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**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO  
BE HELD ON JULY 8, 2022 AND INFORMATION CIRCULAR**

*DATED: June 3, 2022*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisor.*

*If you are a registered shareholder of the Company and are unable to attend the Meeting in person, please date and sign the enclosed form of proxy and return it in the envelope provided. All proxies to be valid, must be received by TSX Trust Company, Proxy Department, POX Box 721 Agincourt, ON, M1S 0A1 or via fax (416) 368-2502 or toll free in Canada and the United States to 1-866-781-3111 or scan and email to [ProxyVote@TMX.com](mailto:ProxyVote@TMX.com) at least 48 hours prior to the Meeting or any adjournment thereof. If you are not a registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the voting instruction form in accordance with the instructions provided to you by your broker or intermediary.*



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### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the "Meeting") of the Shareholders of HIGHBANK RESOURCES LTD. (the "Company") will be held at Suite 615, 800 West Pender Street, Vancouver, BC, on July 8, 2022, at the hour of 10:00 A.M., Vancouver time, for the following purposes:

1. To receive and consider the report of the Directors and the financial statements of the Company, together with the auditor's report thereon for the financial years ended December 31, 2020 and December 31, 2021;
2. To fix the number of Directors at four (4);
3. To elect Gary Musil, William (Bill) Loucks, Thomas O'Connor and Mark Luchinski as directors of the Company to hold office until the next annual meeting of the Company, or until such time as their successors are duly elected or appointed in accordance with the Company's constating documents;
4. To appoint Crowe MacKay LLP, Chartered Accountants, as the auditors of the Company until the next annual general meeting of the Company and to authorize the directors of the Company to fix the remuneration to be paid to the auditor for such period;
5. To consider and, if thought fit, to pass an ordinary to ratify, confirm and approve the Company's 2022 Stock Option Plan, as described in the Information Circular accompanying this Notice of Meeting;
6. To consider and, if thought fit, to pass an ordinary resolution approving and ratifying the Company's Advance Notice Policy, as more particularly described in the Company's information circular accompanying this Notice of Meeting;
7. To consider, and if thought fit, to pass an ordinary resolution to ratifying and approving the re-pricing of the options that currently have exercise prices of \$0.50 (post 1:10 rollback) to \$0.05, as set out in the accompanying Information Circular; and
8. To transact such further or other business as may properly come before the Meeting and any adjournments thereof.

The accompanying information circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Company's Board of Directors has fixed June 3, 2022 as the record date for the determination of Shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered Shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company's transfer agent, *TSX Trust Company, Proxy Department, POX Box 721 Agincourt, ON, M1S 0A1* or via fax (416) 368-2502 or toll free in Canada and the United States to 1-866-781-3111 or scan and email to [ProxyVote@TMX.com](mailto:ProxyVote@TMX.com) at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

If you are a non-registered Shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the "Intermediary"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

**NOTE OF CAUTION CONCERNING COVID-19 OUTBREAK**

At the date of this Notice and the accompanying Information Circular it is the intention of the Company to hold the Meeting at the location stated above in this Notice. We are continuously monitoring development of current coronavirus (COVID-19) outbreak ("COVID-19"). In light of the rapidly evolving public health guidelines related to COVID-19, we ask shareholders to consider voting their shares by proxy and NOT attend the meeting in person. Shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada: (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>). We ask that shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. All shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described on pages 1, 2 and 3 of the Information Circular accompanying this Notice.

The Company reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Company will announce any and all of these changes by way of news release, which will be filed under the Company's profile on SEDAR as well as on our Company website at [www.highbankresources.com](http://www.highbankresources.com). We strongly recommend you check the Company's website prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Company will not prepare or mail amended Meeting Proxy Materials.

While registered shareholders are entitled to attend the Meeting in person we strongly recommend that all Shareholders vote by proxy and accordingly ask that registered shareholders complete, date and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.

If you hold your Common Shares in a brokerage account, you are a non-registered shareholder ("Beneficial Shareholder"). Beneficial Shareholders who hold their Common Shares through a bank, broker or other financial intermediary should carefully follow the instructions found on the form of Proxy or VIF provided to them by their intermediary, in order to cast their vote.

**THE BOARD OF DIRECTORS AND MANAGEMENT REQUEST ALL SHAREHOLDERS VOTE BY PROXY AND NOT ATTEND THE MEETING IN PERSON.**

DATED at Vancouver, BC, this 14<sup>th</sup> day of June, 2022.

BY ORDER OF THE BOARD OF  
HIGHBANK RESOURCES LTD.

James H. Place, President, CEO



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### INFORMATION CIRCULAR

(As at June 3, 2022 except as indicated)

**HIGHBANK RESOURCES LTD.** (the “Company”) is providing this information circular (the “Information Circular”) and a form of proxy in connection with management’s solicitation of proxies for use at the annual general meeting (the “Meeting”) of the Company to be held at 10:00 A.M (Vancouver time) on July 8, 2022 at Suite 615, 800 West Pender Street, Vancouver, BC, and at any adjournments thereof. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

#### Date and Currency

The date of this Information Circular is June 3, 2022. Unless otherwise stated, all amounts herein are in Canadian dollars.

#### **NOTE OF CAUTION CONCERNING COVID-19 OUTBREAK**

At the date of this Information Circular it is the intention of the Company to hold the Meeting at the location stated above. We are continuously monitoring development of current coronavirus (COVID-19) outbreak (“COVID-19”). In light of the rapidly evolving public health guidelines related to COVID-19, we ask shareholders to consider voting their shares by proxy and NOT attend the meeting in person. Shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada: <https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>. We ask that shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. All shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described on pages 3, 4 and 5 of this Information Circular.

The Company reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Company will announce any and all of these changes by way of news release, which will be filed under the Company’s profile on SEDAR as well as on our Company website at [www.HighbankResources.com](http://www.HighbankResources.com). We strongly recommend you check the Company’s website prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Company will not prepare or mail amended Meeting Proxy Materials.

#### APPOINTMENT OF PROXYHOLDER

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

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

#### VOTING BY PROXY

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

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

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

#### COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, TSX Trust Company, Proxy Department, POX Box 721 Agincourt, ON, M1S 0A1 or via fax (416) 368-2502 or toll free in Canada and the United States to 1-866-781-3111 or scan and email to [ProxyVote@TMX.com](mailto:ProxyVote@TMX.com) or [Votezprocuration@astfinancial.com](mailto:Votezprocuration@astfinancial.com) not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

#### IMPORTANT INFORMATION FOR NON-REGISTERED HOLDERS

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

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

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your Shares are voted at the Meeting.

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

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as "non-objecting beneficial owners ("NOBOs"). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as "objecting beneficial owners" ("OBOs").

The Company is not sending the Meeting materials directly to NOBOs in connection with the Meeting, but rather has distributed copies of the Meeting materials to the Nominees for distribution to NOBOs.

The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting Materials unless their Nominee assumes the costs of delivery.

#### NOTICE-AND-ACCESS

The Company is **not** sending the Meeting materials to Shareholders using "notice-and-access", as defined under NI 54-101.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value. As of the record date, determined by the Board to be the close of business on June 3, 2022, a total of 140,106,621 common shares were issued and outstanding. Each common share carries the right to one vote at the Meeting.

Only registered Shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company no person beneficially owns, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company.

## ADVANCE NOTICE POLICY

At the Company's last annual general was held on February 5, 2021, the Shareholders ratified, confirmed, authorized and approved the Company's Advance Notice Policy with respect to the timing and format of director nominations. The full text of the Advance Notice Policy was attached to the Company's information circular and is filed SEDAR. The following information is intended as a brief summary of the Advance Notice Policy and is qualified in its entirety by the full text of the Advance Notice Policy.

The purpose of the Advance Notice Policy is to provide shareholders, directors and management of the Company with a clear framework for nominating directors of the Company. To be timely, a Nominating Shareholder (as defined in the Advance Notice Policy) must send notice to the Corporate Secretary of the Company:

- (a) in the case of an annual meeting of shareholders, not less than 30 days nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be given not later than the close of business on the 10th day following the notice date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors, not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

To be in proper written form, a Nominating Shareholder's notice must be addressed to the Corporate Secretary of the Company, and must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
  - (i) the name, age, business address and residential address of the person;
  - (ii) the present principal occupation or employment of the person and the principal occupation or employment within the five years preceding the notice;
  - (iii) the citizenship of such person;
  - (iv) the shareholdings of the person; and
  - (v) a statement as to whether such person would be "independent";
- (b) the full particulars regarding any oral or written proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company; and
- (c) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act (British Columbia) and applicable securities laws.

