the following methods:

- (a) complete, date and sign the enclosed form of proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or
- (b) use a touch-tone phone to transmit voting choices to the toll-free number given in the proxy. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the proxy access number; or
- (c) log onto Computershare's website at www.investorvote.com. Registered Shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the holder's account number and the proxy access number.

In either case you must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company's board of directors (the "Board") at its discretion without notice. **Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the Scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the Scrutineer before the Meeting and inform them that your previously submitted proxy is revoked and that you personally will vote your Common Shares at the Meeting.**

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States of America (the "U.S." or the "United States") the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called "OBOs" for "*Objecting Beneficial Owners*") and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for "*Non-Objecting Beneficial Owners*").

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

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“Broadridge”) in Canada and in the United States. Broadridge mails a Voting Instruction Form (“VIF”) in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), different from the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right insert the name of your desired representative (which may be you) in the blank space provided in the VIF. Once you have completed and signed your VIF return it to Broadridge by mail or facsimile, or deliver your voting instructions to Broadridge by phone or via the internet, in accordance with Broadridge’s instructions. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge’s instructions, well in advance of the Meeting in order to: (a) have your Common Shares voted at the Meeting as per your instructions; or (b) have an alternate representative chosen by you duly appointed to attend and vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or duly authorized attorney, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street,

P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or

- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, as further described below.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board has fixed August 31, 2020 as the record date (the "Record Date") for determining persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is listed on the TSX Venture Exchange (the "TSXV") and is authorized to issue an unlimited number of Common Shares. As of August 31, 2020, there were 116,449,546 Common Shares without par value issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares. The Company is also authorized to issue an unlimited number of non-voting Preferred Shares, without par value. As at the Record Date, there were no Preferred Shares issued and outstanding.

To the knowledge of the directors and executive officers of the Company, there are no persons or corporations who beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at August 31, 2020.

The following documents filed with the securities commissions or similar regulatory authority in British Columbia and Alberta are specifically incorporated by reference into, and form an integral part of, this information circular:

- December 31, 2019 year-end financial statements, report of the auditor and related management discussion and analysis as filed under the Company's SEDAR profile on June 15, 2020 at www.sedar.com.

Copies of documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company at Suite 1430 – 800 West Pender Street, Vancouver, British Columbia, V6C 2V6, telephone no. (604) 687-7130 or fax no. (604) 608-9110. These documents are also available via the internet under the Company's SEDAR profile at www.sedar.com.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment

is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

At the Meeting, Shareholders of the Company will be asked to fix the number of directors of the Company at three (3). As of the date of this information circular, the current directors of the Company are: R. Stuart Angus, Timothy McCutcheon and Michael John Velletta.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the BCA, each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Advance Notice Policy

At the Company's annual general and special meeting held December 18, 2013 the Shareholders of the Company approved an alteration to the Articles to include an advance notice provision (the "Advance Notice Provision"). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the Act or (ii) a shareholder proposal made pursuant to the provisions of the Act. A copy of the Articles as altered by the shareholder resolution of December 18, 2013 was filed on January 23, 2014 under the Company's SEDAR profile at www.sedar.com.

Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such policy, a copy of which is attached as Schedule "B" to the Company's management information circular filed on November 26, 2013 under the Company's SEDAR profile at www.sedar.com.

Management Director Nominees

The following table sets out the names of management's nominees for election as director, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's current principal occupation, business or employment (for the five preceding years for each new nominee), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at August 31, 2020.

Nominee Position with the Company and Province or State and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾⁽²⁾
R. Stuart Angus ⁽³⁾⁽⁴⁾⁽⁵⁾ Director British Columbia, Canada	Self-employed Consultant (January 2006 to present); Chairman and Director of K92 Mining Inc. (May 2016 to Present);	Since March 2017	2,085,000 ⁽⁶⁾
Timothy McCutcheon ⁽³⁾ Chief Executive Officer and Director British Columbia, Canada	Metals and mining analyst (2003 to 2006); Director/CEO of several public emerging markets natural resources companies (2009 to present)	Since December 2019	200,000 ⁽⁷⁾
Michael John Velletta ⁽³⁾⁽⁴⁾⁽⁵⁾ Director British Columbia, Canada	Barrister and Solicitor; Founding member of Velletta & Company.	Since November 2017	500,000 ⁽⁸⁾

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees, or obtained from information available on SEDI.
- (2) On an undiluted basis.
- (3) Member of the Audit Committee.
- (4) Member of the Compensation Committee.
- (5) Member of the Corporate Governance Committee.
- (6) Mr. Angus hold options to purchase 820,000 Common Shares exercisable at \$0.10, expiring April 18, 2022, with 20% of such options vested on the date of grant and 20% vesting every 6 months thereafter.
- (7) Mr. McCutcheon holds options to purchase 1,000,000 Common Shares exercisable at \$0.10, expiring December 24, 2024, with 12.5% of such options vesting each three months following the date of grant.
- (8) 400,000 of these shares are registered to Velletta Resource and Technology Corporation, a personal holding company owned by Mr. Velletta. Mr. Velletta holds options to purchase 500,000 Common Shares exercisable at \$0.10, expiring December 12, 2024, with 12.5% of such options vesting each three months following the date of grant.

