



**Notice of Annual and Special Meeting of Shareholders of  
Barkerville Gold Mines Ltd.  
Management Information Circular**

**To be held on June 17, 2019**

**Dated May 17, 2019**

## TABLE OF CONTENTS

<b>NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS .....</b>	<b>1</b>
<b>MANAGEMENT INFORMATION CIRCULAR.....</b>	<b>2</b>
<b>GENERAL INFORMATION RESPECTING THE MEETING .....</b>	<b>1</b>
Voting of Proxies .....	1
Appointment of Proxies .....	1
Revocation of Proxies .....	1
Voting by Non-Registered Shareholders .....	2
<b>INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON.....</b>	<b>3</b>
<b>VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES .....</b>	<b>3</b>
<b>BUSINESS OF THE MEETING.....</b>	<b>3</b>
Presentation of Financial Statements .....	3
Election of Directors .....	4
Appointment of Auditors .....	5
Approval of Stock Option Plan .....	5
<b>OTHER MATTERS WHICH MAY COME BEFORE THE MEETING.....</b>	<b>6</b>
<b>PARTICULARS OF MATTERS TO BE ACTED UPON .....</b>	<b>6</b>
<b>EXECUTIVE COMPENSATION.....</b>	<b>6</b>
Principles of Executive Compensation .....	6
Compensation Discussion and Analysis .....	6
Base Salary .....	7
Annual Incentives .....	7
<i>Compensation and Measurements of Performance.....</i>	<i>7</i>
<i>Long Term Compensation .....</i>	<i>7</i>
<i>Summary Compensation Table.....</i>	<i>8</i>
<i>Incentive Plan Awards .....</i>	<i>9</i>
<i>Value Vested or Earned During the Year.....</i>	<i>10</i>
Employment Agreements.....	10
<i>Lodder Agreement.....</i>	<i>10</i>
<i>Tinajero Agreement.....</i>	<i>11</i>
<i>Layman Agreement.....</i>	<i>11</i>
<i>Pharness Agreement.....</i>	<i>12</i>
<i>Rouleau Agreement.....</i>	<i>13</i>
Pension Plan Benefits .....	13
Termination and Change of Control Benefits .....	13
<b>DIRECTORS COMPENSATION.....</b>	<b>14</b>
Incentive Plan Awards .....	14
<i>Outstanding Option-Based and Share-based Awards.....</i>	<i>14</i>
<i>Value Vested or Earned During the Year.....</i>	<i>15</i>
Corporate Cease Trade Orders or Bankruptcies.....	15
Personal Bankruptcies.....	16
Penalties and Sanctions.....	16
<b>SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS.....</b>	<b>16</b>
<b>REPORT ON GOVERNANCE.....</b>	<b>17</b>
Board of Directors .....	17
Directorships.....	17
Orientation and Continuing Education .....	17
Ethical Business Conduct .....	17
Diversity Policy .....	18
Nomination of Directors .....	18

**TABLE OF CONTENTS**  
(continued)

Other Board Committees .....	19
Assessments .....	20
<b>INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS .....</b>	<b>20</b>
<b>INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS .....</b>	<b>20</b>
<b>AUDIT COMMITTEE.....</b>	<b>20</b>
Audit Committee Charter.....	20
Composition of the Audit Committee .....	20
Relevant Education and Experience .....	20
Audit Committee Oversight.....	21
Reliance on Exemptions in NI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally.....	21
Pre-Approval Policies and Procedures.....	21
Audit Fees .....	21
<b>ADDITIONAL INFORMATION.....</b>	<b>22</b>
<b>GENERAL .....</b>	<b>22</b>
<b>SCHEDULE "A".....</b>	<b>A-1</b>

**BARKERVILLE GOLD MINES LTD.**

Suite 1410 – 155 University Ave  
Toronto, Ontario M5H 3B7

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual and special meeting of shareholders ("**Shareholders**") of Barkerville Gold Mines Ltd. (the "**Company**") will be held at Bennett Jones LLP, One First Canadian Place, Suite 3400, Toronto, Ontario, on June 17, 2019, at 10:00 a.m. (Toronto time) (the "**Meeting**") for the following purposes:

1. to receive and consider the audited financial statements of the Company for the financial year ended December 31, 2018 together with the report of the auditors thereon;
2. to elect the directors of the Company for the ensuing year;
3. to appoint PricewaterhouseCoopers LLP as the auditor of the Company for the ensuing year and to authorize the board of directors to fix their remuneration;
4. to confirm and approve the Company's stock option plan; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the management and information circular dated May 17, 2019.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is May 13, 2019 (the "**Record Date**"). Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit their duly executed form of proxy with the Company's transfer agent and registrar, Computershare Trust Company of Canada not later than 10:00 a.m. (Toronto time) on June 13, 2019, or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays and holidays) preceding the time of such adjourned Meeting.