## NUMBER OF DIRECTORS

The Articles of the Company provide for a Board of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval of the Shareholders. At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at four (4). The number of directors will be approved if the affirmative vote of the majority of Shares present or represented by proxy at the Meeting and entitled to vote are voted in favour of setting the number of directors at four (4). Management recommends the approval of the resolution to set the number of directors of the Company at four (4).

## ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal. In the absence of instructions to the contrary, the enclosed form of proxy will be voted for the nominees listed in the form of proxy. All of the nominees listed in the Form of Proxy are presently members of the Board.

Pursuant to the Advance Notice Policy of the Company adopted by the Board of Directors, any additional director nominations for the Meeting must have been received by the Company in compliance with the Advance Notice Policy, as noted above, no later than the close of business on June 7, 2022.

Management of the Company proposes to nominate the persons named in the table below for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Jurisdiction of Residence and Position	Principal Occupation or Employment and, if not a Previously Elected Director, Occupation During the Past 5 Years <input type="checkbox"/>	Previous Service as a Director	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
<b>Gary Musil</b> <i>CFO and Director</i> New Westminster, BC	Businessman; Chief Financial Officer and Director of Belmont Resources Inc. (TSX-V, Frankfurt) (Dec.1999 to present)	Since Dec. 31, 1988	1,794,651
<b>William (Bill) Loucks, CPA, CA</b> <i>Director</i> Chatham, ON	Businessman; former partner with Collins Barrow, CK-LLP from 1992 to 2017	Since Aug. 11, 2014	5,075,875 (of which 2,360,000 are held indirectly)
<b>Thomas Quinton O'Connor</b> <i>Director</i> North Vancouver, BC	Businessman	Since May 3, 2022	523,509
<b>Mark Luchinski</b> <i>New Nominee</i> New Westminster, BC	Businessman – Currently CFO of CMC Metals Ltd. (TSX.V: CMB). Previously director of Marvel Discovery Corp.; Consultant and Operations Manager for Falcon Gold Corp. (TSX-V); Previously served as an officer/director of numerous TSX-V issuers	New Nominee	Nil

**NOTES:**

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at June 3, 2022 and does not include any stock options held and/or warrant convertible into common shares, if any

**Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.**

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

Other than as disclosed herein, to the knowledge of the Company, no proposed Director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a Director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Company) that:
  - (i) was the subject, while the proposed Director was acting in the capacity as Director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed Director ceased to be a Director, CEO or CFO but which resulted from an event that occurred while the proposed Director was acting in the capacity as Director, CEO or CFO of such company; or

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a Director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
  - (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director; or
  - (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
  - (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Director.
- On July 5, 2016, the British Columbia Securities Commission issued a cease trade order against Nomad Ventures Inc. for failure to file annual audited financial statements for the year ended February 29, 2016 and accompanying Management's Discussion and Analysis. Such order was rescinded on August 16, 2016. James H. Place was a director of the Company at the time the Order was issued.

The following proposed directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer
Gary Musil	Belmont Resources Inc. Madi Minerals Ltd. Rock Edge Resources Ltd.

## STATEMENT OF EXECUTIVE COMPENSATION FOR THE YEARS ENDED DECEMBER 2020 AND 2021

### General

For the purposes of this Statement of Executive Compensation:

“CEO” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

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

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with applicable securities laws; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

### Compensation Discussion and Analysis

The compensation of Company officers and Directors is based on an incentive philosophy with the intent that all efforts will be directed toward a common objective of creating shareholder value. The Company’s process for determining executive compensation is not formal. The Board of Directors meets to discuss and determine executive compensation without reference to formal objectives, criteria or analysis. The compensation strategy is to attract and retain talent and experience with focused leadership in the operations, financing, and exploration asset management of the Company with the objective of maximizing the



value of the Company. The officers and Board of Directors each have defined skills and experience that are essential to a junior exploration company in the mining industry.

The Company is aware of the challenges that it faces in its present stage of development and the current financial limitations of being a junior exploration company in the current financial markets. The amounts paid to the CEO and CFO for management services have been unchanged in recent years.

#### *Elements of Compensation*

The Company's executive compensation consists of an annual base salary and long term incentives in the form of stock options granted under the Company's Stock Option Plan.

The base salaries paid to officers of the Company are intended to provide fixed levels of competitive pay that reflect each officer's primary duties and responsibilities and the level of skill and experience required to successfully perform their role. The Company intends to pay base salaries to officers that are competitive with those for similar positions in the mining industry to attract and retain executive talent in the market in which the Company competes for talent. Base salaries of officers are reviewed annually by the Board of Directors.

The incentive component of the Company's compensation program is the potential longer term reward provided through the grant of stock options. The Company's Stock Option Plan is intended to attract, retain and motivate officers and Directors of the Company in key positions, and to align the interests of those individuals with those of the Company's shareholders. The Stock Option Plan provides such individuals with an opportunity to acquire a proprietary interest in the Company's value growth through the exercise of stock options. Options are granted at the discretion of the Board of Directors, which considers factors such as how other junior exploration companies grant options and the potential value that each optionee is contributing to the Company. The number of options granted to an individual is based on such considerations. Stock options are granted at an exercise price of not less than the prevailing market price of the Company's common shares at the time of the grant, and for a term of exercise not exceeding ten years.

The Company has not currently identified specific performance goals or benchmarks as such relate to executive compensation, but from time to time does review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within the Company's industry. The stage of the Company's development and the small size of its specialized management team allow frequent communication and constant management decisions in the interest of developing shareholder value as a primary goal. As the Company progresses toward a revenue-producing entity, and performance goals are more apt to be delegated, particular performance goals will become more complex and measurable, and included in the compensation structure accordingly.

#### *Compensation Policies and Risk Management*

The Board of Directors considers the implications of the risks associated with the Company's compensation policies and practices when determining rewards for its officers. Commencing in 2012, the Board of Directors intends to review at least once annually the risks, if any, associated with the Company's compensation policies and practices at such time.

Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Company's Stock Option Plan. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the shareholders is extremely limited. Furthermore, the short-term component of executive compensation (base salary) represents a relatively small part of the total compensation. As a result, it is unlikely an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the small size of the Company and the current level of the Company's activity, the Board of Directors is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

#### *Hedging of Economic Risks in the Company's Securities*

The Company has not adopted a policy prohibiting Directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by Directors or officers. However, the Company is not aware of any Directors or officers having entered into this type of transaction.

## Option-Based Awards

The Company's Stock Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange, and closely align the interests of the executive officers with the interests of shareholders.

The Board of Directors as a whole has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

## Compensation Governance

Options are granted at the discretion of the Board of Directors, which considers factors such as how other junior exploration companies grant options and the potential value that each optionee is contributing to the Company. The number of options granted to an individual is based on such considerations.

## Summary Compensation Table

The following information is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation*, and sets forth compensation for each of the Company's NEOs in addition to the directors of the Company as at December 31, 2019, December 31, 2020 and December 31, 2021 (for the three most recently completed financial years).

### Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO and director, in any capacity, for the three most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
James H. Place <sup>(1)</sup> President, CEO and Director	2021	90,000	Nil	Nil	Nil	Nil	90,000
	2020	90,000	Nil	Nil	Nil	Nil	90,000
	2019	90,000	Nil	Nil	Nil	Nil	90,000
Gary Musil <sup>(2)</sup> CFO and Director	2021	60,000	Nil	Nil	Nil	Nil	60,000
	2020	60,000	Nil	Nil	Nil	Nil	60,000
	2019	60,000	Nil	Nil	Nil	Nil	60,000
William Loucks Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Victor N. Bryant <sup>(2)</sup> Former COB	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Luard Manning <sup>(3)</sup> Former Director	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	Nil	Nil	Nil	Nil	Nil	Nil

#### NOTES:

- (1) James H. Place was appointed CEO on November 1, 2015
- (2) Victor Bryant served as President and CEO of the Company during the period September 1, 2012 to November 1, 2015 and COB from November 1, 2015 until his passing on December 1, 2019
- (3) Lou Manning resigned as a director effective February 5, 2021

## Stock Options and Other Compensation Securities

No compensation securities were granted or issued to each NEO and director by the Company for services provided or to be provided, directly or indirectly, to the Company in the most recently completed financial years ended 2020 or 2021.