Biographies of Director Nominees

R. Stuart Angus – Director / Chairman of the Board

Mr. Angus is an independent business advisor to the mining industry. For more than 35 years, Mr. Angus has focused on structuring and financing significant international exploration, development and mining ventures. Mr. Angus is the former chairman of the board of B.C. Sugar Refinery Ltd.; he was a director of First Quantum Minerals until June, 2005, a director of Canico Resources Corp. until its takeover by CVRD in 2005, and a director of Bema Gold until its takeover by Kinross Gold in 2007; and he was managing director of mergers and acquisitions for Endeavour Financial, a director of Ventana Gold until its takeover by AUX Canada Acquisition in 2011, and a director of Plutonic Power until its merger with Magma Energy in 2011. More recently, he served as chairman of Nevsun Resources Ltd. until its acquisition of Reservoir Minerals in September 2017. He is chairman of San Marco Resources Inc. and K92 Mining Inc.

Timothy McCutcheon – Director / Chief Executive Officer

Mr. McCutcheon is a corporate mining executive and capital markets professional with over twenty years business experience. From 2003 to 2006, Mr. McCutcheon was a Thompson Extel and Institutional Investor-ranked metals and mining analyst for one of Europe's largest brokerage firms. In 2006, Mr. McCutcheon was a founder of DBM Capital Partners, a Russia/CIS focused boutique mining resource merchant bank, with \$130 million assets under management and \$100 million in completed M&A transactions before being sold

to a UK-based hedge fund in 2009. Since 2009, Mr. McCutcheon has been a director/CEO of several public emerging markets natural resource companies with assets in Russia, Kyrgyzstan, Slovakia, Mali and Ghana. Mr. McCutcheon attended Columbia University and graduated with BA and MBA degrees.

Michael John Velletta - Director

Michael Velletta is a Barrister and Solicitor licensed to practice law in British Columbia. He is also founding member of Velletta & Company. Mr. Velletta was one of the original directors' of the Company and re-joined the board in November 2017.

Penalties, Sanctions and Cease Trade Orders

Except as set out below, no proposed director is, as at the date of this information circular, or has been, within ten (10) years before the date of this information circular, a director, chief executive officer or chief financial officer of any company (including the Company, in respect of which the information circular is being prepared) that:

- a. was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- b. was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- c. 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
- d. has, within the ten (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.

APPOINTMENT OF AUDITOR

Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, 1500 – 1140 West Pender Street, Vancouver, British Columbia V6E 4G1 will be nominated at the meeting for re-appointment as auditor for the ensuing year. Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants were first appointed as the Company's auditor on December 14, 2017.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general meeting.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

The Company is a venture issuer as defined under National Instrument 52-110 – *Audit Committees* ("NI 52-110") and each venture issuer is required to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

The Audit Committee's Charter

A copy of the Company's Audit Committee Charter was attached as Schedule A to the Company's Management Information Circular dated May 24, 2017 and filed on SEDAR on June 1, 2017. The Audit Committee Charter was adopted by the Board on November 8, 2010 and the actions and decisions of the Audit Committee have been governed by the Charter since then, and continue to be so.

Composition of the Audit Committee

The current Audit Committee members are Messrs. Angus, McCutcheon and Velletta. Messrs. Angus and Velletta are independent, but Mr. McCutcheon is not independent as he is the Chief Executive Officer of the Company. All Audit Committee members are considered to be financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the Board's reasonable opinion, interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements presenting a breadth and level of complexity of accounting issues generally comparable to the breadth and complexity of issues one can reasonably expect to be raised by the Company.

Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that provides the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) 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 individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

See *Biographies of Director Nominees* above, in particular the biographies of each Audit Committee member, for more information concerning each Audit Committee member's education and experience.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Dale Matheson Carr-Hilton LaBonte LLP.