Shareholders who are unable to attend the Meeting in person, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

**DATED** this 17<sup>th</sup> day of May 2019.

**BY ORDER OF THE BOARD**

*(signed) "Chris Lodder"*  
**President and Chief Executive Officer**



**BARKERVILLE GOLD MINES LTD.**

Suite 1410 – 155 University Ave  
Toronto, Ontario M5H 3B7

**MANAGEMENT INFORMATION CIRCULAR**

This Management Information Circular dated May 17, 2019 (this "**Circular**") is provided in connection with the solicitation of proxies by the management ("**Management**") of the Company for use at the Meeting of the Shareholders of Common Shares, to be held at the time and place and for the purposes set forth in the accompanying notice of the Meeting (the "**Notice**"). The board of directors of the Company (the "**Board**") have fixed the close of business on May 13, 2019 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Company's proxy solicitation materials (the "**Meeting Materials**") to the beneficial owners of the Common Shares held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the Shareholders of the Company in favour of the matters set forth in the Notice of Meeting.

**If you are not able to attend the Meeting**, please exercise your right to vote by completing the form of proxy or voting instruction form and, in the case of registered Shareholders depositing the enclosed form of proxy or voting instruction form at the offices of the Company's transfer agent, Computershare Trust Company of Canada ("**Computershare**"), at:

Computershare Investor Services Inc.  
Proxy Department  
8<sup>th</sup> Floor, 100 University Avenue  
Toronto, Ontario, M5J 2Y1

at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment or postponement thereof.

If you are a non-registered Shareholder, reference is made to the section below entitled "*Voting by Non-Registered Shareholders*".

Unless otherwise indicated, all references in this Circular to "\$" refer to Canadian dollars.

## GENERAL INFORMATION RESPECTING THE MEETING

### Voting of Proxies

The Common Shares represented by the accompanying form of proxy (if same is properly executed and is received at the offices of Computershare at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. **In the absence of such specification, proxies in favour of Management will be voted in favour of all resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, Management is not aware of any such amendments, variations or other matters to come before the Meeting. However, should any other matters that are not now known to Management properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

### Appointment of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Company. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of Computershare, at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.**

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

### Revocation of Proxies

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke such proxy by:

- (a) completing and signing a proxy bearing a later date and depositing it at the offices of Computershare at Computershare Investor Services Inc., Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or by a duly authorized officer or attorney either with (i) Computershare at Computershare Investor Services Inc., Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, or (ii) the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (c) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

## Voting by Non-Registered Shareholders

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary ("**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as the CDS Clearing and Depository Services Inc. ("**CDS**")) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies of the Notice, this Circular, the form of proxy and a request card for interim and annual materials to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares machine-readable voting instruction forms, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return such forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Additionally, the Company may utilize Broadridge's QuickVote™ service to assist Shareholders with voting their shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare at Computershare Investor Services Inc., Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the voting instruction form or form of proxy, as applicable, and insert the Non-Registered Shareholder's or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form by following the instructions of their Intermediary as instructions and timing may vary with each Intermediary.

There are two types of Non-Registered Shareholders. Non-Registered Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as "NOBOs" or "Non-Objecting Beneficial Owners". Non-Registered Shareholders who have objected to their Intermediary disclosing the ownership information about themselves to the Company are referred to as "OBOs" or "Objecting Beneficial Owners". In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), the Company has elected to send the Meeting Materials to the NOBOs utilizing the services of Broadridge. Management intends to pay for Intermediaries to forward to OBOs under NI 54-101 the proxy related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*.

The Company is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related material in connection with the Meeting.

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

No director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company's last financial year, or any associate or affiliates of any such directors or officers, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of the Record Date, being May 13, 2019, there were a total of 562,114,119 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only registered Shareholders of Common Shares as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Shareholder and proxy holder will have one vote and, on a poll, every Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Company's Directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares, other than as set forth below:

Name	Type of Ownership	Number of Common Shares Owned, Controlled, or Directed <sup>(1)</sup>	Percentage of Outstanding Common Shares
Osisko Gold Royalties Ltd	Direct	183,625,585	32.67%
Osisko Mining Inc.	Direct	91,439,027	16.27%

**Note(s):**

(1) The above information is based upon information supplied by Management.

## BUSINESS OF THE MEETING

### Presentation of Financial Statements

The audited, consolidated financial statements of the Company for the year ended December 31, 2018 and the report of the auditors thereon, shall be placed before the Shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Company are available under the Company's profile at [www.sedar.com](http://www.sedar.com).

## Election of Directors

The Board currently consists of nine directors to be elected annually. The following table states the names of the nine persons nominated by Management for election as directors, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by them as of the date hereof.

