



**LIBERO COPPER & GOLD CORPORATION**

**Information Circular**

**For the Annual General Meeting of Shareholders**

**June 17, 2021**

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# LIBERO COPPER & GOLD CORPORATION

## MANAGEMENT INFORMATION CIRCULAR

(containing information as at May 12, 2021)

### PART ONE – VOTING INFORMATION

#### **SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the Management of Libero Copper and Gold Corporation (the “**Company**”), for use at the Annual General Meeting (the “**Meeting**”), of the shareholders (“**Shareholders**”) of the Company, to be held on Thursday June 17, 2021 at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

#### **APPOINTMENT AND REVOCATION OF PROXIES**

**THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY ARE DIRECTORS AND/OR OFFICERS OF THE COMPANY. A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR ON THEIR BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE COMPANY’S REGISTRAR AND TRANSFER AGENT, OLYMPIA TRUST COMPANY CANADA, PO BOX 128 STN M, CALGARY, AB, T2P 2H6 OR BY EMAIL AT [PROXY@OLYMPIATRUST.COM](mailto:PROXY@OLYMPIATRUST.COM) BY 2:00 P.M. (PACIFIC STANDARD TIME) ON TUESDAY, JUNE 15, 2021, OR IN THE EVENT OF AN ADJOURNMENT NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE ADJOURNED MEETING.**

The instrument of proxy must be signed by the shareholder or by his attorney in writing, or, if the shareholder is a Company, it must either be under its common seal or signed by a duly authorized officer.

A shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or by his attorney authorized in writing, or, if the shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited at the Company’s Registrar and Transfer Agent, Olympia Trust Company, PO Box 128 Stn M, Calgary, AB, T2P 2H6 or by email at [proxy@olympiatrust.com](mailto:proxy@olympiatrust.com), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment of it, at which the proxy is to be used. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

#### **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed. Where directions are given by the shareholder in respect of voting for or against any resolution, the proxy holder will do so in accordance with such direction.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The instrument of proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Information Circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the proxies hereby solicited will be voted on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an “**Ordinary Resolution**”) unless the motion requires a Special Resolution, in which case a majority of not less than 66<sup>2</sup>/<sub>3</sub>% of the votes cast will be required.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders, as a substantial number of the Shareholders do not hold their common shares in their own name.** Shareholders holding their common shares through their brokers, intermediaries, trustees or other parties, or otherwise not holding their common shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders appearing on the records maintained by the Company’s transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those common shares, in all likelihood, will **not** be registered in the shareholder’s name. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting common shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Regulatory policies require brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing **procedures** and provide their own return instructions to clients, which should be carefully followed by the Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form requesting such voting instructions (a “**VIF**”) supplied to the Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy provided directly to the registered Shareholders by the Company, however, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable VIF, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge (by way of mail, the Internet or telephone). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder cannot use a VIF to vote common shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) or other third party in accordance with the instructions on the VIF well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at a Meeting for the purposes of voting common shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as Proxyholder for the registered shareholder and vote the common shares in that capacity. **Beneficial Shareholders wishing to attend the Meeting and indirectly vote their common shares as Proxyholder for the registered shareholder, should enter their own names in the blank space on the VIF provided to them and return it in accordance with the instructions provided by such party on the VIF.**

### **RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares having attached thereto the special rights and restrictions as set forth in the Articles of the Company.

Pursuant to a resolution passed by Directors on February 3, 2021 and made effective Monday February 22, 2021 the Company consolidated its capital on a five (5) for one (1) basis.

On May 12, 2021 (the “**Record Date**”) 43,462,813 common shares were issued and outstanding (on a post consolidated basis), each share carrying the right to one vote. No Preferred shares have been issued. The Company has no other classes of voting shares.

Any shareholder of record at the close of business on May 12, 2021 who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder’s shares voted at the Meeting.

To the knowledge of the Directors and Senior Officers of the Company, as of the Record Date, no one person beneficially owns, or controls or directs, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company,

### **COVID-19 PRECAUTIONS**

In light of the ongoing public health concerns related to COVID-19 and in order to comply with physical distancing measures imposed by the federal, provincial and municipal governments and to mitigate risk to the health and safety of our communities, shareholders and employees, the Company requests that shareholders not attend the Meeting in person. The Company encourages shareholders to instead vote their shares in advance of the Meeting via the means specified in the Form of Proxy or Voting Instruction Form.

The Meeting has a limited number of in-person attendance and attendance will be on a first come, first served basis. No shareholder who is experiencing any symptoms of COVID-19, including fever, cough or difficulty breathing will be permitted to attend the Meeting in person. The Company may take additional precautionary measures in relation to the Meeting as necessary or advisable in response to further developments related to the COVID-19 pandemic and shall comply with all applicable recommendations, regulations and orders related thereto. In the event it is not possible or advisable to hold the Meeting in person, the Company will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means, telephone or other communication facilities.

## **PART TWO – BUSINESS OF MEETING**

### **FINANCIAL STATEMENTS**

The audited financial statements of the Company as at and for the year ended December 31, 2020 (the “**Financial Statements**”), together with the Auditor’s Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, together with the Auditor’s Report thereon and the Company’s Management Discussion and Analysis, were mailed only to those Shareholders on the supplemental mailing list maintained by the Company’s registrar and transfer agent. Copies of the Financial Statements, together with the Auditor’s Report thereon and the Company’s Management Discussion and Analysis, Notice of Meeting, Information Circular and Proxy will be available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and at the Company’s registered and records office at Suite 905 – 1111 W. Hastings Street, Vancouver, B.C. V6E 2J3.

### **ELECTION OF DIRECTORS**

Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of Directors at seven (7). Unless a proxy contains express instructions to vote otherwise, it is intended that all proxies received will be voted in favour of the election of Management’s nominees for director. Although Management is nominating seven (7) individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting.

Each Director of the Company is elected annually and holds office until the next Annual General Meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the Articles of the Company. In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

In 2013, the Company amended its Articles to incorporate advance notice provisions (the “**Advance Notice Provisions**”) as approved by the Shareholders of the Company at the Annual General Meeting held on September 5, 2013. The Advance Notice Provisions require advance notice to the Company in circumstances where nominations of persons for election to the Board are made by Shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the Business Corporations Act or (ii) a shareholder proposal made pursuant to the provisions of the Business Corporations Act.

The purpose of the Advance Notice Provisions is to foster a variety of interests of the shareholders and the Company by ensuring that all Shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provisions fix a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and set forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form. A copy of the Company’s Articles containing the Advance Notice Provisions is available under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

As of the date of this Information Circular, the Company has not received notice of a nomination in compliance with the Advance Notice Provisions.

#### **INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT**

The Company expects all of its directors to demonstrate leadership and integrity and to conduct themselves in a manner that reinforces our corporate values and culture of transparency, teamwork and individual accountability. Above all, we expect that all directors will exercise their good judgment in a manner that keeps the interests of shareholders at the forefront of decisions and deliberations. Each candidate must have a demonstrated track record in several of the skills and experience requirements deemed important for a balanced and effective Board.

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which each person is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which each person has been a Director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected Director and the number of common shares of the Company which each beneficially owns, or controls or directs, directly or indirectly, as of the date of this Information Circular. The four nominees are currently Directors of the Company.