Reliance on Certain Exemptions

The Company's auditor, Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, have not provided any material non-audit services. At no time since the commencement of the Company's two most recently completed financial years 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 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by the Company's current auditor, Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, (the "Auditors") to the Company to ensure auditor independence. Fees incurred with the Auditors, for audit and non-audit services in the last three fiscal years are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2019	Fees Paid to Auditor in Year Ended December 31, 2018	Fees Paid to Auditor in Year Ended December 31, 2017
Audit Fees ⁽¹⁾	\$22,850	\$22,000	\$40,990
Audit-Related Fees ⁽²⁾	Nil	Nil	\$20,330
Tax Fees ⁽³⁾	\$10,000	\$16,275	\$17,160
All Other Fees ⁽⁴⁾	Nil	Nil	Nil
Total	\$32,850	\$38,275	\$78,480

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Company is a "venture issuer" as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

General

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") requires issuers to disclose their corporate governance practices and National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58-201") provides guidance on corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the company's shareholders. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the Board's opinion, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its independent supervision over management of the Company through frequent meetings of the Board at which members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary.

Management is delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and

approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its Audit Committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The Board reviews executive compensation and recommends stock option grants.

The independent members of the Board are R. Stuart Angus and Michael John Velletta. Mr. McCutcheon is not independent as he is an officer of the Company.

Directorships

Certain members of the Board are currently serving on boards of directors of other reporting companies (or equivalent) as set out below:

Name of Director	Name of Reporting Issuer	Exchange
R. Stuart Angus	San Marco Resources Inc.	TSXV
	K92 Mining Inc.	TSXV
Timothy McCutcheon	Ashanti Gold Corp.	N/A

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board acting through its Compensation Committee determines compensation for the directors and the procedures for this determination are described under Statement of Executive Compensation below. With respect to compensation paid to the Chief Executive Officer, please refer to Statement of Executive Compensation below.

Other Board Committees

In addition to the Audit Committee, the board also has a Compensation Committee and Corporate Governance Committee.

Compensation Committee

The Board has established a Compensation Committee consisting of R. Stuart Angus and Michael John Velletta. The recommendations of the Committee are considered by the Board in determining compensation for the directors, the CEO and other senior executives and consultants.

Corporate Governance Committee

The Board has established a Corporate Governance Committee consisting of R. Stuart Angus and Michael John Velletta. The recommendations of the Committee are considered by the Board in determining the adoption, implementation and management of certain policies and codes of practice with respect to standards of professional and ethical conduct.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and the Audit Committee on an ongoing basis.

STATEMENT OF EXECUTIVE COMPENSATION

General

The following compensation information is provided as required under Form 51-102F6V for Venture Issuers (the “Form”), as such term is defined in NI 51-102.

For the purposes of this Statement of Executive Compensation:

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

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, requirements and was not acting in a similar capacity, at the end of that financial year.

During the financial year ended December 31, 2019, based on the definition above, the NEOs of the Company were: Timothy McCutcheon, CEO and director and Kevin Ma, CFO and Corporate Secretary. The directors of the Company that were not NEOs were R. Stuart Angus, Chairman, and Michael John Velletta.

Alexander Becker resigned as President, CEO and a director on December 23, 2019. Bryan Slusarchuk resigned as President and director on July 31, 2019. Timothy McCutcheon was appointed CEO and a director on December 24, 2019. Douglas Kirwin resigned as a director on December 31, 2019.

Director and Named Executive Officer Compensation

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and members of the board of directors of the Company (the “Board”) for the two most recently completed financial years ended December 31, 2019 and December 31, 2018. Options and compensation securities are disclosed under the heading “Share Options and Other Compensation Securities” below.

Table of compensation excluding compensation securities							
<u>Name and position</u>	<u>Year</u>	<u>Salary, consulting fee, retainer or commission</u> <u>(\$)</u>	<u>Bonus</u> <u>(\$)</u>	<u>Committee or meeting fees</u> <u>(\$)</u>	<u>Value of perquisites</u> <u>(\$)</u>	<u>Value of all other compensation</u> <u>(\$)</u>	<u>Total compensation</u> <u>(\$)</u>
R. Stuart Angus Chairman and Director	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Timothy McCutcheon ⁽¹⁾ CEO and Director	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$1,374 Nil	\$1,374 Nil
Alexander Becker ⁽²⁾ former President, CEO and Director	2019 2018	\$95,359 \$94,653	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$95,359 \$94,653
Kevin Ma CFO and Corporate Secretary	2019 2018	\$75,600 \$76,545	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$75,600 \$76,545
Bryan Slusarchuk Former President and Director	2019 2018	\$20,000 \$60,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$20,000 \$60,000
Brian Lueck Former Director and CEO	2019 2018	\$6,448 \$6,448	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$6,448 \$6,448
Douglas Kirwin ⁽³⁾ Former Director	2019 2018	\$79,405 \$74,721	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$79,405 \$74,721
Michael John Velletta Director	2019 2018	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$980 Nil	\$980 Nil

Notes:

- (1) Timothy McCutcheon was appointed CEO and a director on December 24, 2019.
- (2) Alexander Becker resigned as President, CEO and a director on December 23, 2019.
- (3) Douglas Kirwin resigned as a director on December 31, 2019.