Name, province, country of residence and position, if any, held in the Company	Principal occupation	Served as director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>	Percentage of voting shares owned or controlled
Chris Lodder <sup>(4)(5)</sup> Ontario, Canada President, Chief Executive Officer and Director	President and Chief Executive Officer of the Company	July 2015	299,100	<1%
Thomas Obradovich <sup>(3)(5)</sup> Ontario, Canada Director	CEO of Sable Resources	April, 2015	982,000	<1%
Anthony Makuch <sup>(3)(4)</sup> Ontario, Canada Director	President and Chief Executive Officer of Lake Shore Gold Corporation	December 2014	472,500	<1%
Morris Prychidny <sup>(2)(3)</sup> Ontario, Canada Director	Chartered Accountant	May 2015	437,250	<1%
Sean Roosen Quebec, Canada Chairman and Director	Chairman and Chief Executive Officer of Osisko Gold Royalties Ltd	February 2016	5,511,312	<1%
Andree St-Germain <sup>(2)</sup> British Columbia, Canada Director	Chief Financial Officer of Integra Resources Corp.	June 2017	237,741	<1%
John Sabine Ontario, Canada Director	Corporate Director	June 2017	215,132	<1%
Blair Zaritsky <sup>(6)</sup> Ontario, Canada Director	Chief Financial Officer of Osisko Mining Inc.	May 2019	Nil	<1%
Eric Tremblay <sup>(7)</sup> Quebec, Canada Director	COO of Dalradian Resources Inc.	May 2019	34,000	<1%

### Note(s):

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Member of the Audit Committee.
- (3) Member of the Nominating and Compensation Committee.
- (4) Member of the Technical Committee.
- (5) Member of the Health, Safety and Environment Committee.
- (6) Mr. Zaritsky was appointed on May 10, 2019 and has over fifteen years of professional experience in the mining sector. He also has extensive international business experience working in Australia and managing teams in Mexico, Peru, Columbia, Brazil, Namibia, Honduras and Nicaragua. He is currently the CFO of Osisko Mining Inc. ("Osisko") and has held this position since June 2011. As CFO, Mr. Zaritsky completed Osisko's Initial Public Offering on the TSX and helped raise over \$350-million in capital. He also facilitated the growth of the Osisko from a market cap of \$10 million to over \$1 billion. Prior to his role, Mr. Zaritsky was Corporate Controller of INV Metals, Inc. Mr. Zaritsky was also director of Gungnir Resources Inc. from July 2011 to August 2015. He is also a member of the CPA Canada IFRS Committee Mining Task Force that produces viewpoints on accounting issues in the mining sector. Mr. Zaritsky is a graduate of the University of Western Ontario with a B.A. in Economics. He also an Honours Diploma in Accounting from Brock University and is both a CPA and a CA.
- (7) Mr. Tremblay was appointed on May 3, 2019 and has over 25 years of mine building and mine operations experience, primarily with underground mining operations. Over the years Mr. Tremblay has held multiple position from miner, to general manager, to his current position as COO of Dalradian Resources Inc. In his previous post as General Manager of Canada's largest gold mine, Canadian Malartic, he played a principal role in finalizing the construction of the mine and the production ramp up. He also served as General Manager at IAMGOLD's Westwood Project,

where he participated in closure of the Doyon Mine and construction of the Westwood Project. In this role, Mr. Tremblay was charged with completing the permitting, scoping study, feasibility study, surface construction and underground development. He has also served as the General Manager of IAMGOLD's Sleeping Giant Mine, an underground mine using multiple mining methods (long hole, shrinkage, room and pillar). In this role, his mandate was to optimize production and return the mine to profitability. He was also General Manager of the internal IAMGOLD's contractor that was doing all the expansion of the underground mines of the company. Mr. Tremblay is a graduate of Laval University with a B.Sc. in mining engineering and mineral processing.

The term of office of each director will be from the date of the meeting at which he or she is elected until the next annual meeting, or until his or her successor is elected or appointed.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management has no reason to believe that any of the nominees will be unable to serve as a director but, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

#### **Appointment of Auditors**

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. PricewaterhouseCoopers LLP were first appointed as the Company's auditors on November 17, 2017.

#### **Approval of Stock Option Plan**

The Company has adopted a stock option plan (the "**Stock Option Plan**") for senior officers, directors, employees and consultants of the Company. The Stock Option Plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital as at the date of grant, subject to standard anti-dilution adjustment. This is a "rolling plan" as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. At no time will more than 10% of the outstanding shares be subject to grant under the Stock Option Plan. If a stock option expires, is exercised or otherwise terminates for any reason, the number of Common Shares of the Company in respect of that expired, exercised or terminated stock option shall again be available for the purpose of the Stock Option Plan. The principal features of the Stock Option Plan are described in more detail below (see "*Executive Compensation – Long Term Compensation – Options*").

As the Stock Option Plan is a "rolling" stock option plan and under Policy 4.4 of the TSX Venture Exchange ("**TSXV**"), a listed company on the TSXV is required to obtain the approval of its Shareholders for a "rolling" stock option plan at each annual meeting of Shareholders. Accordingly, Shareholders will be asked to approve the following resolution:

#### **"BE IT RESOLVED THAT:**

1. the Stock Option Plan of the Company as described in the Management Information Circular dated May 17, 2019, be and it is hereby approved."

In accordance with the policies of the TSXV, the Stock Option Plan must be approved by the majority of votes cast at the Meeting on the resolution to approve the Stock Option Plan.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE STOCK OPTION PLAN UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST SUCH APPROVAL.

## OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management is not aware of any matters to come before the Meeting other than as set forth in the Notice. However, if other matters which are not known to the Management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting such proxy.

### PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of Board, the only matters to be brought before the Meeting are those matters set forth in the Notice.

#### EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of its President and Chief Executive Officer, Chief Financial Officer and all of the other most highly compensated executive officers of the Company who meet the applicable disclosure threshold (collectively, the "**Named Executive Officers**"). A summary of salary and other annual compensation earned by the Named Executive Officers for the most recently completed financial year ended December 31, 2018, is set out in the "*Summary Compensation Table*" below. In 2018, the Company's Named Executive Officers were:

<b>Named Executive Officer</b>	<b>Position</b>
Chris Lodder	President and Chief Executive Officer
Andres Tinajero	Chief Financial Officer
Maggie Layman	Vice-President, Exploration
Chris Pharness	Vice-President, Environment and Sustainability
David Rouleau <sup>(1)</sup>	Vice-President, Operations

**Note(s):**

(1) Mr. Rouleau resigned from his position of Vice-President, Operations on August 15, 2018.

#### Principles of Executive Compensation

The Company believes in linking an executive's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal of the Company's executive compensation program is to successfully link compensation to the interests of the Shareholders. The following principles form the basis of the Company's executive compensation program:

1. align interest of executives and Shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of Shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long term value; and
5. integrate, if possible, the Company's employees into principles one (1) through four (4).

#### Compensation Discussion and Analysis

The Board is responsible for the Company's compensation policies and practices and has delegated certain of those responsibilities to its Compensation, Nominating and Corporate Governance Committee (the "**Nomination and Compensation Committee**"). The Nomination and Compensation Committee has the responsibility to review and make recommendations to the Board concerning the compensation of the directors and the Named Executive Officers, including the President and Chief Executive Officer, within the constraints of the agreement described under "*Employment and*

*Consulting Agreements*". The Nomination and Compensation Committee also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan and the Restricted Share Unit Plan (the "**RSU Plan**"). The Nomination and Compensation Committee also takes on the role of reviewing and approving the hiring of executive officers.

As of the date of this Circular, the Board had not, collectively, considered the implications of any risks associated with policies and practices regarding compensation of its directors or executive officers.

The Company does not prohibit its Named Executive Officers or directors from purchasing financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars, or Common Shares 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 Officers or directors.

### **Base Salary**

The Board approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on an assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers is consistent with the administration of salaries for all other employees.

### **Annual Incentives**

The Company, in its discretion, may award cash bonuses in order to motivate executives to achieve short-term corporate goals. The Board approves such annual incentives.

The success of Named Executive Officers in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each Named Executive Officer's performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives and needs of the Company that arise on a day to day basis. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the Named Executive Officers.

### ***Compensation and Measurements of Performance***

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of executives of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if it considers such adjustments to be appropriate.

### ***Long Term Compensation***

#### ***Options***

The grant of options to acquire Common Shares ("**Options**") pursuant to the Company's Stock Option Plan is an integral component of the compensation arrangements of the senior officers of the Company. The Board believes that the grant of Options to senior officers and Common Share ownership by such officers serves to motivate them to strive towards achievement of the Company's long-term strategic objectives, which will benefit Shareholders. Options are awarded by the Board to directors, officers, employees and consultants of the Company, on the basis of the recommendation of the Nomination and Compensation Committee. Decisions with respect to Options granted are based on the individual's level of responsibility and their contribution towards the Company's goals and objectives, and additionally may be awarded in

recognition of the achievement of a particular goal or extraordinary service. The Board considers, among other things, previous grants and the overall number of Options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of Options and the size of such grants. The Board generally grants Options to officers, employees and consultants that vest immediately. An annual Option grant program for the Board was implemented by the Board on July 15, 2015.

Under the Stock Option Plan, Options may only be granted to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board. The number of Common Shares which may be reserved for issuance under the Stock Option Plan is limited to 56,211,411 Common Shares being 10% of the issued and outstanding Common Shares as of the date of this Circular. Any Common Shares subject to an Option which, for any reason, is cancelled or terminated prior to exercise will be available for a subsequent grant under the Stock Option Plan. The option price of any Common Shares cannot be less than the market price of the Common Shares. Options granted under the Stock Option Plan may be exercised during a period not exceeding five years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The Options are non-transferable. The Stock Option Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company's capitalization. Subject to Shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted under the Stock Option Plan.

### *Summary Compensation Table*

The following table sets forth the compensation paid during or payable to each NEO for the services they have provided to the Company during the three previous financial years.