Name, Province and Country of Ordinary Residence <sup>(1)</sup>	Positions Held with the Company	Principal Occupation and, IF NOT at Present an Elected Director, Occupation During the Past Five Years <sup>(1)</sup>	Date First Became a Director	No. of common shares Beneficially Owned, Directly or Indirectly <sup>(2)</sup>
Ian Slater British Columbia, Canada	Chairman	Chairman of Slater Group	June 5, 2008	2,000,000
Jay Sujir <sup>(3)</sup> British Columbia, Canada	Director	Partner, Farris LLP	June 5, 2008	300,000
Robert Pease <sup>(3)</sup> British Columbia, Canada	Director	Director	May 19, 2016	467,500

Name, Province and Country of Ordinary Residence <sup>(1)</sup>	Positions Held with the Company	Principal Occupation and, IF NOT at Present an Elected Director, Occupation During the Past Five Years <sup>(1)</sup>	Date First Became a Director	No. of common shares Beneficially Owned, Directly or Indirectly <sup>(2)</sup>
Bill Bennett, <sup>(3)</sup> British Columbia, Canada	Director	Former British Columbia Mines Minister  Director	June 12, 2019	50,000
Ernest Mast, <sup>(4,5)</sup> Ontario, Canada	Proposed Director	CEO Dore Copper Mining	January 22, 2020	233,000
Ian Harris, <sup>(5)</sup> Florida, USA	CEO, President and Nominated Director	CEO and President of Libero Copper & Gold Corporation	N/A	40,000
Bradley Rourke, <sup>(5)</sup> British Columbia, Canada	Nominated Director	CEO of Scottie Resources Corp.	N/A	100,000

(1) The information as to country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective Directors individually.

(2) The information as to common shares beneficially owned or over which a Director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective Directors individually.

(3) Denotes members of the Audit Committee with Jay Sujir as Chair.

(4) Mr. Ernest Mast was appointed by the Board of Directors on January 22, 2021.

(5) Proposed Director as nominated by the Board of Directors to be appointed by the Shareholders on June 17, 2021.

#### Cease Trade Orders, Bankruptcies and Penalties and Sanctions

Except as described below, no proposed director including, any personal holding company of a proposed director of the Company is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Jay Sujir, Rob Pease and Ian Slater were on the board of directors and Ian Slater was an officer of Red Eagle Mining Corporation which is subject to a cease-trade order issued by the British Columbia Securities Commission on November 20, 2018 for failure to file interim financial statements, management's discussion and analysis, and certification of interim filings for the period ended September 30, 2018.

Other than as described below, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) 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.

Jay Sujir, Rob Pease, and Ian Slater were on the board of directors and Ian Slater was an officer of Red Eagle Mining Corporation (the “Red Eagle”) which owned and operated the Santa Rosa mine in Colombia. Due to start up issues Red Eagle had difficulty servicing its project debt and the mine was only able to commence commercial production on the basis of forbearances from the secured lenders. In August 2018 Red Eagle obtained a firm commitment from a third party to refinance the debt with substantial concessions and co-operation from the secured lenders, but in October 2018 the third party defaulted on its commitment and as a result, the secured lenders withdrew their forbearances and appointed a receiver-manager over the assets of Red Eagle.

Mr. Bennett is a professional director with Kutcho Copper Corp., Eagle Plains Resources Ltd., DLP Resources Inc. (formerly MG Capital Corporation) and Libero Copper & Gold Corp. From June 30, 2017 to November 23, 2020, Mr. Bennett was a director of a private company registered in Alberta by the name of Northern Silica Corporation which received a court order on November 23, 2020 accepting the company’s plan of arrangement under the Companies’ Creditors Arrangement Act (Canada). Mr. Bennett, as of October 26, 2020, became a director of a successor corporation, Vitreo Minerals Limited, a private company registered in the Province of British Columbia.

No proposed director of the Company has been subject to:

- (a) 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 since December 31, 2000 or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

The Company does not currently have an Executive Committee of its Board of Directors.

#### Biography of Directors Nominated for Election

##### Ernest Mast

Ernest Mast has over 30 years’ experience in various technical and executive roles in the mining industry, across a wide range of commodities, geographies and development stages. Mr. Mast is on the Board of Scottie Resources Corp. He previously held the positions of President and Chief Executive Officer at Primero Mining Corp., Vice President of Corporate Development at Copper Mountain Mining Corporation, Vice President of Operations at New Gold Inc. and President and CEO of Minera Panama S.A., Inmet Mining Corporation’s subsidiary, developing the \$6B Cobre Panama project. Mr. Mast began his career with Noranda Inc. and its affiliates, where he took on roles of increasing responsibility over a 20-year timeframe. He is a member of l’Ordre des ingénieurs du Québec and holds a Bachelors’ and Masters’ degrees in metallurgical engineering from McGill University. Mr. Mast also received post-secondary business training at Henley College in the UK and at the Universidad Catolica in Chile.

##### Ian Harris

Mr. Harris is a mining engineer with over 20 years’ experience leading mining projects worldwide including over 10 years working and living in South America. Previously, he served as Chief Executive Officer of AMAK Mining and Para Resources. Mr. Harris was also Senior Vice President and Country Manager of Corriente Resources through feasibility, initial engineering, and commencement of construction at the Mirador mine in Ecuador. He successfully led the push to reactivate Corriente’s mining projects in Ecuador by building national and local support and navigating through a new constitution and a new mining law, leading to the sale of Corriente for \$690 million. Mr. Harris is bilingual in Spanish and English.

##### Bradley Rourke

Mr. Rourke is a Corporate Finance Executive with over 30 years’ experience in Mining, Energy, and Real Estate. He holds a proven track record with successful start-up companies. His leadership experience and entrepreneurial

approach have given new direction and scale to the Scottie Resources efforts in the Golden Triangle where he currently serves as Chief Executive Officer.

### **APPOINTMENT AND REMUNERATION OF AUDITORS**

PricewaterhouseCoopers LLP, Chartered Professional Accountants, will be nominated at the Meeting for appointment as independent auditors of the Company and remuneration to be fixed by the Board of Directors. PricewaterhouseCoopers LLP have been appointed auditors for the Company since October 28, 2016.

**Unless contrary instructions are indicated on the proxy form or the voting instruction card, the persons designated in the accompanying form of proxy or voting instructions card intend to vote FOR the appointment of PricewaterhouseCoopers LLP and to authorize the Board of Directors to fix their remuneration.**

### **APPROVAL OF STOCK OPTION PLAN**

The Company has a “rolling” Stock Option Plan (the “**Option Plan**”) pursuant to which the Board of Directors of the Company may, by resolution, grant options to directors, officers and employees of, and consultants to, the Company or its subsidiaries. The purpose of the Option Plan is to provide effective long-term incentives to such parties in order to align their interests with those of Shareholders.

The Company’s “rolling” Option Plan was originally adopted by its Shareholders on September 4, 2013. At the Company’s 2020 Annual General Meeting, Shareholders passed an Ordinary Resolution approving the Company’s amended Option Plan dated October 24, 2016. A copy of the Option Plan is available upon request from the Company’s registered and records office at Suite 905 – 1111 W. Hastings Street, Vancouver, B.C., V6E 2J3. Pursuant to the policies of the TSX Venture Exchange (the “**TSX-V**”), all stock option plans that reserve for issuance up to 10% (instead of a fixed number) of a listed company’s Shares need to be approved by its shareholders on an annual basis. The rules of the TSX-V require that the Option Plan be approved by an Ordinary Resolution passed by a majority of the votes cast by holder of Shares of the Company present or represented by proxy at the Meeting. At the Meeting, the Shareholders of the Company will be asked to vote to approve the “rolling” Option Plan.