## Exercise of Stock Options

During the financial years ended December 31, 2019, December 31, 2020 and December 31, 2021, no NEO's and/or director of the Company exercised compensation securities.

## Stock Option Plans and Other Incentive Plans

The Company has adopted a stock option plan (the “Option Plan”) pursuant to which the Board may grant options (the “Options”) to purchase common shares of the Company (the “Shares”) to NEOs, directors and employees of the Company or affiliated corporations and to consultants retained by the Company.

The purpose of the Option Plan is to attract, retain, and motivate NEOs, directors, employees and other service providers by providing them with the opportunity, through options, to acquire an interest in the Company and benefit from the Company’s growth. Under the Option Plan, the maximum number of Shares reserved for issuance, including Options currently outstanding, is equal to 10% of the Shares outstanding from time to time (the “10% Maximum”). The 10% Maximum is an “evergreen” provision, meaning that, following the exercise, termination, cancellation or expiration of any Options, a number of Shares equivalent to the number of options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future Option grants.

The number of Shares which may be the subject of Options on a yearly basis to any one person cannot exceed 5% of the number of issued and outstanding Shares at the time of the grant. Options may be granted to any employee, officer, director, consultant, affiliate or subsidiary of the Company exercisable at a price which is not less than the market price of common shares of the Company on the date of the grant. The directors of the Company may, by resolution, determine the time period during which any option may be exercised (the “Exercise Period”), provided that the Exercise Period does not contravene any rule or regulation of such exchange on which the Shares may be listed. All Options will terminate on the earliest to occur of (a) the expiry of their term; (b) the date of termination of an optionee’s employment, office or position as director, if terminated for just cause; (c) 90 days (or such other period of time as permitted by any rule or regulation of such exchange on which the Shares may be listed) following the date of termination of an optionee’s position as a director or NEO, if terminated for any reason other than the optionee’s disability or death; (d) 30 days following the date of termination of an optionee’s position as a consultant engaged in investor relations activities, if terminated for any reason other than the optionee’s disability, death, or just cause; and (e) the date of any sale, transfer or assignment of the Option.

Options are non-assignable and are subject to early termination in the event of the death of a participant or in the event a participant ceases to be a NEO, director, employee, consultant, affiliate, or subsidiary of the Company, as the case may be. Subject to the foregoing restrictions, and certain other restrictions set out in the Option Plan, the Board is authorized to provide for the granting of Options and the exercise and method of exercise of options granted under the Option Plan.

The TSX Venture Exchange requires listed companies that have “rolling” stock option plans in place to receive shareholder approval for such plans on a yearly basis at the company’s annual Shareholders meeting. The last shareholders meeting was held on February 5, 2021 and approval was granted.

## Employment, Consulting and Management Agreements

Management functions of the Company are not, to any substantial degree, performed other than by directors or NEOs of the Company.

Neither the Company, nor its subsidiaries, has a contract, agreement, plan or arrangement that provides for payments to a NEO following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control, other than:

**James H. Place and Geomorph Consulting** – On November 1, 2015 the Company entered into a Management Agreement (the “Agreement”) with Geomorph Consulting, and James Place (the “Consultant”) whereby the Company has agreed to pay a monthly fee of \$7,500 plus applicable taxes (the “Fees”) with a term of twenty-four months. The Company will also reimburse the Consultant for all reasonable business, travel, hotel, entertainment and other out-of-pocket expenses which are incurred by the Consultant in the provision of his services. A termination clause has been included whereby the Consultant is entitled to the following fees resulting from change of control or termination by the Company:

- (i) 3 times the Fee if the Consultant is terminated within the first six months of the Agreement;
- (ii) 5 times the Fee if the Consultant is terminated within six months and one day to one year of the Agreement;
- (iii) 10 times the Fee if the Consultant is terminated from one year thereafter of the Agreement.

The agreement is in good standing.

**Gary Musil** - On June 1, 2014 the Company amended the Office Services Agreement with Gary Musil for a term of twenty-four months at the salary of \$5,000 per month (the “Fee”). Thereafter, the agreement is automatically renewed for consecutive twenty-four (24) month terms, subject only to termination in accordance with the Agreement. The agreement also provides that Gary Musil is entitled to the following benefits (i) monthly parking; (ii) dental & extended health; (iii) six weeks paid annual vacation; (iv) statutory holidays paid. A termination clause was also included

whereby Gary Musil is entitled to 14 times the Fee resulting from change of control or termination by the Company. The agreement is in good standing.

With respect to the above, “Change of Control” means any event, including an amalgamation, merger or consolidation that causes:

- (i) a third party to own or control, directly or indirectly, 50% or more of the voting shares of the Company;
- (ii) a third party to own or control, directly or indirectly, sufficient voting shares in the Company to elect a majority of the directors of the Company;
- (iii) an assignment, sale, or transfer by the Company of all or substantially all of the Company’s business to a third party or to an affiliate or a wholly owned subsidiary; or
- (iv) an assignment, sale, or transfer by the Company of all or substantially all of the Company’s assets to a third party or to an affiliate or a wholly owned subsidiary.

### **Estimated Incremental Payments on Change of Control**

Under the terms of the agreement with Mr. Place, the estimated incremental payments, payables and other benefits that would be triggered by or could result in the event of Mr. Place termination by the Company without cause, resignation for good cause or termination without cause by the Company following a change of control of the Company (calculated each as at December 31, 2020 and December 31, 2021) total approximately \$75,000 (10 times \$7,500 per month).

Under the terms of the agreement with Mr. Musil, the estimated incremental payments, payables and other benefits that would be triggered by or could result in the event of Mr. Musil termination by the Company without cause, resignation for good cause or termination without cause by the Company following a change of control of the Company (calculated each as at December 31, 2020 and December 31, 2021) total approximately \$70,000 (14 times \$5,000 per month).

### **Oversight and Description of Director and NEO Compensation**

#### ***Compensation of Directors***

Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board’s view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board considers Option grants to directors under the Option Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of Options. Other than the Option Plan, as discussed above, the Company does not offer any long term incentive plans, share compensation plans or any other such benefit programs for directors.

#### ***Compensation of NEOs***

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board’s view, there is, and has been, no need for the Company to design or implement a formal compensation program for NEOs.

#### ***Elements of NEO Compensation***

##### ***Salary***

The Company’s CEO and CFO receive annual salaries. The Board reviews salaries annually to ensure that they reflect each respective NEO’s performance and experience in fulfilling his/her role. Due to the relatively small size of the Company, limited cash resources, and the early stage and scope of the Company’s operations, NEOs receive limited salaries relative to industry standards. The Board does not currently have any plan in place to materially increase NEOs’ salaries.

##### ***Option Plan***

As discussed above, the Company provides an Option Plan to motivate NEOs by providing them with the opportunity, through Options, to acquire an interest in the Company and benefit from the Company’s growth. The Board does not employ a prescribed methodology when determining the grant or allocation of Options to NEOs. Other than the Option Plan, the Company does not offer any long term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

## Pension Disclosure

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out the equity compensation plan information as described above in the section captioned, "Stock Options and Other Compensation Securities – Stock Option Plans and Other Incentive Plans relating to the Option Plan of the Company:

Plan Category	Number of Securities to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	4,250,000	\$0.05	9,744,662
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	4,250,000	\$0.05	9,744,662

NOTES: Based on issued and outstanding of Dec. 31, 2021 of 139,946,621

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at June 3, 2022, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company which is owing to the Company or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company entered into in connection with a purchase of securities or otherwise.

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

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

in relation to a securities purchase program or other program.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

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

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

## APPOINTMENT OF AUDITOR

Crowe MacKay LLP, Chartered Accountants, of Vancouver, BC, are the auditors of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Crowe MacKay LLP, Chartered Accountants, of Vancouver, BC as the auditors of the Company to hold office for the ensuing year.

## MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the Directors or executive officers of the Company.

## **CORPORATE GOVERNANCE DISCLOSURE**

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

### **Independence of Members of Board**

The Company's Board currently consists of four (4) Directors, two of which are independent based upon the tests for independence set forth in National Instrument 52-110 ("NI 52-110"). James Place and Gary Musil are not independent as they are officers of the Company. William Loucks and Thomas O'Connor are independent.

### **Management Supervision by Board**

The operations of the Company do not support a large Board of Directors and the Board has determined that the current constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. During the financial year end, the independent Directors were able to meet at any time without any members of management including the non-independent Directors being present. Further, supervision was performed through the audit committee which was composed of a majority of independent Directors who meet with the Company's auditors without management being in attendance. The independent Directors also have access to the Company's legal counsel and its officers.