<b>SUMMARY COMPENSATION TABLE<sup>(1)</sup></b>									
<b>Non-Equity incentive plan compensation</b>									
(\$)									
<b>NEO Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Annual incentive plans (\$)</b>	<b>Long-term incentive plans<sup>(4)</sup></b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total compensation (\$)</b>
Chris Lodder <sup>(2)</sup>	2018	425,000	130,000	Nil	320,000	Nil	Nil	6,310	881,310
President and Chief Executive Officer	2017	400,000	366,000	Nil	320,000	Nil	Nil	Nil	1,086,000
	2016 <sup>(3)</sup>	247,984	Nil	Nil	200,000	Nil	Nil	Nil	447,984
Andres Tinajero Chief Financial Officer	2018	300,000	249,500	Nil	216,000	Nil	Nil	6,503	772,003
	2017	240,000	122,000	Nil	216,000	Nil	Nil	Nil	578,000
	2016 <sup>(3)</sup>	214,548	Nil	Nil	120,000	Nil	Nil	Nil	334,548
Maggie Layman <sup>(5)</sup> Vice-President, Exploration	2018	215,000	Nil	Nil	24,000	Nil	Nil	3,489	242,489
Chris Pharness Vice-President, Environment and Sustainability	2018	240,000	108,900	Nil	60,000	Nil	Nil	7,101	416,001
	2017	240,000	Nil	Nil	60,000	Nil	Nil	Nil	300,000
	2016 <sup>(3)</sup>	174,792	Nil	Nil	120,000	Nil	Nil	Nil	294,792
David Rouleau <sup>(6)</sup> Vice-President, Operations	2018	157,200	88,200	Nil	31,500	Nil	Nil	4,373	281,273
	2017	240,000	Nil	Nil	31,500	Nil	Nil	Nil	271,500
	2016 <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note(s):

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) Mr. Lodder was appointed President and Chief Executive Officer of the Company on July 6, 2016.
- (3) Represents the 10 month financial year ended December 31, 2016.

- (4) "Long term incentive plan" means any plan that provides compensation intended to motivate performance to occur over a period greater than one fiscal year, but does not include option or share-based awards.
- (5) Ms. Layman was appointed Vice-President, Exploration on February 1, 2018.
- (6) Mr. Rouleau resigned from his position of Vice-President, Operations on August 15, 2018.

### ***Incentive Plan Awards***

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

The following table sets forth information concerning option-based awards and share-based awards granted by the Company to each Named Executive Officer and that were outstanding as at December 31, 2018.

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 (\$)
Chris Lodder <sup>(2)</sup> President and Chief Executive Officer	75,000	0.2475	December 22, 2020	11,438	Nil	Nil
	600,000	0.29	October 14, 2020	66,000	Nil	Nil
	525,000	0.5212	March 8, 2021	Nil	Nil	Nil
	1,075,000	0.4675	December 7, 2021	Nil	Nil	Nil
	500,000	0.60	June 5, 2023	Nil	Nil	Nil
Andres Tinajero Chief Financial Officer	250,000	0.99125	May 3, 2022	Nil	Nil	Nil
	200,000	0.29	October 14, 2020	22,000	Nil	Nil
	600,000	0.27	July 15, 2020	78,000	Nil	Nil
	450,000	0.4675	December 7, 2021	Nil	Nil	Nil
Maggie Layman <sup>(3)</sup> Vice-President, Exploration	140,000	0.52125	March 8, 2021	Nil	Nil	Nil
	200,000	0.46750	December 7, 2021	Nil	Nil	Nil
	200,000	0.99125	May 30, 2022	Nil	Nil	Nil
	150,000	0.645	December 8, 2022	Nil	Nil	Nil
	200,000	0.60	June 5, 2023	Nil	Nil	Nil
	200,000	0.435	October 29, 2023	Nil	Nil	Nil
Chris Pharness Vice-President, Environment and Sustainability	250,000	0.99125	May 3, 2022	Nil	Nil	Nil
	600,000	0.5215	March 8, 2021	Nil	Nil	Nil
David Rouleau <sup>(4)</sup> Vice-President, Operations	300,000	0.645	December 8, 2022	Nil	Nil	Nil
	600,000	0.99125	May 3, 2022	Nil	Nil	Nil

**Note(s):**

- (1) Calculated using the closing price of the Common Shares on the TSXV on December 31, 2018 of \$0.40 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Mr. Lodder was appointed President and Chief Executive Officer of the Company on July 6, 2016.
- (3) Ms. Layman was appointed Vice-President, Exploration on February 1, 2018.
- (4) Mr. Rouleau resigned from his position of Vice-President, Operations on August 15, 2018.

### *Value Vested or Earned During the Year*

The following table sets forth information with respect to the value vested of all awards of each Named Executive Officer for the financial year ended December 31, 2018.

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Chris Lodder <sup>(2)</sup>	Nil	Nil	Nil
Andres Tinajero	Nil	Nil	Nil
Maggie Layman <sup>(3)</sup>	Nil	Nil	Nil
Chris Pharness	Nil	Nil	Nil
David Rouleau <sup>(4)</sup>	Nil	Nil	Nil

**Note(s):**

- (1) Options granted to the Named Executive Officers vest at the time of grant. Because the exercise price of options at the time of grant is set at or above the market price of the Common Shares on the grant date, the value of these incentive stock option grants at the time of vesting is nil.
- (2) Mr. Lodder was appointed President and Chief Executive Officer of the Company on July 6, 2016.
- (3) Ms. Layman was appointed Vice-President, Exploration on February 1, 2018.
- (4) Mr. Rouleau resigned from his position of Vice-President, Operations on August 15, 2018.

### **Employment Agreements**

#### *Lodder Agreement*

Pursuant to an employment agreement (the "**Lodder Agreement**") dated January 1, 2018 between the Company and Chris Lodder, the Company has agreed to pay Mr. Lodder an amount equal to \$425,000 per annum and an annual discretionary bonus of up to 100% of his salary in respect of services provided by Mr. Lodder as President and Chief Executive Officer of the Company.