#### ***Summary of the Option Plan***

The exercise price of options is determined by the Company’s Board at the moment of the grant and may not be lower than the Discounted Market Price as calculated pursuant to the policies of the TSX-V, or such other minimum price as may be required or permitted by the TSX-V. The aggregate number of Common Shares reserved for issuance pursuant to the exercise of Options may not exceed 10% of the outstanding Common Shares at the time of the granting of an Option, less the aggregate number of Common Shares then reserved for issuance pursuant to any other share compensation arrangement. For the purposes of the Option Plan, a “other share compensation arrangement” includes any stock option plan, employee stock purchase plan, RSU plan, DSU plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise. The maximum period during which an option can be exercised is ten (10) years from the date of grant. Each option is personal to the optionee and may not be sold or transferred except by inheritance.

The Option Plan provides that if an Eligible Person (as defined in the Option Plan) (a) is terminated for cause, each option held by such person shall terminate and therefore cease to be exercisable upon such termination for cause (b) dies, each option held by such person shall be exercisable by the heirs or administrators of such optionee and will expire after the earlier of (i) the expiry date therefor; or (ii) six (6) months after the date of such optionee’s death; and (c) ceases to be an Eligible Person other than in the circumstances set out in subsection (a) or (b) above, each option held by such person shall terminate and shall therefore cease to be exercisable no later than the earlier of the expiry date therefor and the date which is 30 days after such event (provided that the Board may extend such period as provided under the Option Plan). At no time may an optionee exercise its rights beyond the maximum period of ten (10) years from the date of grant.

The Option Plan includes the following restrictions on Grants and Exercise of Options.

- (a) The number of Options granted to any one person in any 12-month period under the Option Plan and any other share compensation arrangement shall not exceed 5% of the issued Common Shares at the time of the grant, unless the Company has obtained disinterested shareholder approval (as defined in the Option Plan) to exceed such limit.
- (b) The aggregate number of Options granted to any one consultant in any 12-month period under the Option Plan and any other share compensation arrangement shall not exceed 2% of the issued Common Shares at the time of the grant.
- (c) The aggregate value of Options granted to any one non-executive director in any 12-month period under the Option Plan:
  - i. shall not exceed \$100,000, at the time of the grant; and
  - ii. together with the aggregate value of awards to such non-executive under any other share compensation arrangement, shall not exceed \$150,000 at the time of the grant.
- (d) Unless the Company has received disinterested shareholder approval to do so:
  - i. the aggregate number of Common Shares reserved for issuance to Insiders under the Option Plan and any other share compensation arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant;
  - ii. the aggregate number of Common Shares issued to Insiders in any 12-month period under this Plan and any other share compensation arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant.

The Board may amend any Option with the consent of the affected optionee and the TSX-V, including any shareholder approval required by the TSX-V. In accordance with the requirements of the TSX-V, Shareholder approval shall be obtained for any amendment that results in:

- (a) any reduction in the exercise price of an Option;
- (b) any cancellation and reissuance of an Option;
- (c) an increase in the maximum number of Shares issuable pursuant to the Option Plan (other than pursuant to Section 2 of the Option Plan);
- (d) an extension of the Expiry Date for Options granted to Insiders under the Option Plan;
- (e) other types of compensation through Share issuance;
- (f) granting rights to an Option Plan participant (a “**Participant**”) to assign Options;
- (g) the addition of additional categories of Participants (other than as contemplated by Section 2 of the Option Plan);
- (h) changes in eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis; or
- (i) any amendments to this Option Plan that will increase the Company’s ability to amend the Option Plan without shareholder approval.

### ***Shareholder Approval***

The rules of the TSX-V require that the Option Plan be approved by an Ordinary Resolution passed by a majority of the votes cast by holders of Shares of the Company present or represented by proxy at the Meeting.

Shareholders will be asked at the Meeting to consider and, if deemed advisable, to pass, with or without variation, the Ordinary Resolution in the form set forth below:

**"BE IT RESOLVED THAT AS AN ORDINARY RESOLUTION OF THE MAJORITY OF THE MINORITY SHAREHOLDERS THAT:**

1. Subject to the approval of the TSX Venture Exchange and any other regulatory approvals, if so required, the Option Plan as described in the Information Circular of the Company attached as schedule C as dated May 12, 2021 and all unallocated entitlements issuable pursuant to the Option Plan are hereby approved and authorized for issuance until the date that is one year from the date of the Meeting; and
2. Any one Director or officer of the Company is authorized and directed on behalf of the Company to execute all documents and to do all such other acts and things as such Director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution.”

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE RSU/DSU PLAN RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

*(This section intentionally left blank)*

**PART THREE – REPORT ON EXECUTIVE COMPENSATION**

**DEFINITIONS**

**For the purposes of Part Three of this Information Circular:**

“**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;

“**closing market price**” means the price at which the company’s security was last sold, on the applicable date,

- (a) in the security’s principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security’s principal marketplace;

“**company or corporation**” includes other types of business organizations such as partnerships, trust and other unincorporated business entities;

“**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-based Payment*.

“**external management company**” includes a subsidiary, affiliate or associate of the external management company.

“**grant date**” means a date determined for financial statement reporting purposes under IFRS 2 *Share-based Payment*.

“**incentive plan**” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“**incentive plan award**” means compensation awarded, earned, paid, or payable under an incentive plan;

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

- (a) a CEO;
- (c) a CFO;
- (d) each of the three most highly compensated executive officers, 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 whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6), for that financial year; and
- (e) 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 that financial year;

“**NI 52-107**” means National Instrument 52-107 – Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

“**non-equity incentive plan**” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“**option-based award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features; and

“**share-based award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

## **COMPENSATION DISCUSSION AND ANALYSIS**

In accordance with the provisions of applicable securities legislation, the Company had three “Named Executive Officers” during the financial year ended December 31, 2020 (the “**most recently completed financial year**”), namely (i) Mr. Ian Slater, Chairman and past CEO; (ii) Mr. Chui Wong, past CFO, who resigned from the Company on June 21, 2019 and (iii) Mr. Ravshan Ismadiyarov, CFO who was appointed on June 21, 2019.

The Company’s Board of Directors is responsible for adopting appropriate procedures with respect to the compensation of the Company’s executive officers. The Board of Directors aims to ensure that total compensation paid to all NEOs is fair and reasonable and is consistent with the Company’s compensation philosophy.

The Board of Directors is also responsible for recommending compensation for the directors and granting stock options to the directors, officers and employees of, and consultants to, the Company pursuant to the Company’s Option Plan (as defined at Part Two).

### **Philosophy**

The philosophy of the Company in determining compensation is that the compensation should (i) reflect the Company’s current state of development, (ii) reflect the Company’s performance, (iii) reflect individual performance, (iv) align the interests of executives with those of the Shareholders, (v) assist the Company in retaining key individuals, and (vi) reflect the Company’s overall financial status.

### **Compensation Components**

The compensation of the NEOs comprises primarily (i) base salary; and (ii) long-term incentive in the form of stock options granted in accordance with the Option Plan.

In establishing levels of compensation, the Board of Directors relies on the experience of its members as officers and directors of other reporting issuers in assessing compensation levels taking into account the stage of development of the Company, the size of the Company’s assets, available capital, revenues, as well as the particular officer’s level of responsibility, duties, amount of time dedicated to the affairs of the Company and contribution to the Company’s long-term success. These other companies are identified in Schedule “C” of this Information Circular. The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to other reporting issuers;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards.

To date, no specific formulas have been developed to assign a specific weighting to each of these components. Instead, the independent directors consider the Company’s performance and determine compensation based on this assessment.