### **Risk Management**

The Board of Directors is responsible for adoption of a strategic planning process, identification of principal risks and implementing risk management systems, succession planning and the continuous disclosure requirements of the Company under applicable securities laws and regulations.

### **Participation of Directors in Other Reporting Issuers**

The participation of the Directors in other reporting issuers is described in the table provided under "Election of Directors" in this Information Circular.

### **Orientation and Continuing Education**

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

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

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

### **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to Shareholders. The Board has adopted a Code of Conduct and has instructed its management and employees to abide by the Code.

### **Nomination of Directors**

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the Company's industry are consulted for possible candidates.

## Compensation of Directors and the CEO

During the financial year ended 2021 the only independent Director was William Loucks. William Loucks had the responsibility for determining compensation for the Directors and senior management.

To determine compensation payable, the independent Directors review compensation paid for Directors and CEOs of companies of similar size and stage of development in the mineral exploration industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation the independent Directors annually review the performance of the CEO in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

## Board Committees

As the Directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of Directors, the Board has determined that additional committees beyond the audit committee and corporate governance committee are not necessary at this stage of the Company's development.

## Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual Directors and each of its committees. To assist in its review, the Board conducts informal surveys of its Directors.

## Nomination and Assessment

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

## Expectations of Management

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 goals and objectives.

## AUDIT COMMITTEE

### The Audit Committee's Charter

The Company's Audit Committee (the "Committee") is governed by an audit committee charter, the text of which is attached as Schedule "A" to this Information Circular.

### Composition of the Audit Committee

The following are the current members of the Committee:

Gary Musil	Not Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
William Loucks	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Thomas O'Connor	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

NOTES:

(1) As defined by NI 52-110

### Audit Committee Member Education and Experience

*Gary Musil* - Mr. Musil brings in excess of 30 years of experience in corporate finance and capital markets to the Company. Mr. Musil provides administration and financial advisory services to a number of private and public companies including acting as President, Chief Executive Officer and a Director of International Montoro Resources Inc.; and Corporate Secretary, Chief Financial Officer and a Director of Belmont Resources Inc., all public resource companies.

*William Loucks* - Mr. Loucks, received his Bachelor of Science degree from the University of Guelph in 1978. He qualified as a Chartered Accountant in 1981, and joined Collins Barrow CK, LLP in 1989. He was a Managing Partner of the Chatham-Kent practice until his retirement on December 31, 2017. During his term with Collins Barrow he provided audit, accounting, tax and consulting services.

*Thomas O'Connor* – Mr. O'Connor has had over 40 years of experience in the mining industry working with a number of junior mineral exploration companies both on surface and underground overseeing expenditures. Prior to retiring in 2018 he worked for Bechtel in Canada, Chile, and Peru as a Contract Superintendent and Fluor Construction also in Chile as a Tunnel Superintendent.

#### **Audit Committee Oversight**

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

#### **Reliance on Certain Exemptions**

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

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

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

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

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

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
December 31, 2021	\$18,000 <sup>(1)</sup>	\$270 <sup>(1)</sup>	\$750 <sup>(1)</sup>	\$0 <sup>(1)</sup>
December 31, 2020	\$18,500	\$231	\$750	\$0
December 31, 2019	\$20,000	\$400	\$750	\$0

Notes: (1) Approximate

#### **Exemption in Section 6.1 of NI 52-110**

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

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

### **CORPORATE GOVERNANCE COMMITTEE**

The members of the board's Corporate Governance Committee are William Loucks and Thomas O'Connor who are independent and Gary Musil, who is not independent. The charter for the Communications and Corporate Disclosure Policy is attached hereto as Schedule "B".

The Corporate Governance Committee has been given the responsibility of developing and recommending to the Board the Company's approach to corporate governance and assists members of the Board in carrying out their duties. The Corporate Governance Committee also reviews new and modified rules and policies applicable to governance of listed corporations to assure that the Company remains in full compliance with such requirements as are applicable to the Company.

The Corporate Governance Committee's overall responsibility is to ensure that the Company meets applicable legal, regulatory and (self regulatory) business principles and 'codes of best practice' of corporate behavior and conduct.

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

#### **1. Approval and Ratification of Stock Option Plan**

The Stock Option Plan is a "rolling" stock option plan, whereby the maximum number of Shares that may be reserved for issuance pursuant to the exercise of options is 10% of the issued Shares of the Company. The TSX Venture Exchange requires listed companies that have "rolling" stock option plans in place to receive Shareholder approval for such plans on a yearly basis at the company's annual Shareholders meeting. Accordingly, at the Meeting, Shareholders will be asked to ratify, confirm and approve the Stock Option Plan.



The purpose of the Stock Option Plan is to advance the interests of the Company and the Shareholders by attracting, retaining and motivating directors, officers, employees, consultants and management company employees of high calibre and potential, and to encourage and enable such persons to acquire an ownership interest in the Company. As of the date hereof, there is an aggregate of 4,250,000 stock options outstanding under the Stock Option Plan, which is equal to 3.03%<sup>(1)</sup> of the current issued share capital of the Company, leaving a total of 9,760,662 options available for grant under the Stock Option Plan.

The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan. The full text of the Stock Option Plan is available for viewing up to the date of the Meeting at the Company's offices at Suite 615, 800 West Pender Street, Vancouver, BC, V6C 2V6 and will also be available for review at the Meeting.

1. The Board shall establish the exercise price at the time each option is granted, and the exercise price will not be less than the minimum prevailing price permitted by the TSX Venture Exchange Policies.
2. All options granted under the Stock Option Plan may not have an expiry date exceeding 10 years from the date on which the option is granted.
3. Options granted to any one individual in any 12 month period cannot exceed more than 5% of the issued Shares of the Company.
4. Options granted to Insiders as a group in any 12-month period cannot exceed 10% of the total number of issued Shares of the Company.
5. Options granted to any one consultant in any 12 month period cannot exceed more than 2% of the issued Shares of the Company.
6. Options granted to all persons, in aggregate, conducting investor relations activities in any 12-month period cannot exceed more than 2% of the issued Shares of the Company.
7. Options granted to optionees performing investor relations activities will vest in stages over 12 months with 20% of the options vesting on the date of grant and 20% each three months thereafter.
8. If a director, employee or consultant of the Company is terminated for cause, then any option granted to the option holder will terminate immediately upon the option holder ceasing to be a director, employee, or consultant by reason of termination for cause.
9. If an option holder ceases to be a director, employee or consultant of the Company (other than by reason of death, disability or termination of services for cause), as the case may be, then any option granted to the option holder that had vested and was exercisable on the date of termination will expire on the earlier of the expiry date and the date that is 90 days following the date that the option holder ceases to be a director, employee or service provider of the Company.
10. If the engagement of an option holder engaged in investor relations activities as a consultant is terminated for any reason other than cause, disability or death, any option granted to such option holder that was exercisable and had vested on the date of termination will be exercisable until the earlier of the expiry date and the date that is 30 days after the effective date of the option holder ceasing to be a consultant.
11. If an option holder ceases to be a director, employee or consultant as a result of death or disability, then any option granted to the option holder that had vested and was exercisable on the date of death or disability shall be exercisable until the earlier of the expiry date and 365 days after the date of death or disability.
12. Stock options granted to directors, employees or consultants will vest when granted unless determined by the Board on a case by case basis, other than options granted to consultants performing investor relations activities, which will vest in stages over 12 months with 20% of the options vesting on the date of grant and 20% each three months thereafter.

**NOTES:**

- (1) Based on the current issued and outstanding as of June 3, 2022 (Record Date) of 140,106,621

13. The Stock Option Plan will be administered by the Board who will have the full authority and sole discretion to grant options under the Stock Option Plan to any eligible party, including themselves.
14. Options granted under the Stock Option Plan shall not be assignable or transferable by an option holder.
15. The Board may from time to time, subject to regulatory or Shareholder approval, if required under the policies of the TSX Venture Exchange, amend or revise the terms of the Stock Option Plan.

The Stock Option Plan provides that other terms and conditions may be attached to a particular stock option at the discretion of the Board.