Stock Option Plan or Other Compensation Plans

10% Rolling Share Option Plan (Option-Based Awards)

The Company has a Share Option Plan dated November 8, 2010, as amended October 30, 2014 (the “Plan”), which was last approved by the shareholders for continuation at the annual general meeting of the Company held July 31, 2019. The Plan provides that the number of Common Shares issuable under the 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 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 Plan is administered by the Board and provides that the terms of options granted under the Plan and the option price may be fixed by the Board subject to TSXV policy requirements. The Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company, and provides that the number of Common Shares issuable under the 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. Pursuant to the Plan all options expire on a date not later than 10 years after the date of grant of an option.

Material Terms of the Plan

The following is a summary of the material terms of the Plan:

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Options granted under the Plan are non-assignable, and non-transferable;
- (c) For options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) An option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) If an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) In the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) The exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) Vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period; and
- (i) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

Share Options and Other Compensation Securities

The following table sets forth incentive stock options (option-based awards) pursuant to the Company's share option plan that were outstanding to NEOs and directors of the Company who were not NEOs during financial year ended December 31, 2019.

1,500,000 incentive stock options were issued during financial year ended December 31, 2019.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant Y/M/D	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 Y/M/D
Stuart Angus	Options	820,000	2019/07/31	\$0.10 ⁽³⁾	\$0.085	\$0.05	2024/07/31
Kevin Ma	Options	400,000	2017/07/31	\$0.10 ⁽³⁾	\$0.085	\$0.05	2024/07/31
Timothy McCutcheon	Options	1,000,000	2019/12/24	\$0.10	\$0.04	\$0.05	2021/24/24
Michael John Velletta	Options	500,000	2019/12/12	\$0.10	\$0.04	\$0.05	2024/12/12

Notes:

- (1) Percentage of class represents % of compensation securities granted over the total number of compensation securities of the Company outstanding as of December 31, 2019.
- (2) Closing price of the Issuer's common shares as at December 31, 2019.
- (3) The exercise price of the incentive stock options were re-issued from \$0.80 to \$0.10 on July 31, 2019

Exercise of Compensation Securities by NEOs and Directors

There were no compensation securities exercised by NEOs and directors of the Company who were not NEOs during financial year ended December 31, 2019.

Employment, Consulting and Management Agreements

During the financial year ended December 31, 2019, the Company has no agreements of compensatory plans or arrangements with any of its NEOs concerning severance payments of cash or equity compensation resulting from the resignation, retirement or any other termination of employment or other agreement with the Company or as a result of a change of control of the Company, except as set forth below.

The Company entered into an employment agreement dated December 20, 2019 with Timothy McCutcheon whereby the Company agreed to employ Mr. McCutcheon in the position of Chief Executive Officer. Pursuant to the agreement, Mr. McCutcheon is paid an annual base salary of \$192,000. If the agreement is terminated by the Company, other than a termination for cause, the Company shall pay to the Mr. McCutcheon an amount equal to 12 months' salary. If Mr. McCutcheon resigns within six months of a change of control of the Company, the Company shall pay Mr. McCutcheon an amount equal to 24 months' salary and all options held by Mr. McCutcheon will be deemed to be fully vested.

Oversight and Description of Director and Named Executive Officer Compensation

Elements of the Compensation Program

The responsibilities relating to executive and director compensation, including reviewing and recommending compensation of the Company's officers and employees and overseeing the Company's base compensation structure and equity-based compensation program is performed by the Board as a whole. The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board generally reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity and the performance of officers generally and in light of the Company's goals and objectives.

The Company is a small junior resource company with limited resources. The compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including: (a) attracting and retaining talented, qualified and effective executives; (b) motivating the short and long-term performance of executives; and (c) better aligning the interests of executive officers with those of the Company's shareholders. In the Board's view, paying salaries which are competitive in the

markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies is compiled from a variety of sources, including national and international publications.

The Board determines the compensation for the CEO and compensation of the Company's executives is also determined by the Board. In each case, the Board takes into consideration the prior experience of the executive, industry standards, competitive salary information on comparable companies of similar size and stage of development, the degree of responsibility and participation of the executive in the day-to-day affairs of the Company, and the Company's available cash resources.