The Board of Directors has not conducted a formal evaluation of the implications of the risks associated with the Company’s compensation policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors do not believe that the Company’s compensation policies result in unnecessary or inappropriate risk-taking including risks that are likely to have a material adverse effect on the Company.

### **Base Salary**

The Board of Directors approve the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Board, using this information, together with budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all executive and employee compensation levels.

### **Option Based Awards**

The Company adopted the Option Plan in order to provide effective incentives to directors, officers and senior management personnel and consultants of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's Shareholders. The Company currently has no equity compensation plans other than the Option Plan. The Option Plan is an important part of the Company's long-term incentive strategy for its executive officers. The Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value.

All option grants are approved by the Board of Directors. The size of stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such executive officer's long-term contribution will be key to the Company's long-term success. Previous grants of stock options are taken into account when considering new grants.

In addition to recommending the number of options to be granted pursuant to the methodology outlined above, the Board of Directors also makes the following determinations:

- the recommended exercise price for each option granted;
- the date on which each option is granted;
- the vesting terms for each option; and
- the other material terms and conditions of each option grant.
- The Board makes these determinations subject to, and in accordance with, the provision of the Option Plan.

### **Use of Financial Instruments**

The Company does not have a policy that would prohibit a Named Executive Officer or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, Management is not aware of any Named Executive or director purchasing such an instrument.

### **Compensation Governance**

The Company has not established a formal compensation committee.

### ***Narrative Discussion***

The Company's general compensation strategy for NEO's is discussed above under "*Compensation Discussion and Analysis – NEO Compensation Discussion and Analysis*". During the financial year ended December 31, 2020, the NEO's did not have employment agreements or arrangements with the Company.

*(This section intentionally left blank)*

**NEO'S COMPENSATION AND INCENTIVE PLAN AWARDS SUMMARY**

The following table sets out certain information respecting the compensation paid to the NEO's of the Company in the financial year ended December 31, 2020 during the three most recently completed financial year(s) in which they were acting in the capacity of a NEO.

**Summary Compensation Table**

Name and principal position (a)	Year (b)	Salary (\$) (c)	Grant date fair value of share-based awards (\$) (d)	Grant date fair value of option-based awards (\$) (e)	Non-equity incentive plan compensation (\$) (f)		Pension value (\$) (g)	All other compensation (\$) (h)	Total compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Ian Slater Chairman & CEO <sup>(1,2,4,5)</sup>	2020	\$250,000	Nil	\$59,846 <sup>(5)</sup>	Nil	Nil	Nil	\$435	\$310,281
	2019	\$250,000	Nil	\$124,168 <sup>(2,4)</sup>	Nil	Nil	Nil	\$1,765	\$375,933
	2018	Nil	Nil	\$68,849 <sup>(1)</sup>	Nil	Nil	Nil	Nil	\$68,849
Chui Wong, CFO <sup>(1)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	\$17,212 <sup>(1)</sup>	Nil	Nil	Nil	Nil	\$17,212
Ravshan Ismadiyarov, CFO <sup>(3,5)</sup>	2020	Nil	Nil	\$17,954 <sup>(5)</sup>	Nil	Nil	Nil	Nil	\$17,954
	2019	Nil	Nil	\$26,510 <sup>(3)</sup>	Nil	Nil	Nil	Nil	\$26,510

- (1) On December 11, 2018 the fair values of options granted is determined using the Black-Scholes option pricing model and in accordance with IFRS 2 as per the financial statements. The key variables were an expected life of 5 years, estimated volatility of 140.99%, a risk free interest rate of 2.02% and the share price on grant date assumed to be \$0.325.
- (2) On June 14, 2019 the fair values of options granted is determined using the Black-Scholes option pricing model and in accordance with IFRS 2 as per the financial statements. The key variables were an expected life of 4.5 years, estimated volatility of 146.94%, a risk free interest rate of 1.34% and the share price on grant date assumed to be \$0.525.
- (3) On June 21, 2019 the fair values of options granted is determined using the Black-Scholes option pricing model and in accordance with IFRS 2 as per the financial statements. The key variables were an expected life of 4.5 years, estimated volatility of 146.97%, a risk free interest rate of 1.38% and the share price on grant date assumed to be \$0.50.
- (4) On October 2, 2019 the fair values of options granted is determined using the Black-Scholes option pricing model and in accordance with IFRS 2 as per the financial statements. The key variables were an expected life of 5 years, estimated volatility of 142.91%, a risk free interest rate of 1.34% and the share price on grant date assumed to be \$0.725.
- (5) On December 17, 2020 the fair values of options granted is determined using the Black-Scholes option pricing model and in accordance with IFRS 2 as per the financial statements. The key variables were an expected life of 5 years, estimated volatility of 129.77%, a risk free interest rate of 0.45% and the share price on grant date assumed to be \$0.35.

***Narrative Discussion***

The Company’s general compensation strategy for NEO’s is discussed above under “*Compensation Discussion and Analysis – NEO Compensation Discussion and Analysis*”. During the financial year ended December 31, 2020, the NEO’s did not have employment agreements or arrangements with the Company.

**Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the NEO’s and which were outstanding at December 31, 2020:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money-options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Ian Slater Chairman & CEO	200,000	\$0.35	Dec 17, 2025	\$15,750	Nil	Nil	Nil
	120,000	\$0.75	Oct 2, 2024				
	100,000	\$0.50	Dec 11, 2023				
	240,000	\$0.375	Dec 11, 2023				
	40,000	\$0.50	Dec 15, 2022				
	25,000	\$0.50	Mar 16, 2021				
Ravshan Ismadiyarov, CFO	60,000	\$0.35	Dec 17, 2025	\$1,125	Nil	Nil	Nil
	60,000	\$0.50	Dec 11, 2023				

(1) Determined based on the difference between the exercise price of the option and the closing market price of the Company’s common shares on the Exchange on the last day of the most recently completed financial year (or, in the event there was no trade, the most recent closing market price prior thereto), being \$0.425 on December 31, 2020.

***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table sets forth particulars of the value vested or earned during the year ended December 31, 2020 in respect of incentive awards to the Named Executive Officer:

Name	Option-based awards–Value vested during the year (\$) <sup>(1)</sup>	Share-based awards–Value vested during the year (\$)	Non-equity incentive plan compensation–Value earned during the year (\$)
Ian Slater Chairman & CEO	Nil	Nil	Nil
Ravshan Ismadiyarov, CFO	Nil	Nil	Nil

- (1) For options that vested during the most recently completed financial year and were in-the-money on their vesting date, determined based on the difference between the exercise price of the option and the closing market price of the Company's common shares on the Exchange on the vesting date. No options were held by NEOs that vested during the year ended December 31, 2020 and were in-the-money on the vesting date.

### ***Narrative Discussion***

The grant of stock options to NEO's pursuant to the Company's Option Plan is discussed above under the heading "Compensation Discussion and Analysis – Option-Based Awards". As at the end of the financial year ended December 31, 2020, NEO's held 845,000 of the then 2,995,000 issued and outstanding stock options.

### **TERMINATION AND CHANGE OF CONTROL BENEFITS**

During the year ended December 31, 2020, the Company did not have any contacts, agreements, plans or arrangements in place with any NEO that provides for payment following or in connection with any termination, resignation, retirement, a change of control of the Company or a change in an NEO's responsibilities.

### **NON-EXECUTIVE DIRECTORS' COMPENSATION AND INCENTIVE PLAN AWARDS SUMMARY**

During the year ended December 31, 2020, no directors were paid fees in respect of their role as a director to the Company.