At the Meeting, Shareholders will be asked to approve the following ordinary resolution (the “Stock Option Plan Resolution”), which must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the Stock Option Plan Resolution:

“BE IT RESOLVED, as an ordinary resolution of the Shareholders of the Company, that:

1. The Company’s Stock Option Plan (the “Stock Option Plan”) as set forth in the Information Circular dated June 3, 2022, including the reservation for issuance under the Stock Option Plan at any time of a maximum of 10% of the issued common shares of the Company, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Stock Option Plan by the TSX Venture Exchange (the “TSXV”);
2. The Board be authorized in its absolute discretion to administer the Stock Option Plan and amend or modify the Stock Option Plan in accordance with its terms and conditions and with the policies of the TSXV; and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Stock Option Plan required by the TSXV or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Stock Option Plan.”

It is the intention of the Designated Persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the Stock Option Plan Resolution.

**The Company’s board of directors recommends a vote “FOR” the approval of the Stock Option Plan Resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the Stock Option Plan Resolution.**

## **2. Confirmation and Approval of Advance Notice Policy**

### *Background*

On March 5, 2014, the board of directors of the Company adopted an advance notice policy (the “Advance Notice Policy”) with immediate effect, a copy of which is attached to this Information Circular as Schedule “C”. In order for the Advance Notice Policy to remain in effect, the Advance Notice Policy must be ratified, confirmed and approved at each subsequent annual general meeting, as set forth more fully below.

### *Purpose of the Advance Notice Policy*

The directors of the Company are committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The purpose of the Advance Notice Policy is to provide shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

### *Terms of the Advance Notice Policy*

The following information is intended as a brief description of the Advance Notice Policy and is qualified in its entirety by the full text of the Advance Notice Policy.

The terms of the Advance Notice Policy are summarized below:

The Advance Notice Policy provides that advance notice to the Company must be made in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to: (i) a “proposal” made in accordance with the *Business Corporations Act* (British Columbia) (the “Act”); or (ii) a requisition of the shareholders made in accordance with the Act.

Among other things, the Advance Notice Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the secretary of the Company prior to any annual or special meeting of shareholders and sets forth the specific information that a shareholder must include in the written notice to the secretary of the Company for an effective nomination to occur. No person will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Policy.

In the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The board of directors of the Company may, in its sole discretion, waive any requirement of the Advance Notice Policy. Amendments are allowed to be made by the Board to adopt such laws, regulations, forms, rules or policies as required or recommended or allowed by securities regulatory agencies or stock exchanges, or as otherwise determined by the Board to meet or exceed industry standards.

#### *Confirmation and Approval of Advance Notice Policy by Shareholders*

If the Advance Notice Policy is approved at the Meeting, the Advance Notice Policy will continue to be effective and in full force and effect in accordance with its terms and conditions beyond the termination of the Meeting. Thereafter, the Advance Notice Policy will be subject to an annual review by the board of directors of the Company, and will be updated to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges or so as to meet industry standards.

If the Advance Notice Policy is not approved at the Meeting, the Advance Notice Policy will terminate and be of no further force or effect from and after the termination of the Meeting.

At the Meeting, shareholders will be asked to approve the following by ordinary resolution (the “Advance Notice Policy Resolution”):

“BE IT RESOLVED, as an ordinary resolution of the Shareholders of the Company, that:

1. the Company’s Advance Notice Policy (the “Advance Notice Policy”) attached hereto as Schedule “C”, be and is hereby ratified, confirmed and approved;
2. the board of directors of the Company be authorized in its absolute discretion to administer the Advance Notice Policy and amend or modify the Advance Notice Policy in accordance with its terms and conditions to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges, so as to meet industry standards, or as otherwise determined to be in the best interests of the Company and its shareholders; and
3. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions.”

**The Company’s board of directors recommends a vote “FOR” the approval of the Advance Notice Policy Resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the Advance Notice Policy Resolution.**

### **3. RE-PRICING OF ELIGIBLE OUTSTANDING OPTIONS**

The Company relies on incentive stock options as a means of attracting, retaining and motivating employees and consultants, as well as aligning management’s interest with shareholders.

All the stock options currently outstanding are priced significantly above the trading price of the shares. The stated goal of the incentive stock option plan approved by the Company's shareholders is to attract and retain qualified personnel to work for the Company. However, all of the Company's outstanding options no longer accomplish this goal.

The industry wide decline in stock prices has affected the Company's stock price, as it has the stock prices of most other junior companies, and all of the Company's outstanding stock options now have exercise prices which are multiples of the current market price. The problem is further compounded as the Company tries to minimize future dilution.

The re-pricing of the Options to insiders, employees and consultants is undertaken to attempt to ensure that the objectives of the Company's stock option plan are fulfilled and to compensate management.

The existing exercise prices also provide an inequality amongst existing holders and new grants to future employees, as any individuals who join the Company now are entitled to receive options priced at the current market price, while long standing personnel have options which effectively have no value.

Subject to shareholder approval, the Board has authorized the amendment of the exercise price of the following outstanding stock options to a price of **\$0.05 per share**, in order to more accurately reflect the current market price of the Company's shares, and to provide an incentive to the Board and the Company's employees and to pursue the Company's corporate objectives.

Pursuant to the policies of the TSX-V, the re-pricing of options granted to Insiders of the Company is subject to the approval of Disinterested Shareholders, as such terms are defined in the TSX-V Corporate Finance Manual. Of the stock options that are proposed to be amended, a number of the stock options have been granted to insiders of the Company. Consequently, the resolution to approve the re-pricing of eligible outstanding options is subject to a simple majority of vote of the Shareholders, excluding the votes cast by insiders of the Company eligible to receive option grants under the Option Plan or associates of such persons. All other shareholders of the Company will be entitled to vote on this resolution.

The following tables summarizes the proposed re-pricing:

Name of Optionee	Insider Y/N	Grant Date	No. of Optioned Shares (Post Consolidation)	Current Exercise Price (Post Consolidation)	Proposed Exercise Price	Expiry Date
James H. Place <sup>(1)</sup>	Y	July 17, 2020	125,000	\$0.50	\$0.05	July 17, 2023
Gary Musil	Y	July 17, 2020	125,000	\$0.50	\$0.05	July 17, 2023
William J. Loucks	Y	July 17, 2020	100,000	\$0.50	\$0.05	July 17, 2023
Luard J. Manning	N	July 17, 2020	75,000	\$0.50	\$0.05	July 17, 2023

Notes:

- (1) James H. Place will not stand for re-election.

At the Meeting, shareholders will be asked to approve the following by resolution, via Disinterested Shareholders:

BE IT RESOLVED THAT:

- (a) subject to the approval of the TSX Venture Exchange the Company amend the exercise price to the following incentive stock option agreements:

Name of Optionee	No. of Optioned Shares	Amended Exercise Price	Original Date of Grant
James H. Place <sup>(1)</sup>	125,000	\$0.05	July 17, 2020
Gary Musil	125,000	\$0.05	July 17, 2020
William J. Loucks	100,000	\$0.05	July 17, 2020
Luard J. Manning	75,000	\$0.05	July 17, 2020

- (b) the stock option agreements granted by resolution of the board dated July 17, 2020 be amended as to the exercise price only and all other terms remain the same;
- (c) any one (1) director or officer of the Company be authorized and directed to execute, on behalf of the Company, the amended incentive stock option agreements reflecting the amended exercise price; and
- (d) any amendments requested by the regulatory authorities to obtain approval of the amended options be and the same are hereby approved.

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxyholder by Disinterested Shareholders, to vote in favour of the ordinary resolution approving the re-pricing of the options.**

**ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at Suite 615, 800 West Pender Street, Vancouver, BC, V6C 2V6 to request copies of the Company's financial statements and MD&A.

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

**OTHER MATTERS**

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

**APPROVAL OF THE BOARD**

The contents of this Information Circular have been approved, and the delivery of it to each Shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized, by the Board.

DATED this 14<sup>th</sup> day of June, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

James H. Place, President, CEO

**SCHEDULE “A”  
AUDIT COMMITTEE CHARTER**

I. Mandate

The primary function of the audit committee (the “Committee”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders, the Company’s systems of internal controls regarding finance and accounting, and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

II. Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual Shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

III. Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

IV. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

*Documents/Reports Review*

1. Review and update this Charter annually.
2. Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

**External Auditors**

3. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the Shareholders of the Company.
4. Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.

5. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
6. Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
7. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for Shareholder approval.
8. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
9. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
10. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

#### **Financial Reporting Processes**

12. In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
13. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
14. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
15. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
16. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
17. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
18. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
19. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
20. Review certification process.

21. Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Risk Management

22. To review, at least annually, and more frequently if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).
23. To inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.
24. To request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.
25. To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

Other

26. Review any related-party transactions.

V. Annual Work Plan

	Spring	Fall
Review audit plan and year-end statements template	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review accounting systems and procedures	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review auditors' letter of recommendation	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review financial and accounting human resources	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review Committee's charter and membership	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review and recommend year-end financial statements	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review MD&A	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review external auditors' work, independence and fees	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Recommend auditors for the ensuing year	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review Risk Management Performance	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Review and reassess the adequacy of the Code of Ethics for Financial Reporting Officers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Review any proposed prospectus filings or similar filings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



**SCHEDULE “B”  
COMMUNICATIONS AND CORPORATE DISCLOSURE POLICY**

**GENERAL**

The Board has adopted a communications and corporate disclosure policy which covers communication with the press, analysts and shareholders; release of corporate information in news releases and other corporate disclosure documents; disclosure of technical information; and maintenance and disclosure of information on the Company's website. The Company expects strict adherence of its directors, officers and employees with insider trading restrictions, and requires confidentiality clauses in employment agreements so as to protect the confidentiality of Company information.

**The Board has instructed management to annually provide a copy of this policy to each of the Company's directors, officers and employees.** This policy is administered and reviewed annually by the Corporate Governance Committee, along with recommendations for any required changes made to the Board.

If you have any questions regarding the contents of this disclosure policy and how it applies to you or you are unsure whether or not you may trade in a given circumstance, you should contact the Chief Financial Officer or President and Chief Executive Officer for assistance.

**OBJECTIVE AND SCOPE**

The objective of this disclosure policy is to ensure that communications to the investing public about the Company is:

- (a) timely, complete, factual and accurate; and
- (b) broadly disseminated in accordance with all applicable legal and regulatory requirements.

This disclosure policy confirms in writing our existing disclosure policies and practices. Its goal is to raise awareness of the Company's approach to disclosure among the board of directors, senior management, employees and consultants.

This disclosure policy extends to all employees, consultants, contractors and the boards of directors of the Company, its subsidiaries and limited partnerships and those individuals authorized to speak on behalf of the Company, its subsidiaries or limited partnerships. It covers disclosures in documents filed (with the securities regulators) and written statements made in the Company's annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on the Company's Website and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

**DISCLOSURE POLICY RESPONSIBILITY**

The Corporate Governance Committee is responsible for overseeing the Company's disclosure practices (the “Committee”). The Committee will set standards for a preliminary assessment of materiality and will determine when developments justify public disclosure. The Committee will meet as conditions require and minutes of the Committee's meetings will be maintained and available to the Company's Board of Directors. It is essential that the Committee be kept fully apprised of all pending material developments relating to the Corporation in order to evaluate and discuss those events and to determine the appropriateness and timing for public release of information. If it is deemed that the information should remain confidential, the Committee will determine how that inside information will be controlled and whether any regulatory filings on a confidential basis need to be made.

The Committee will review and update, if necessary, this disclosure policy on an annual basis or as needed to ensure compliance with changing regulatory requirements. The Committee will report to the board of directors as requested.

**DISCLOSURE OF MATERIAL INFORMATION**

Material information is information relating to the business, operations or securities of the Corporation that would reasonably be expected to significantly affect the value or market price of the issuer or a security of the issuer.<sup>1</sup>

Securities legislation requires that all material information must be disclosed to the public by way of news release as soon as practicable.<sup>2</sup> In complying with the requirement to disclose forthwith all material information under applicable laws and stock exchange rules, the Corporation will adhere to the following basic disclosure principles:

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<sup>1</sup> This definition is contained in the *Securities Act* (British Columbia), R.S.B.C. 1996, Chapter 418.  
<sup>2</sup> Sections 85 of *Securities Act* (British Columbia)

1. Material information will be publicly disclosed immediately via news release. Examples of potentially material information include, but is not limited to, the following:

*Changes in Corporate Structure*

- changes in share ownership that may affect control of the company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

*Changes in Capital Structure*

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to rights of security holders

*Changes in Financial Results*

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any periods
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company's assets
- any material change in the company's accounting policy

*Changes in Business and Operations*

- any development that affects the company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with a major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the board of directors or executive management, including the departure of the company's President and CEO, CFO, or Chief Operating Officer (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another
- 

*Acquisitions and Dispositions*

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

*Changes in Credit Arrangement*

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions

- significant new credit arrangements

An immediate statement containing the major points of the material information is the first objective. Additional details may follow in a further news release. When several significant actions are resolved or occur at one time, disclosure of all should be released immediately so that the full implications may be assessed by the public.

Certain developments will require disclosure at the proposal stage or before an event actually occurs if the proposal gives rise to material information at that stage. Announcement of an intention to proceed with a transaction or activity giving rise to material information should be made when a decision has been made to proceed by the board of directors or senior management with the expectation of concurrence from the board of directors. Updates should be announced on a regular basis unless the original announcement indicated that an update would be disclosed on a specific date. In addition, prompt disclosure is required of any material change to the proposed transaction or to the previously disclosed information.

While it is the responsibility of the Committee to determine what information is material in the context of the Company's business, the Company may consult with market surveillance of the stock exchange on which the Company's shares are traded when in doubt as to whether disclosure should be made.

2. In certain circumstances, the Committee may determine that such disclosure may be unduly detrimental to the Company (for example if release of the information would prejudice negotiations in a corporate transaction), in which case the information will be immediately brought to the attention of the board of directors and will be kept confidential until the Committee determines it is appropriate to publicly disclose. (In such circumstances, the Committee will cause a confidential material change report to be filed with the applicable securities regulators, and will periodically (at least every 5 days) review its decision to keep the information confidential (also see "Rumours"). The Committee will only withhold material information from public disclosure where there is a reasonable basis to do so and when the basis for maintaining confidentiality ceases to exist, shall promptly disclose such material information to the public.

At any time when material information is withheld from the public, the Company is under a duty to take precautions to keep such information completely confidential. Such information should not be disclosed to any officers, consultants, employees, contractors or advisors of the Company except in the necessary course of business. The Company shall also make sure that there is no selective disclosure of confidential information to third parties. The Company should ensure that when such information is disclosed in the necessary course of business all recipients are aware that it must be kept confidential. If the material information being treated as confidential becomes disclosed in some manner, the Company shall promptly disclose the material information publicly in the proper manner.

3. Disclosure must include any information, the omission of which would make the rest of the disclosure misleading (half truths are misleading).
4. Unfavourable material information must be disclosed as promptly and completely as favourable information.

The guiding principle should be to communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary designed to colour the investment community's perception of the announcement one way or the other.

5. No selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with an investor). If previously undisclosed material information has been inadvertently disclosed to an analyst or any other person not bound by an express confidentiality obligation, such information must be broadly disclosed immediately via news release.
6. Disclosure on the Company's website alone does not constitute adequate disclosure of material information.
7. Disclosure must be corrected immediately if the Company subsequently learns that earlier disclosure by the Company contained a material error at the time it was given.

## TRADING RESTRICTIONS AND BLACKOUT PERIODS

It is illegal for anyone to purchase or sell securities of any public company with knowledge of material information affecting that company that has not been publicly disclosed.<sup>3</sup> Except in the necessary course of business, it is also illegal for anyone to inform any other person of material non-public information. Therefore, insiders and employees with knowledge of confidential or material information about the Company or counter-parties in negotiations of material potential transactions, are prohibited from trading shares in the Company or any counter-party until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated.

Trading blackout periods will apply to those insiders or employees with access to material undisclosed information during periods when financial statements are being prepared but results have not yet been publicly disclosed.

Blackout periods may be prescribed from time to time by the Committee as a result of special circumstances relating to the Company pursuant to which insiders of the Company would be precluded from trading in securities of the Company. All parties with knowledge of such special circumstances should be covered by the blackout. Such parties may include external advisors such as legal counsel, investment bankers and counter-parties in negotiations of material potential transactions. The CEO and or CFO will inform all such parties of the imposition and the subsequent termination of each blackout period.

## MAINTAINING CONFIDENTIALITY

Any insider or employee privy to confidential information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business. Efforts will be made to limit access to such confidential information to only those who need to know the information and such persons will be advised that the information is to be kept confidential.

Communication by e-mail leaves a physical track of its passage that may be subject to later decryption attempts. All confidential information being transmitted over the Internet must be secured by the strongest encryption methods available. Where possible, employees or insiders should avoid using e-mail to transmit confidential information.