In the event that Mr. Lodder's employment is terminated by the Company without cause, the Company shall pay to Mr. Lodder within ten (10) business days of the termination two times the total sum of his base salary plus the average of the annual incentive plan payment paid to Mr. Lodder over the previous two (2) year period. The Company shall also pay to Mr. Lodder all amounts payable prior to the termination date in accordance with the annual incentive plan. Any Options outstanding that have not vested as at the date the notice of termination is given shall immediately lapse and be of no further force and effect and Mr. Lodder shall have until the earlier of (i) the termination date of such Option or (ii) the date which is ninety (90) days from the day the notice of termination is given to exercise such Options. The Company shall also continue all of Mr. Lodder's benefits for a corresponding period of two (2) years from the cessation of his employment or until such date that Mr. Lodder obtains alternate employment. Mr. Lodder will also receive short or long term disability benefit coverage for the period required under the *Employment Standards Act, 2000*.

If at any time during the term of the Lodder Agreement there is a change of control, and within twelve (12) months of such change of control the Company gives notice of its intention to terminate the Lodder Agreement or a triggering event (as defined in the Lodder Agreement) occurs and Mr. Lodder elects to terminate the Lodder Agreement, Mr. Lodder shall be entitled to receive from the Company an amount equal to two times the total sum of his base salary plus the average of the annual incentive plan payment paid to Mr. Lodder over the previous two year period. A change of control is defined as one or more of: (i) a change in the composition of the Board, whereby a majority of the current directors of the Company will not form a majority of the directors of the Company then in office, (ii) any person, entity or group of persons or entities acquiring control of 50% or more of the voting securities of the Company, (iii) Shareholders approving all necessary resolutions required to permit any person to acquire or direct the casting of 50% or more of the voting securities of the Company, (iv) the Company selling or otherwise transferring property or assets either (A) aggregating more than

50% of the consolidated assets of the Company and its subsidiaries as at the end of the most recently completed financial year of the Company or (B) during the Company's most recently completed financial year generated or during the current financial year of the Company, is expected to generate more than 50% of the consolidated operating income or cash flow of the Company and its subsidiaries to any other person or persons, (v) the Shareholder approving all necessary resolutions to complete a sale of assets as set out in (iv)(A) and (iv)(B) above, (vi) the Company becoming insolvent, or (vii) the Company takes any corporate action to authorize any of the above referenced actions.

### ***Tinajero Agreement***

Pursuant to an employment agreement (the "**Tinajero Agreement**") dated January 1, 2018, between the Company and Andres Tinajero, the Company has agreed to pay Mr. Tinajero an amount equal to \$300,000 per annum and an annual discretionary bonus of up to 100% of his salary in respect of services provided by Mr. Tinajero as Vice-President of Finance and Chief Financial Officer of the Company.

In the event that Mr. Tinajero's employment is terminated by the Company without cause, the Company shall pay to Mr. Tinajero within ten (10) business days of the termination two (2) times the total sum of his base salary, plus the average of the annual incentive plan payment paid to Mr. Tinajero over the previous two year period. The Company shall also pay to Mr. Tinajero all amounts payable prior to the termination date in accordance with the annual incentive plan. Any Options outstanding that have not vested as at the date the notice of termination is given shall immediately lapse and be of no further force and effect and Mr. Tinajero shall have until the earlier of (i) the termination date of such Option or (ii) the date which is ninety (90) days from the day the notice of termination is given to exercise such Options. The Company shall also continue all of Mr. Tinajero's benefits for a corresponding period of twelve (12) months from the cessation of his employment or until such date that Mr. Tinajero obtains alternate employment. Mr. Tinajero will also receive short or long term disability benefit coverage for the period required under the *Employment Standards Act, 2000*.

If at any time during the term of the Tinajero Agreement there is a change of control, and within twelve (12) months of such change of control the Company gives notice of its intention to terminate the Tinajero Agreement or a triggering event (as defined in Tinajero Agreement) occurs and Mr. Tinajero elects to terminate the Tinajero Agreement, Mr. Tinajero shall be entitled to receive from the Company an amount equal to two times the total sum of his base salary plus the average of the annual incentive plan payment paid to Mr. Tinajero over the previous two year period. A change of control is defined as one or more of: (i) a change in the composition of the Board, whereby a majority of the current directors of the Company will not form a majority of the directors of the Company then in office, (ii) any person, entity or group of persons or entities acquiring control of 50% or more of the voting securities of the Company, (iii) Shareholders approving all necessary resolutions required to permit any person to acquire or direct the casting of 50% or more of the voting securities of the Company, (iv) the Company selling or otherwise transferring property or assets either (A) aggregating more than 50% of the consolidated assets of the Company and its subsidiaries as at the end of the most recently completed financial year of the Company or (B) during the Company's most recently completed financial year generated or during the current financial year of the Company, is expected to generate more than 50% of the consolidated operating income or cash flow of the Company and its subsidiaries to any other person or persons, (v) the Shareholder approving all necessary resolutions to complete a sale of assets as set out in (iv)(A) and (iv)(B) above, (vi) the Company becoming insolvent, or (vii) the Company takes any corporate action to authorize any of the above referenced actions.