### ***Director Compensation Table***

The following table sets forth particulars of all compensation paid to directors who were not executive officers during the year ended December 31, 2020:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
<b>Bill Bennett<sup>(1)</sup></b>	Nil	Nil	\$32,915 <sup>(1)</sup>	Nil	Nil	Nil	\$32,915
<b>Jay Sujir<sup>(1)</sup></b>	Nil	Nil	\$29,923 <sup>(1)</sup>	Nil	Nil	Nil	\$29,923
<b>Robert Pease<sup>(1)</sup></b>	Nil	Nil	\$29,923 <sup>(1)</sup>	Nil	Nil	Nil	\$29,923

(1) On December 17, 2020 the fair values of options granted is determined using the Black-Scholes option pricing model and in accordance with IFRS 2 as per the financial statements. The key variables were an expected life of 5 years, estimated volatility of 129.77%, a risk free interest rate of 0.45% and the share price on grant date assumed to be \$0.35.

### ***Narrative Discussion***

There are no arrangements under which directors of the Company who were not NEO's were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors or consultants, except as disclosed in this Information Circular.

### **Director Share-based Awards, Option-based Awards and Non-equity Incentive Plan Compensation**

#### ***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets out certain information respecting share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, for the Directors of the Company who were not NEO's:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Bill Bennett	110,000	\$0.35	Dec 17, 2025	\$2,063	Nil	Nil	Nil
	30,000	\$0.75	Oct 2, 2024				
	60,000	\$0.50	Dec 11, 2023				
Jay Sujir	100,000	\$0.35	Dec 17, 2025	\$4,875	Nil	Nil	Nil
	30,000	\$0.75	Oct 2, 2024				
	60,000	\$0.375	Dec 11, 2023				
	10,000	\$0.50	Dec 15, 2022				
	20,000	\$0.50	Mar 16, 2021				
Robert Pease	100,000	\$0.35	Dec 17, 2025	\$4,875	Nil	Nil	Nil
	30,000	\$0.75	Oct 2, 2024				
	60,000	\$0.375	Dec 11, 2023				
	10,000	\$0.50	Dec 15, 2022				
	40,000	\$0.50	May 19, 2021				

***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table sets forth particulars of the value vested or earned during the year ended December 31, 2020 in respect of incentive awards to the Directors:

Name	Option-based awards–Value vested during the year (\$) <sup>(1)</sup>	Share-based awards–Value vested during the year (\$)	Non-equity incentive plan compensation–Value earned during the year (\$)
Bill Bennett	Nil	Nil	Nil
Jay Sujir	Nil	Nil	Nil
Robert Pease	Nil	Nil	Nil

(1) For options that vested during the most recently completed financial year and were in-the-money on their vesting date, determined based on the difference between the exercise price of the option and the closing market price of the Company's

common shares on the Exchange on the vesting date. No options were held by directors who were not NEOs that vested during the year ended December 31, 2020 and were in-the-money on the vesting date.

***Narrative Discussion***

The grant of stock options to Directors pursuant to the Company’s Option Plan is discussed above under the heading “*Compensation Discussion & Analysis – Option Based Awards*”. As at the end of the financial year ended December 31, 2020, the Directors who are not NEO’s collectively held 660,000 of the 2,995,000 then issued and outstanding stock options.

**PART FOUR – OTHER INFORMATION**

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2020:

***Equity Compensation Plan Information***

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (2)	Weighted-average exercise price of outstanding options, warrants and rights (2)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))(1)
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders <sup>(1)</sup>	2,995,000	\$0.45	0
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>TOTAL</b>	<b>2,995,000</b>	<b>\$0.45</b>	<b>0</b>

(1) Represents the Company’s Option Plan as discussed under the heading “*Approval of Rolling Stock Option Plan*” above.

(2) calculated on a 5 for 1 post consolidated basis

For further information on the Company’s equity compensation plans, refer to the heading “*Approval of Rolling Stock Option Plan*”.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this information circular or “routine indebtedness” as defined in Form 51-102F5 of NI 51-102 none of:

- (a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a director or executive officer of the Company;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company, or is a person 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 or any subsidiary of the Company.

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

Except as otherwise disclosed herein:

- (a) no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year of the Company;
- (b) no proposed nominee for election as a Director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of Directors or the appointment of auditors.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For purposes of the following discussion, "Informed Person" means (a) a Director or Executive Officer of the Company; (b) a Director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended December 31, 2020, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Company or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

#### **AUDIT COMMITTEE DISCLOSURE**

The charter of the Company's audit committee and the other information required to be disclosed by Form 52-110F2 is attached to this Information Circular as Schedule "A".

#### **MANAGEMENT CONTRACTS**

Management functions of the Company are not, to any substantial degree, performed by a person or persons other than the Directors or Senior Officers of the Company.

**CORPORATE GOVERNANCE**

The information required to be disclosed by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* is attached to this information circular as Schedule “B”.

**OTHER MATTERS**

The Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the common shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Company’s financial statements and MD&A may be obtained without charge upon request from the Company’s registered and records office at Suite 905 – 1111 West Hastings Street, Vancouver, BC, V6E 2J3, phone (604) 638-2545. Financial information on the Company is provided in its audited financial statements and MD&A for the year ended December 31, 2020.

**DIRECTOR APPROVAL**

The contents of this Information Circular and the sending thereof to the Shareholders of the Company have been approved by the Board of Directors.

DATED at Vancouver, British Columbia, this 12<sup>th</sup> day of May, 2021.

ON BEHALF OF THE BOARD OF DIRECTORS  
OF LIBERO COPPER AND GOLD CORPORATION

*“Ian Slater”*

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Ian Slater, Chairman

**SCHEDULE "A"**  
**LIBERO COPPER AND GOLD CORPORATION**  
**FORM 52-110F2 - AUDIT COMMITTEE DISCLOSURE**

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**ITEM 1: THE AUDIT COMMITTEE'S CHARTER**

**Purpose**

The overall purpose of the Audit Committee (the "Committee") of Libero Copper and Gold Corporation (the "Company") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

**Composition, Procedures and Organization**

- (1) The Committee shall consist of at least three members of the Board of Directors (the "Board").
- (2) At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) 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 applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet as necessary to fulfill its duties and responsibilities in person or via telephone at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

### **Roles and Responsibilities**

- (9) The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (10) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) contents of their report;
    - (ii) scope and quality of the audit work performed;
    - (iii) adequacy of the Company's financial and auditing personnel;
    - (iv) co-operation received from the Company's personnel during the audit;
    - (v) internal resources used;
    - (vi) significant transactions outside of the normal business of the Company;
    - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - (viii) the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

- (11) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (12) The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - (i) the annual report to Shareholders;
    - (ii) the annual information form, if required;
    - (iii) annual and interim MD&A;
    - (iv) prospectuses;
    - (v) news releases discussing financial results of the Company; and
    - (vi) other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
  - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Company's consolidated financial statements;
  - (f) review the minutes of any audit committee meeting of subsidiary companies;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
  - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

- (13) The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
  - (b) to set and pay the compensation for any advisors employed by the Committee; and
  - (c) to communicate directly with the internal and external auditors.

## **ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE**

For the duration of the fiscal year ending December 31, 2020 the members of the Committee were Mr. Jay Sujir (Chair), Mr. Robert Pease and Mr. Bill Bennett.

“Independent” and “financially literate” have the meaning used in Multilateral Instrument 52-110 (“**MI 52-110**” or the “**Instrument**”) of the Canadian Securities Administrators. All of the members of the Committee for the fiscal year ended December 31, 2020, were financially literate and classified as independent.