Outside parties privy to undisclosed material information concerning the Company will be told that they must not divulge such information to anyone else, other than in the necessary course of business. Such outside parties will confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

In order to prevent the misuse or inadvertent disclosure of material information, the procedures set forth below should be observed at all times:

1. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who "need to know" that information in the necessary course of business and code names should be used if necessary.
2. Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
3. Confidential matters should not be discussed on wireless telephones or other wireless devices.
4. Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
5. Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
6. Transmission of documents by electronic means, such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
7. Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
8. Access to confidential electronic data should be restricted through the use of passwords.

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<sup>3</sup> Section 57.2, Securities Act (British Columbia), S.B.C. 2004, Chapter 43

## DESIGNATED SPOKESPERSONS

The Company designates a limited number of spokespersons responsible for communication with the investment community, regulators or the media. The President and CEO, the Chairman and, if appointed, the communications officer shall be the official spokespersons for the Company. Individuals holding these offices may, from time to time, designate others within the Company to speak on behalf of the Company as backups or to respond to specific inquiries.

Employees who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson. All such inquiries shall be referred to the President and CEO or communications officer.

## NEWS RELEASES

Once the Committee determines that a development is material, it will authorize the issuance of a news release, unless the Committee determines that such developments must remain confidential for the time being, in which case appropriate confidential filings will be made and control of that inside information is instituted. Should a material statement inadvertently be made in a selective forum, the Company will immediately issue a news release in order to fully disclose that information.

**If the stock exchange(s) upon which shares of the Company are listed is open for trading at the time of a proposed announcement, prior notice of a news release announcing material information must be provided to the market surveillance department to enable a trading halt, if deemed necessary by the stock exchange(s). If a news release announcing material information is issued outside of trading hours, market surveillance must be notified before the market opens.**

Annual and interim financial results will be publicly released as soon as practicable following board approval or review.

News releases will be disseminated through an approved news wire service that provides simultaneous national and/or international distribution. News releases will be transmitted to all stock exchange members, relevant regulatory bodies, major business wires, national financial media and, at the option of the Company, the local media in areas where the Company has its headquarters or operations.

News releases will be posted on the Company's website immediately after release over the news wire. The news release page of the website shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent news releases.

Where technical information (such as exploration results) is being disseminated through a news release, the news release will be reviewed by an appropriate expert to ensure the news release contains accurate information and does not omit any material information. Technical information will be disseminated by the Company in accordance with securities regulations including National Instrument 43-101 Standards for Disclosure of Mineral Projects.

## CONFERENCE CALLS

Conference calls may be held for quarterly earnings and major corporate developments, whereby discussion of key aspects is accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a web-cast over the internet. The call will be preceded by a news release containing all relevant material information. At the beginning of the call, a Company spokesperson will provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties.

The Company will provide advance notice of the conference call and web-cast by issuing a news release announcing the date and time and providing information on how interested parties may access the call and web-cast. In addition, the Company may send invitations to analysts, institutional investors, the media and others invited to participate. Any non-material supplemental information provided to participants will also be posted to the Website for others to view. A tape recording of the conference call and/or an archived audio web-cast on the Internet will be made available following the call for a minimum of 30 days, for anyone interested in listening to a replay.

The Committee will hold a debriefing meeting immediately after the conference call and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Company will immediately disclose such information broadly via news release.

## RUMOURS

The Company generally does not comment, affirmatively or negatively, on rumours. This also applies to rumours on the internet. The Company's spokespersons will respond consistently to those rumours, saying, "It is our policy not to comment on market rumours or speculation." Should the stock exchange request that the Company make a definitive statement in response to a

market rumour that is causing significant volatility in the stock, the Committee will consider the matter and decide whether to make a policy exception.

### **CONTACTS WITH ANALYSTS, INVESTORS AND THE MEDIA**

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Company intends to announce material information at an analyst or shareholder meeting or a press conference or conference call, the announcement must be preceded by a news release.

The Company recognizes that meetings with analysts and significant investors are an important element of the Company's investor relations program. The Company will meet with analysts and investors on an individual or small group basis as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this disclosure policy.

The Company will provide only non-material information through individual and group meetings, in addition to regular publicly disclosed information, recognizing that an analyst or investor may construct this information into a mosaic that could result in material information. The Company cannot alter the materiality of information by breaking down the information into smaller, non-material components.

The Company may maintain a "frequently asked questions" section on its website and will provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors.

Spokespersons will keep notes of telephone conversations with analysts and investors and where practicable more than one Company representative will be present at all individual and group meetings. A debriefing will be held after such meetings and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Company will immediately take steps to ensure that a full public announcement is made. Such steps will include contacting the market surveillance of the stock exchange on which the Company's shares are traded and requesting that trading be halted pending the issuance of a news release and pending such issuance of the news release notifying all parties who have knowledge of the information that such information is material and that it has not been generally disclosed.

### **REVIEWING ANALYST DRAFT REPORTS AND MODELS**

It is the Company's policy to review, upon request, analysts' draft research reports or models. The Company will review the report or model for the purpose of pointing out errors in fact based on publicly disclosed information. It is the Company's policy, when an analyst inquires with respect to his/her estimates, to question an analyst's assumptions if the estimate is significantly outside of the range of "Street" estimates and/or the Company's published earnings guidance. The Company will limit its comments in responding to such inquiries to non-material information. The Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's model and earning estimates.

In order to avoid appearing to "endorse" an analyst's report or model, the Company will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

### **DISTRIBUTING ANALYST REPORTS**

Analyst reports are proprietary products of the analyst's firm. Re-circulating a report by an analyst may be viewed as an endorsement by the Company of the report. For these reasons, the Company will not provide analyst reports through any means to persons outside of the Company including posting such information on its website. The Company may post on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Corporation. If provided, such list will not include links to the analysts' or any other third party Website or publications.

### **FORWARD-LOOKING INFORMATION**

Generally, the Company should not disclose forward looking information ("FLI") unless required by law to do so, or unless the Company believes such disclosure will enhance a reasonable investor's investment decision, whether positively or negatively.

Should the Company determine it has a reasonable basis and elects to disclose forward-looking information in continuous disclosure documents, speeches, conference calls, etc., the following guidelines will be observed.

1. FLI, if deemed material, will be broadly disseminated via news release, in accordance with this disclosure policy.
2. The FLI will be clearly identified as forward looking.
3. The Company will identify all material assumptions and factors used in the preparation of the FLI.

4. The FLI will be accompanied by a reasonable, meaningful cautionary statement that identifies, in very specific terms, the risks, uncertainties and material factors that may cause the actual results to differ materially from those projected in the statement.
5. The FLI will be accompanied by a statement that disclaims the Company's intention or obligation to update or revise the FLI, whether as a result of new information, future events or otherwise. Notwithstanding this disclaimer, should subsequent events prove past statements about current trends to be materially off target, the Company may choose to issue a news release explaining the reasons for the difference. In this case, the Company will update its guidance on the anticipated impact on revenue and earnings (or other key metrics).
6. Any oral FLI (such as those made in conference calls, analyst interviews or "road shows") must be accompanied by a statement:
  - (a) that the statement is "forward-looking;"
  - (b) that actual results may differ materially from those projected in the forward looking statement; and
  - (c) that additional information concerning factors that could cause actual results to differ from those projected is contained in an identified, readily available written document (for example, one of the Company's periodic reports).

### **MANAGING EXPECTATIONS**

The Company will try to ensure, through its regular public dissemination of quantitative and qualitative information that analysts' estimates are in line with the Company's own expectations. The Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with analysts' models and earnings estimates.

If the Company has determined that it will be reporting results materially below or above publicly held expectations, it will disclose this information in a news release in order to enable discussion 'without risk of selective disclosure'.

### **QUIET PERIODS**

In order to avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, the Company may observe a quarterly quiet period, during which the Company will not initiate or participate in any meetings or telephone contacts with analysts and investors and no earnings guidance will be provided to anyone, other than responding to unsolicited inquiries concerning factual matters. The quiet period should commence on the first day of the month following the end of a quarter and end with the issuance of a news release disclosing quarterly results.

### **DISCLOSURE RECORD**

The CFO will maintain a five year file containing all public information about the Company, including continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and investors, and newspaper articles.

### **RESPONSIBILITY FOR ELECTRONIC COMMUNICATIONS (INCLUDING THE COMPANY'S WEBSITE)**

This disclosure policy also applies to electronic communications. Accordingly, officers and personnel responsible for written and oral public disclosures shall also be responsible for electronic communications. The CEO (or delegate) is ultimately responsible for updating the investor relations section of the Corporation's website and is responsible for monitoring all Company information placed on the website to ensure it is accurate, complete, up-to-date and in compliance with relevant securities laws.