### ***Layman Agreement***

Pursuant to an employment agreement (the "**Layman Agreement**") dated January 31, 2018, between the Company and Maggie Layman, the Company has agreed to pay Ms. Layman an amount equal to \$180,000 and an annual discretionary bonus of up to 50% of her salary in respect of services provided by Ms. Layman as Vice-President, Exploration of the Company.

In the event that Ms. Layman's employment is terminated by the Company without cause, the Company shall pay to Ms. Layman within ten (10) business days of the termination the total sum of one (1) time her base salary plus the average of the annual incentive plan payment paid to Ms. Layman over the previous two year period. The Company shall also pay all amounts payable prior to the termination date in accordance with the annual incentive plan. Any Options outstanding that have not vested as of the date the notice of termination is given shall immediately lapse and be of no further force and effect and Ms. Layman shall have until the earlier of (i) the termination date of such Option or (ii) the date which is ninety (90) days from the day the notice of termination is given to exercise such Options. The Company shall also continue all of Ms. Layman's benefits for a corresponding period of twelve (12) months from the cessation of her employment or

until such date that Ms. Layman obtains alternate employment. Ms. Layman will also receive short or long term disability benefit coverage for the period required under the *Employment Standards Act, 2000*.

If at any time during the term of the Layman Agreement there is a change of control, and within twelve (12) months of such change of control the Company gives notice of its intention to terminate the Layman Agreement or a triggering event (as defined in the Layman Agreement) occurs and Ms. Layman elects to terminate the Layman Agreement, Ms. Layman shall be entitled to receive from the Company an amount equal one (1) times the total sum of her base salary plus the average of the annual incentive plan payment paid to Ms. Layman over the previous two year period. A change of control is defined as one or more of: (i) a change in the composition of the Board, whereby a majority of the current directors of the Company will not form a majority of the directors of the Company then in office, (ii) any person, entity or group of persons or entities acquiring control of 50% or more of the voting securities of the Company, (iii) Shareholders approving all necessary resolutions required to permit any person to acquire or direct the casting of 50% or more of the voting securities of the Company, (iv) the Company selling or otherwise transferring property or assets either (A) aggregating more than 50% of the consolidated assets of the Company and its subsidiaries as at the end of the most recently completed financial year of the Company or (B) during the Company's most recently completed financial year generated or during the current financial year of the Company, is expected to generate more than 50% of the consolidated operating income or cash flow of the Company and its subsidiaries to any other person or persons, (v) the Shareholder approving all necessary resolutions to complete a sale of assets as set out in (iv)(A) and (iv)(B) above, (vi) the Company becoming insolvent, or (vii) the Company takes any corporate action to authorize any of the above referenced actions.

### ***Pharness Agreement***

Pursuant to an employment agreement (the "**Pharness Agreement**") dated November 30, 2016, between the Company and Chris Pharness, the Company has agreed to pay Mr. Pharness an amount equal to \$240,000 and an annual discretionary bonus of up to 50% of his salary in respect of services provided by Mr. Pharness as Vice-President of Environment and Sustainability of the Company.

In the event that Mr. Pharness' employment is terminated by the Company without cause, the Company shall pay to Mr. Pharness within ten (10) business days of the termination the total sum of his base salary plus the average of the annual incentive plan payment paid to Mr. Pharness over the previous two (2) year period. The Company all amounts payable prior to the termination date in accordance with the annual incentive plan. Any Options outstanding that have not vested as of the date the notice of termination is given shall immediately lapse and be of no further force and effect and Mr. Pharness shall have until the earlier of (i) the termination date of such Option or (ii) the date which is ninety days from the day notice of termination is given to exercise such Options. The Company shall also continue all of Mr. Pharness' benefits for a corresponding period of twelve (12) months from the cessation of his employment or until such date that Mr. Pharness obtains alternate employment. Mr. Pharness will also receive short or long term disability benefit coverage for the period required under the *Employment Standards Act, 2000*.

If at any time during the term of the Pharness Agreement there is a change of control, and within twelve (12) months of such change of control the Company gives notice of its intention to terminate the Pharness Agreement or a triggering event (as defined in the Pharness Agreement) occurs and Mr. Pharness elects to terminate the Pharness Agreement, Mr. Pharness shall be entitled to receive from the Company an amount equal to (2) times the total sum of his base salary plus the average of the annual incentive plan payment paid to Mr. Pharness over the previous two year period. A change of control is defined as one or more of: (i) a change in the composition of the Board, whereby a majority of the current directors of the Company will not form a majority of the directors of the Company then in office, (ii) any person, entity or group of persons or entities acquiring control of 50% or more of the voting securities of the Company, (iii) Shareholders approving all necessary resolutions required to permit any person to acquire or direct the casting of 50% or more of the voting securities of the Company, (iv) the Company selling or otherwise transferring property or assets either (A) aggregating more than 50% of the consolidated assets of the Company and its subsidiaries as at the end of the most recently completed financial year of the Company or (B) during the Company's most recently completed financial year generated or during the current financial year of the Company, is expected to generate more than 50% of the consolidated operating income or cash flow of the Company and its subsidiaries to any other person or persons, (v) the Shareholder approving all necessary resolutions to complete a sale of assets as set out in (iv)(A) and (iv)(B) above, (vi) the Company becoming insolvent, or (vii) the Company takes any corporate action to authorize any of the above referenced actions.