## **ITEM 3: RELEVANT EDUCATION AND EXPERIENCE**

The relevant education and/or experience of each member of the Audit Committee is as follows:

### Mr. Jay Sujir, Chair

Mr. Sujir is a Director of the Company. Mr. Sujir is a securities and natural resources lawyer who has extensive experience in advising and assisting public companies. He has been a partner with Farris, Vaughan, Wills & Murphy, LLP since May 2015. From 1991 to May 2015, Mr. Sujir was a partner at Anfield, Sujir Kennedy & Durno, LLP and its predecessor firms. Mr. Sujir obtained his Bachelor of Arts degree from the University of Victoria in 1981 with a double major in Economics and Philosophy and obtained his Bachelor of Law degree from the University of Victoria in 1985. He is a member of the Law Society of British Columbia and the Canadian Bar Association.

### Mr. Robert Pease

Mr. Pease has been involved with mineral exploration and mine development projects worldwide for the past four decades. Mr. Pease was recently appointed the Chairman of Trek Mining Inc. Previously, Mr. Pease was the CEO of Sabina Gold & Silver. He was also the founder, CEO and a Director of Terrane Metals, which was acquired in 2010 by Thompson Creek Metals. Previously, he was employed by Placer Dome for 25 years, most recently as General Manager, Canada Exploration and Global Major Projects. He was responsible for managing all aspects of Placer Dome's Canadian exploration and overseeing the geological aspects of world-wide advanced, major exploration, and developments projects. Mr. Pease holds a B.Sc. degree in Earth Science from the University of Waterloo, a Professional Geologist (British Columbia) certification and is a Fellow of the Geologic Association of Canada. He is also a past Chairman of the Association for Mineral Exploration British Columbia.

### Mr. Bill Bennett

Mr. Bennett is a recently retired British Columbia Mines Minister with 16 years' experience as an MLA and Minister plus two decades of private sector experience in business and law. He holds a Bachelor of Arts degree and a Law degree from Queens University. Mr. Bennett is most knowledgeable about the Canadian mining industry and consults with the industry on First Nations, Permitting and Community issues.

## **ITEM 4: 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 (currently, PricewaterhouseCoopers LLP) not adopted by the Board.

**ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS**

Since the effective date of MI 52-110, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6) or 8 of MI 52 110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Sections 6.1.1(4), 6.1.1(5) and 6.1.1(6) provide exemptions in certain circumstances from the requirement that each member of the audit committee not be executive officers, employees or control persons of the Company. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

**ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the Instrument, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable by the Committee, on a case by case basis.

**ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)**

On October 28, 2016, PricewaterhouseCoopers LLP, Chartered Professional Accountants, were appointed as the Company's new auditors. PricewaterhouseCoopers LLP are independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Professional Accountants of British Columbia.

The aggregate fees billed by the Company's auditors in fiscal 2019 and fiscal 2020 are detailed below.

Category	Year ended December 31, 2019	Year ended December 31, 2020
Audit Fees <sup>(1)</sup>	\$26,391	\$32,100
Tax Fees <sup>(2)</sup>	\$28,458	\$25,252
Total	\$54,849	\$57,352

(1) "Audit Fees" represent fees for the audit of the Company's consolidated annual financial statements, and review in connection with regulatory financial filings.

(2) "Tax Fees" represent fees for tax compliance, tax consulting and tax planning.

**ITEM 8: EXEMPTION**

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

**SCHEDULE “B”  
LIBERO COPPER AND GOLD CORPORATION  
CORPORATE GOVERNANCE**

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Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* the Company is required to and hereby discloses its corporate governance practices as follows.

**ITEM 1. BOARD OF DIRECTORS**

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board.

**Mr. Ian Slater** is the Chairman of the Company and is therefore not “independent” within the meaning of section 1.4 of the Instrument.

**Mr. Jay Sujir**, a director of the Company, is “independent” within the meaning of section 1.4 of the Instrument.

**Mr. Robert Pease**, a director of the Company, is “independent” within the meaning of section 1.4 of the Instrument.

**Mr. Bill Bennet**, a director of the Company, is “independent” within the meaning of section 1.4 of the Instrument.

**Mr. Ernest Mast**, a director of the Company, is “independent” within the meaning of section 1.4 of the Instrument.

**ITEM 2. DIRECTORSHIPS**

The directors of the Company are currently directors of the following other reporting issuers:

Name of Director	Name of Reporting Issuer
Ian Slater	Outcrop Gold Corp. AUX Resources Corporation Abigail Capital Corporation
Jay Sujir	Vanadian Energy Corp. Collingwood Resources Corp. Carlin Gold Corporation Roughrider Exploration Limited Kutcho Copper Corp. Outcrop Gold Corp. Abigail Capital Corporation
Robert Pease	Endurance Gold Corporation Liberty Gold Inc. Pure Gold Mining Inc. FPX Nickel
Bill Bennett	Ascot Resources Ltd. Kutcho Copper Corp. Eagle Plains Resources Ltd. MG Capital Corporation
Ernest Mast	Dore Copper Mining Scottie Resources Corp.

**ITEM 3.           ORIENTATION AND CONTINUING EDUCATION**

The Board of Directors of the Company brief all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

**ITEM 4.           ETHICAL BUSINESS CONDUCT**

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

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the Shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

**ITEM 5.           NOMINATION OF DIRECTORS**

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

**ITEM 6.           COMPENSATION**

The Company currently does not pay compensation to its directors or senior officers and therefore does not have any process in place for determining compensation.

**ITEM 7.           OTHER BOARD COMMITTEES**

The Board of Directors has no other committees other than the Audit Committee.

**ITEM 8.           ASSESSMENTS**

The Board of Directors monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees.

**SCHEDULE "C"**  
**LIBERO COPPER AND GOLD CORPORATION**  
**STOCK OPTION PLAN**

(As amended October 24, 2016 and last approved  
by the Corporation's Shareholders on June 4, 2020)

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## DEFINITIONS AND INTERPRETATION

### Defined Terms

For the purposes of this Plan, the following terms shall have the following meanings:

“**Accelerated Vesting Event**” means the occurrence of any one of the following events:

1. The acquisition or continuing ownership by any Person or Persons acting jointly or in concert (as determined under applicable securities Laws), directly or indirectly, of Common Shares or of Convertible Securities, which, when added to all other securities of the Corporation at the time held by such Person or Persons, Persons associated with such Person or Persons, or Persons affiliated with such Person or Persons (as determined under applicable securities Laws) (collectively, the “**Acquirors**”), and assuming the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, results in the Acquirors beneficially owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors;
2. An amalgamation, merger, arrangement or other business combination (a “**Business Combination**”) involving the Corporation receives the approval of, or is accepted by, the securityholders of the Corporation (or all classes of securityholders whose approval or acceptance is required) or, if their approval or acceptance is not required in the circumstances, is approved or accepted by the Corporation and as a result of that Business Combination, parties to the Business Combination or securityholders of the parties to the Business Combination, other than the securityholders of the Corporation, will own, directly or indirectly, shares of the continuing entity that entitle the holders thereof to cast at least 50% of the votes attaching to all shares in the capital of the continuing entity that may be cast to elect Directors;

"**Affiliate**" has the meaning ascribed thereto by the Exchange;

"**Board**" means the Board of Directors of the Corporation or, as applicable, a committee consisting of not less than 3 Directors of the Corporation duly appointed to administer this Plan;

"**Common Shares**" means the common shares of the Corporation;

"**Consultant**" means an individual who:

1. provides ongoing consulting, technical, management or other services to the Corporation or an Affiliate under a written contract with the Corporation or the Affiliate other than services provided in relation to a Distribution,
2. possesses technical, business or management expertise of value to the Corporation or an Affiliate,