Investor relations material shall be contained within a separate section of the Company's website and shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures. All data posted to the website, including text and audiovisual material, shall show the date such material was issued. Any material changes in information must be updated immediately. The CEO (or delegate) will maintain a log indicating the date that material information is posted and/or removed from the investor relations website. The minimum retention period for material corporate information on the website shall be two years.

Disclosure on the Company's website alone does not constitute adequate disclosure of information that is considered material, non-public information. Any disclosures of material information on its website will be preceded by the issuance of a news release.

The CEO (or delegate) shall also be responsible for responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this disclosure policy shall be utilized in responding to electronic inquires.

In order to ensure that no material undisclosed information is inadvertently disclosed, employees and insiders are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to the Company's activities or its securities. Insiders or employees who encounter a discussion pertaining to the Company should advise the President and CEO immediately, so the discussion may be monitored.

### **LIABILITY TO INVESTORS IN THE SECONDARY MARKET**

Newly enacted legislation now gives investors in the secondary market the right to sue any public company and key related people for making public misrepresentations about the company or for failing to make timely disclosure as required by law.

The legislation provides secondary market investors with limited right of action against an issuer of securities, its directors, responsible senior officers, "influential persons" (i.e., large shareholders with influence over disclosure), auditors and other responsible experts. Secondary market investors now have the right to seek limited compensation for damages suffered at a time when the issuer had made, and not corrected, public disclosure (either written or oral) that contained an untrue statement of a material fact or failed to make required material disclosure.

Investors have the right to sue whether or not they actually relied on the misrepresentation or failure to make timely disclosure.

The issuer and other possible defendants would have varying defences based on the responsibility for the disclosure. For some types of disclosure, a person has a defence if that person conducted due diligence. For other types of disclosure, the person is not liable unless the plaintiff proves that the person knew about the misrepresentation, deliberately avoided acquiring knowledge or was guilty of gross misconduct in making the misrepresentation.

In order to limit potential exposure, the Committee will conduct or cause to be conducted a reasonable investigation of the disclosure to be released such that the Committee would be satisfied that there would be no reasonable grounds to believe that the document or oral statement contains any misrepresentation. Similarly the Committee will conduct or cause to be conducted a reasonable investigation to ensure that there would be no reasonable grounds to believe that a failure to make timely disclosure would occur.

Strict adherence to the Company's disclosure policy will minimize exposure to potential liabilities under current and proposed legislation.

### **COMMUNICATION AND ENFORCEMENT**

New directors, officers, consultants, contractors and employees will be provided with a copy of this disclosure policy and they must sign an acknowledgement as having received it and that they will comply with this Disclosure Policy. This Disclosure Policy will be circulated to all employees and insiders of the Corporation on an annual basis and whenever changes are made and as a term of their engagement, must sign an acknowledgement as having received it and that they will comply with this Business Code.

If you have any questions regarding the contents of this disclosure policy and how it applies to you or you are unsure whether or not you may trade in a given circumstance, you should contact the President and CEO, or CFO for assistance.

All employees or insiders who violate this disclosure policy may face disciplinary action up to and including termination of his or her employment or relationship with the Company without notice. The violation of this disclosure policy may also violate certain securities laws. If it appears that an employee or insider may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

### **EFFECTIVE DATE**

This Policy was implemented by the Board on May 12, 2015.



**SCHEDULE "C"**  
**ADVANCE NOTICE POLICY**

**INTRODUCTION**

The Corporation is committed to: (i) facilitating an orderly and efficient process for holding annual general meetings and, when the need arises, special meetings of its shareholders; (ii) ensuring that all shareholders receive adequate advance notice of the director nominations and sufficient information regarding all director nominees; and (iii) allowing shareholders to register an informed vote for directors of the Corporation after having been afforded reasonable time for appropriate deliberation.

**PURPOSE**

The purpose of this Advance Notice Policy (the "Policy") is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors of the Corporation. This Policy fixes a deadline by which director nominations must be submitted to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that must be included in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the board of directors of the Corporation (the "Board") that this Policy is in the best interests of the Corporation, its shareholders and other stakeholders. This Policy will be subject to an annual review by the Board, which shall revise the Policy if required to reflect changes by securities regulatory authorities or stock exchanges, and to address changes in industry standards from time to time as determined by the Board.

**NOMINATIONS OF DIRECTORS**

1. Only persons who are qualified to act as directors under the *Business Corporations Act* (British Columbia) (the "Act") and who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. At any annual meeting of shareholders, or at any special meeting of shareholders at which directors are to be elected, nominations of persons for election to the Board may be made only:
  - a. by or at the direction of the Board, including pursuant to a notice of meeting;
  - b. by or at the direction or request of one or more shareholders pursuant to a valid "proposal" as defined in the Act and made in accordance with Part 5, Division 7 of the Act;
  - c. pursuant to a requisition of the shareholders that complies with and is made in accordance with section 167 of the Act, as such provisions may be amended from time to time; or
  - d. by any person (a "Nominating Shareholder") who:
    - (i) at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below and at the close of business on the record date fixed by the Corporation for such meeting, (a) is a "registered owner" (as defined in the Act) of one or more shares of the Corporation carrying the right to vote at such meeting, or (b) beneficially owns shares carrying the right to vote at such meeting and provides evidence of such ownership that is satisfactory to the Corporation, acting reasonably. In cases where a Nominating Shareholder is not an individual, the notice set forth in paragraph 4 below must be signed by an authorized representative, being a duly authorized director, officer, manager, trustee or partner of such entity who provides such evidence of such authorization that is satisfactory to the Corporation, acting reasonably; and
    - (ii) in either case, complies with the notice procedures set forth below in this Policy.
2. In addition to any other requirements under applicable laws, for a nomination to be validly made by a Nominating Shareholder in accordance with this Policy, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.
3. To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:
  - a. in the case of an annual meeting of shareholders, not less than thirty (30) days nor more than sixty-five (65) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (50) days after the date (the "Notice Date") on which the first public announcement (as defined below) of the date of

the annual meeting was made, notice by the Nominating Shareholder may be given not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date; and

- b. in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15<sup>th</sup>) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder's notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting and/or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders, or the reconvening of any adjourned or postponed meeting of shareholders, or the announcement thereof, commence a new time period for the giving of a Nominating Shareholder's notice as described above.

- 4. To be in proper written form, a Nominating Shareholder's notice must be addressed to the Corporate Secretary of the Corporation, and must set forth:
  - a. as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the present principal occupation or employment of the person and the principal occupation or employment within the five years preceding the notice; (iii) the citizenship of such person; (iv) the class or series and number of shares in the capital of the Corporation which are, directly or indirectly, controlled or directed or which are owned, beneficially or of record, by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (v) a statement as to whether such person would be "independent" of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110, *Audit Committees*, of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination;
  - b. the full particulars regarding any oral or written proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Corporation; and
  - c. any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that would reasonably be expected to be material to a reasonable shareholder's understanding of the experience, independence and/or qualifications, or lack thereof, of such proposed nominee.

As soon as practicable following receipt of a Nominating Shareholder's notice (and such other information referred to above, as applicable) that complies with this Policy, the Corporation shall publish through a public announcement the names of the nominees named in such notice and such other details of such notice as the Corporation may deem appropriate.

- 5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the Act or at the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the provisions of this Policy and, if the Chairman determines that any proposed nomination was not made in compliance with this Policy, to declare that such defective nomination shall be disregarded.
- 6. For purposes of this Policy:
  - a. "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com); and
  - b. "Applicable Securities Laws" means, collectively, the applicable securities statutes of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments,

policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada, and all applicable securities laws of the United States.

7. Notwithstanding any other provision of this Policy, notice given to the Corporate Secretary of the Corporation pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the principal executive offices of the Corporation, sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) or received by email (at the address as aforesaid); provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Pacific Time) on a business day, then such delivery or electronic communication shall be deemed to have been made on the next business day.
8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any provision or requirement of this Policy.

#### **GOVERNING LAW**

This Policy shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

#### **EFFECTIVE DATE**

This Policy was approved and adopted by the Board on March 5, 2014 and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date, provided that if this Policy is not ratified and approved by an ordinary resolution of shareholders of the Corporation at the Corporation's next shareholder meeting following the effective date of this Policy, the Policy shall, from and after the date of such shareholder meeting, cease to be of any force and effect.