In the Board's view, to attract and retain qualified and effective executives, the Company must pay base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates.

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

Philosophy and Objectives

Compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, which are:

- to attract and retain qualified and effective executives;
- to motivate the short and long-term performance of these executives; and
- to align their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its stock option plan.

Base Salary

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on companies earning comparable revenues in a similar industry has been reviewed and compared over a variety of sources.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's stock option plan. Stock options are granted to senior executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options, which vest immediately, are generally granted to senior executives and Board members.

Compensation Review Process

Compensation for each of the Board members and each of the NEOs is approved by the Board as a whole. Base cash compensation and variable cash compensation levels are based, in part, on market survey data provided to the Board by independent consultants.

Base Salary or Consulting Fees

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on companies earning comparable revenues in a similar industry has been reviewed and compared over a variety of sources.

Financial Year ended December 31, 2019

During the year ended December 31, 2019 and 2018, the Company paid and/or accrued the following fees to key management personnel: The Company's related parties include key management personnel and companies related by way of directors or shareholders in common.

		Year Ended December 31, 2019		Year Ended December 31, 2018
Management	\$	211,320	\$	231,449
Directors		101,563		81,170
		312,883		312,619

Additional to the fees paid to management personnel in the table above, during the year ended, there were also share based payments of \$20,361 and \$15,710 paid to management and directors respectively (2018 - \$182,617 and \$119,797). Key management includes the Company's Board of Directors and members of senior management.

As at December 31, 2019, the Company has \$58,026 accounts payable due to related parties (December 31, 2018 - \$nil).

Director Compensation

During the two most recently completed financial years, the directors received no cash compensation for acting in their capacity as directors of the Company.

Except for the potential grant to directors of share options, there were no arrangements under which directors were compensated by the Company during the two most recently completed financial years for their services in their capacity as directors.

Pension Disclosure

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Company has in place is the share option plan (the "Plan") which was approved by the Board on November 8, 2010 and amended on October 30, 2014. The Plan has been 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 Plan is administered by the Board of the Company. The Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan provides that the number of Common Shares issuable under the 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. All options expire on a date not later than 10 years after the date of grant of such option.

The following table sets out equity compensation plan information as at the December 31, 2019 financial year end:

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - the Plan	7,620,000	\$0.10	2,544,241
Equity compensation plans not approved by securityholders	Nil	-	Nil
Total	7,620,000	\$0.10	2,544,241

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as at the Company’s most recently completed financial year ended December 31, 2019, or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who, generally speaking, is a director or executive officer or a 10% shareholder of the Company. To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries since the commencement of the Company’s most recently completed financial year.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Continuation of Option Plan

The Company has a Share Option Plan dated for reference November 28, 2010 (the “Plan”), which was amended on October 30, 2014. Under the Plan, options totalling a maximum of 10% of the Common Shares outstanding from time to time are available for grant.

To comply with the TSXV policies covering “rolling” option plans, continued grants under the Plan must be approved annually by the shareholders of the Company. At the Meeting, shareholders will be asked to ratify and approve the Plan for continuation until the next annual general meeting of the Company.

The Share Option Plan is described in more detail, including the material terms of the Plan, above, see *Statement of Executive Compensation – Share Options and Other Compensation Securities*.

The Board is of the view that the Option Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. Accordingly, at the Meeting, shareholders will be asked to approve the following ordinary resolution, with or without variation:

“RESOLVED as an ordinary resolution that the Company’s share option plan dated for reference November 8, 2010, as amended on October 30, 2014, be and is hereby ratified and approved for continuation until the next annual general meeting of the Company.”

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast on the resolution in person or by proxy. A copy of the Option Plan will be available for inspection by any shareholder at the Meeting. A copy of the Option Plan is filed under the Company’s SEDAR profile at www.sedar.com.

The Board recommends shareholders vote in favour of ratification and approval of the Option Plan.

In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the above ordinary resolution. An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

ADDITIONAL INFORMATION

Financial information is provided in the Company’s audited financial statements for the year ended December 31, 2019 and the related management’s discussion and analysis (the “Financial Statements”). The Financial Statements will be placed before the Meeting.

Additional information relating to the Company and a copy of the Financial Statements may be obtained under the Company’s SEDAR at www.Sedar.com or upon request from the Company at Suite 1430, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6, Telephone No.: 604-687-7130 or Fax No.: 604-608-9110. The Company may require payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this information circular.

The contents of this information circular and its distribution to shareholders have been approved by the Board of the Company.

DATED at Vancouver, British Columbia this 31 day of August, 2020.

BY ORDER OF THE BOARD

“Timothy McCutcheon”

Timothy McCutcheon
Chief Executive Officer