3. in the opinion of the Corporation, spends or will spend a reasonable amount of time and attention on the business and affairs of the Corporation or an Affiliate, and
4. has a relationship with the Corporation or an Affiliate that enables the Consultant to be knowledgeable about the business and affairs of the Corporation or the Affiliate,

and includes a company of which a Consultant is an employee or shareholder and a partnership of which a Consultant is an employee or partner;

**"Convertible Securities"** means any security of the Corporation which is convertible into Common Shares;

**"Corporation"** means Libero Copper Corporation and its successor entities;

**"Director"** means a director of the Corporation or of an Affiliate;

**"Disinterested Shareholder Approval"** has the meaning ascribed thereto by the Exchange in "Policy 4.4 – Incentive Stock Options" of the TSX Venture Exchange Corporate Finance Manual;

**"Eligible Person"** means a Director, Officer, Employee or Consultant, and includes an entity all the voting securities of which are owned by Eligible Persons;

**"Employee"** means an individual who:

1. is considered an employee of the Corporation or an Affiliate under the *Income Tax Act* (Canada), i.e. for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source,
2. works full-time for the Corporation or an Affiliate providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the Affiliate over the details and method of work as an employee of the Corporation or the Affiliate, but for whom income tax deductions are not made at source, or
3. works for the Corporation or an Affiliate on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and method of work as an employee of the Corporation or its subsidiary, but for whom income tax deductions are not made at source;

**"Exchange"** means the TSX Venture Exchange and any successor entity or the Toronto Stock Exchange as applicable depending on where the Corporation is listed at the relevant date;

**"Expiry Date"** means the last day of the term for an Option, as set by the Board at the time of grant in accordance with Section 5.2 and, if applicable, as amended from time to time;

**"Governmental Authorities"** means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:

1. having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any geographic or political subdivision of any of them; or
2. exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

**"Insider"** has the meaning ascribed thereto by the Exchange;

**"Investor Relations Activities"** has the meaning ascribed thereto by the Exchange;

**"Laws"** means currently existing applicable statutes, by-laws, rules, regulations, orders, ordinances or judgments, in each case of any Governmental Authority having the force of the law;

**"Management Company Employee"** means an individual who is employed by a Person providing management services to the Corporation which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a person engaged in Investor Relations Activities;

**"Material Information"** has the meaning ascribed thereto by the Exchange;

**"Officer"** means an officer of the Corporation or of an Affiliate, and includes a Management Company Employee;

**"Option"** means an option to purchase Common Shares granted to an Eligible Person pursuant to this Plan;

**"Optionee"** means an Eligible Person who has been granted an Option;

**"Other Share Compensation Arrangement"** means, other than this Plan and any Options, any stock option plan, stock options, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise; and

**"Plan"** means this Incentive Stock Option Plan.

### **Interpretation**

References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.

If the Corporation is listed on the Toronto Stock Exchange, the provisions of this Plan as they relate to companies listed on Tier 1 of the TSX Venture Exchange shall apply.

## **ESTABLISHMENT OF PLAN**

### **Purpose**

The purpose of this Plan is to provide an effective long-term incentive to Eligible Persons from time to time.

### **Shares Reserved**

The aggregate number of Common Shares reserved for issuance pursuant to the exercise of Options shall not exceed 10% of the outstanding Common Shares at the time of the granting of an Option, LESS the aggregate number of Common Shares then reserved for issuance pursuant to any Other Share Compensation Arrangement. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for issuance upon exercise of Options subsequently granted under this Plan.

If there is a change in the outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:

1. the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
2. the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and
3. the vesting of any Options (subject to the approval of the Exchange if such vesting is mandatory under the policies of the Exchange), including the accelerated vesting thereof on conditions the Board deems advisable,

and if the Corporation undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Optionees as it shall deem advisable.

No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.

The Corporation shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

### **Non-Exclusivity**

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

### **Effective Date**

This Plan shall be subject to the approval of any regulatory authority whose approval is required. Any Options granted under this Plan prior to such approvals being given shall be conditional upon such approvals being given, and no such Options may be exercised unless and until such approvals are given.

## **ADMINISTRATION OF PLAN**

### **Administration**

This Plan shall be administered by the Board or any committee established by the Board for the purposes of administering this Plan. Subject to the provisions of this Plan, the Board shall have the authority:

1. to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Optionee's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited;
2. to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Sections 3.3 and 3.4 hereof.

The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Corporation, Eligible Persons, Optionees and all other persons.

For stock options granted to Employees, Consultants or Management Company Employees, the Corporation and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

### **Amendment, Suspension and Termination**

The Board may amend, subject to the approval of any regulatory authority whose approval is required, suspend or terminate this Plan or any portion thereof. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Options or any rights without the consent of such Optionee. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

### **Compliance with Laws**

This Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign Laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any governmental or regulatory agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Common Shares upon exercise of Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals.

No Option shall be granted and no Common Shares sold, issued or delivered hereunder where such grant, sale, issue or delivery would require registration or other qualification of this Plan or of the Common Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or any sale, issue and delivery of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to sell, issue or deliver any Common Shares hereunder unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading.

Common Shares sold, issued and delivered to Optionees pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable securities laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.

## **OPTION GRANTS**

### **Eligibility and Multiple Grants**

Options shall only be granted to Eligible Persons. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions.

### **Option Agreement**

Every Option shall be evidenced by an option agreement executed by the Corporation and the Optionee. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

### **Limitation on Grants and Exercises**

**To any one person.** The number of Options granted to any one Person (and companies owned by that Person) in any 12-month period under this Plan and any Other Share Compensation Arrangement shall not exceed 5% of the issued Common Shares at the time of the grant, unless the Corporation has obtained Disinterested Shareholder Approval to exceed such limit.

**To Consultants.** The aggregate number of Options granted to any one Consultant in any 12-month period under this Plan and any Other Share Compensation Arrangement shall not exceed 2% of the issued Common Shares at the time of the grant.

**To persons conducting Investor Relations Activities.** The aggregate number of Options Granted to all Persons retained to provide Investor Relations Activities in any 12-month period under this Plan and any Other Share Compensation Arrangement shall not exceed 2% of the issued Common Shares at the time of the grant.

**To Non-Executive Directors.** The aggregate value of Options granted to any one non-executive Director in any 12-month period under this Plan:

1. shall not exceed \$100,000, at the time of the grant;
2. together with the aggregate value of awards to such non-executive under any Other Share Compensation Arrangement, shall not exceed \$150,000 at the time of the grant.

**To Insiders.** Unless the Corporation has received Disinterested Shareholder Approval to do so:

1. the aggregate number of Common Shares reserved for issuance to Insiders under this Plan and any Other Share Compensation Arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant;
2. the aggregate number Options granted to Insiders (as a group) in any 12-month period under this Plan and any Other Share Compensation Arrangement shall not exceed 10% of the outstanding Common Shares at the time of the grant.

## OPTION TERMS

### Exercise Price

The exercise price per Option granted hereunder shall be determined by the Board, but it will in no event be less than the "Discounted Market Price", as calculated pursuant to the policies of the Exchange, or such other minimum price as may be required or permitted by the Exchange.

If Options are granted within ninety days of a distribution by the Corporation by prospectus, then the exercise price per Common Share for such Option shall not be less than the greater of the minimum exercise price calculated pursuant to subsection 5.1(a) herein and the price per Common Share paid by the public investors for Common Shares acquired pursuant to such distribution. Such ninety-day period shall begin:

1. on the date the final receipt is issued for the final prospectus in respect of such distribution; and
2. in the case of a prospectus that qualifies special warrants, on the closing date of the private placement in respect of such special warrants.

### **Expiry Date**

Every Option shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant (subject to extension where the expiry date falls within a "blackout period"), pursuant to section 5.7).

### **Vesting**

Subject to the subsection 5.3(b) herein and otherwise in compliance with the policies of the Exchange, the Board shall determine the manner in which an Option shall vest and become exercisable.

Options granted to Consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any 3-month period.

### **Accelerated Vesting Event**

Subject to subsection 5.3(b) and in compliance with the policies of the Exchange, upon the occurrence of an Accelerated Vesting Event, the Board will have the power, at its sole discretion and without being required to obtain the approval of shareholders or the holder of any Option, except pertaining to options granted to Consultants performing Investor Relations Activities which will be subject to prior written Exchange approval, to make such changes to the terms of Options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of Options, conditionally or unconditionally; (b) terminating every Option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the Options are proposed to be granted to or exchanged with holders of Options, which replacement options treat the holders of Options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of Shares under such transaction; (c) otherwise modifying the terms of any Option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any Option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event shall for the purposes of this Plan be final, conclusive and binding.

### **Effect of Take-Over Bid**

If a take-over bid (as defined under applicable securities Laws) (the "Offer") is made for Common Shares or Convertible Securities which, if successful would result (assuming the conversion, exchange or exercise of the Convertible Securities, if any, that are the subject of the take-over bid) in any Person or Persons acting jointly or in concert (as determined under applicable securities Laws) or Persons associated or affiliated with such Person or Persons (as determined under applicable securities Laws) beneficially, directly or indirectly, owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors, the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Options will become fully vested and the Options may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Common Shares received upon such exercise, pursuant to the Offer. However, if:

the Offer is not completed within the time specified therein; or

all of the Common Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof

then the Common Shares received upon such exercise, or in the case of clause (b) above, the Common Shares that are not taken up and paid for may be returned by the Optionee to the Corporation and reinstated as authorized but unissued Common Shares and with respect to such returned Common Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Common Shares were to become vested pursuant to this section shall be reinstated. If any Common Shares are returned to the Corporation under this section, the Corporation shall immediately refund the exercise price to the Optionee for the Options relating to such returned Common Shares.

### **Non-Assignability**

Options may not be assigned or transferred.

### **Ceasing to be Eligible Person**

If an Optionee who is a Director, Officer, Employee or Consultant is terminated for cause, each Option held by such Optionee shall terminate and shall therefore cease to be exercisable upon such termination for cause.

If an Optionee dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Optionee shall be exercisable by the heirs or administrators of such Optionee and shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is six months after the date of the Optionee's death, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after the date of the Optionee's death.

If an Optionee ceases to be an Eligible Person other than in the circumstances set out in subsection (a) or (b) herein, each Option held by such Optionee shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is 30 days after such event, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after such event, and further provided that the Board may, in its discretion, on a case-by-case basis and only with the approval of the Exchange, further extend the date of such termination and the resulting period in which such Option remains exercisable to a date exceeding the date which is after twelve months of such event.

If any portion of an Option grant is not vested at the time an Optionee ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option grant may not be thereafter exercised by the Optionee or its legal representative, as the case may be, provided that the Board may, in its discretion further and subject to the approval of the Exchange where the vesting of the said Optionee's options was a requirement of the Exchange's policies, thereafter permit the Optionee or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the relevant Option grant that would have vested prior to the time such Option otherwise terminates and therefore ceases to be exercisable pursuant to the terms of this Section. For greater certainty, and

without limitation, this provision will apply regardless of whether the Optionee ceased to be an Eligible Person voluntarily or involuntarily, was dismissed with or without cause, and regardless of whether the Optionee received compensation in respect of dismissal or was entitled to a notice of termination for a period which would otherwise have permitted a greater portion of an Option grant to vest.

### **Blackout Periods**

An Option will be automatically extended past the expiry date of an Option governed by the Plan if such expiry date falls within a period (a "**blackout period**") during which the Corporation prohibits Optionees from exercising their Options provided that the following requirements are satisfied:

The blackout period must be formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information. For greater certainty, in the absence of the Corporation formally imposing a blackout period, the expiry date of any Options will not be automatically extended in any circumstances.

The blackout period must expire upon the general disclosure of the undisclosed Material Information. The expiry date of the affected Options can be extended to no later than ten (10) business days after the expiry of the blackout period.

The automatic extension of an Optionee's Options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under securities Laws) in respect of the Corporation's securities.

## **EXERCISE PROCEDURE**

### **Exercise Procedure**

An Option may be exercised from time to time, and shall be deemed to be validly exercised by the Optionee only upon the Optionee's delivery to the Corporation at its head office of:

a written notice of exercise addressed to the Corporate Secretary of the Corporation, specifying the number of Common Shares with respect to which the Option is being exercised;

the originally signed option agreement with respect to the Option being exercised;

a certified cheque or bank draft made payable to the Corporation for the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised together with the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable Laws; and

documents containing such representations, warranties, agreements and undertakings, including such as to the Optionee's future dealings in such Common Shares, as counsel to the Corporation reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of the Laws of any jurisdiction;

and on the business day following, the Optionee shall be deemed to be a holder of record of the Common Shares with respect to which the Option is being exercised, and thereafter the Corporation shall, within a

reasonable amount of time, cause certificates for such Common Shares to be issued and delivered to the Optionee.

### **Withholding**

The Corporation may withhold from any amount payable to an Optionee, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Corporation to comply with the applicable requirements of any federal, provincial, local, or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options ("**Withholding Obligations**"). The Corporation may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Corporation may determine in its discretion, by (a) requiring an Optionee, as a condition to the exercise of any Options, to make such arrangements as the Corporation may require so that the Corporation can satisfy such Withholding Obligations including, without limitation, requiring the Optionee to remit to the Corporation in advance, or reimburse the Corporation for, any such Withholding Obligations or (b) selling on the Optionee's behalf, or requiring the Optionee to sell, any Shares acquired by the Optionee under the Plan, or retaining any amount which would otherwise be payable to the Optionee in connection with any such sale.

## **AMENDMENT OF OPTIONS**

### **Consent to Amend**

The Board may amend any Option with the consent of the affected Optionee and the Exchange, including any shareholder approval required by the Exchange.

Shareholder approval shall be obtained in accordance with the requirements of the TSX Venture Exchange for any amendment that results in:

1. any reduction in the exercise price of an Option (which would require disinterested shareholder approval);
2. any cancellation and reissuance of an Option;
3. an increase in the maximum number of Shares issuable pursuant to the Plan (other than pursuant to Section 2);
4. an extension of the Expiry Date for Options granted to Insiders under the Plan;
5. other types of compensation through Share issuance;
6. granting rights to a Participant to assign Options;
7. the addition of additional categories of Participants (other than as contemplated by Section 2);
8. changes in eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis; or
9. any amendments to this Section 7 that will increase the Corporation's ability to amend the Plan without shareholder approval.

**Amendment Subject to Approval**

If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

**MISCELLANEOUS**

**No Rights as Shareholder**

Nothing in this Plan or any Option shall confer upon an Optionee any rights as a shareholder of the Corporation with respect to any of the Common Shares underlying an Option unless and until such Optionee shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

**No Right to Employment**

Nothing in this Plan or any Option shall confer upon an Optionee any right to continue in the employ of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate the Optionee's employment, with or without cause, at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment of any Optionee beyond the time which the Optionee would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Affiliate.

**Governing Law**

This Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.