### ***Rouleau Agreement***

Pursuant to an employment agreement (the "**Rouleau Agreement**") dated April 10, 2017, between the Company and David Rouleau, the Company has agreed to pay Mr. Rouleau an amount equal to \$240,000 and an annual discretionary bonus of up to 50% of his salary in respect of services provided by Mr. Rouleau as Vice-President of Operations of the Company.

In the event that Mr. Rouleau's employment is terminated by the Company without cause, the Company shall pay to Mr. Rouleau within ten (10) business days of the termination the total sum of his base salary plus the average of the annual incentive plan payment paid to Mr. Rouleau over the previous two (2) year period. The Company all amounts payable prior to the termination date in accordance with the annual incentive plan. Any Options outstanding that have not vested as of the date the notice of termination is given shall immediately lapse and be of no further force and effect and Mr. Rouleau shall have until the earlier of (i) the termination date of such Option or (ii) the date which is ninety days from the day notice of termination is given to exercise such Options. The Company shall also continue all of Mr. Rouleau's benefits for a corresponding period of twelve (12) months from the cessation of his employment or until such date that Mr. Rouleau obtains alternate employment. Mr. Rouleau will also receive short or long term disability benefit coverage for the period required under the *Employment Standards Act, 2000*.

If at any time during the term of the Rouleau Agreement there is a change of control, and within twelve (12) months of such change of control the Company gives notice of its intention to terminate the Rouleau Agreement or a triggering event (as defined in the Rouleau Agreement) occurs and Mr. Rouleau elects to terminate the Rouleau Agreement, Mr. Rouleau shall be entitled to receive from the Company an amount equal to (2) times the total sum of his base salary plus the average of the annual incentive plan payment paid to Mr. Rouleau over the previous two year period. A change of control is defined as one or more of: (i) a change in the composition of the Board, whereby a majority of the current directors of the Company will not form a majority of the directors of the Company then in office, (ii) any person, entity or group of persons or entities acquiring control of 50% or more of the voting securities of the Company, (iii) Shareholders approving all necessary resolutions required to permit any person to acquire or direct the casting of 50% or more of the voting securities of the Company, (iv) the Company selling or otherwise transferring property or assets either (A) aggregating more than 50% of the consolidated assets of the Company and its subsidiaries as at the end of the most recently completed financial year of the Company or (B) during the Company's most recently completed financial year generated or during the current financial year of the Company, is expected to generate more than 50% of the consolidated operating income or cash flow of the Company and its subsidiaries to any other person or persons, (v) the Shareholder approving all necessary resolutions to complete a sale of assets as set out in (iv)(A) and (iv)(B) above, (vi) the Company becoming insolvent, or (vii) the Company takes any corporate action to authorize any of the above referenced actions.

### **Pension Plan Benefits**

There are no pension plan benefits in place for the Named Executive Officers.

### **Termination and Change of Control Benefits**

Compensation plans with Named Executive Officers resulting from the termination of employment of such Named Executive Officer or a change of control of the Company are described under the heading "*Employment Agreements*" above in this Circular.

## DIRECTORS COMPENSATION

The following table describes the compensation for directors (other than Named Executive Officers) for the year ended December 31, 2018.

Name	COMPENSATION OF DIRECTORS <sup>(1)(2)</sup>						Total (\$)
	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	
Thomas Obradovich <sup>(3)(6)</sup>	60,000	Nil	Nil	Nil	Nil	156,038 <sup>(7)</sup>	216,038
John Kutkevicius <sup>(4)(6)</sup>	61,500	Nil	Nil	Nil	Nil	Nil	61,500
Anthony Makuch <sup>(3)(5)</sup>	54,000	Nil	Nil	Nil	Nil	Nil	54,000
Morris Prychidny <sup>(3)(4)</sup>	73,000	Nil	Nil	Nil	Nil	Nil	73,000
Sean Roosen	100,500	Nil	Nil	Nil	Nil	Nil	100,500
John F. Burzynski <sup>(5)</sup>	45,000	Nil	Nil	Nil	Nil	Nil	45,000
Andree St-Germain <sup>(4)</sup>	57,000	Nil	Nil	Nil	Nil	Nil	57,000
John Sabine	55,500	Nil	Nil	Nil	Nil	Nil	55,500

**Note(s):**

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) Compensation paid to the Named Executive Officers who served as directors of the Company is disclosed above under the heading "Summary Compensation Table".
- (3) Member of the Nominating and Compensation Committee.
- (4) Member of the Audit Committee.
- (5) Member of the Technical Committee.
- (6) Member of the Health, Safety and Environment Committee.
- (7) Earned as a consultant for the Company.

### Incentive Plan Awards

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

The following table sets out the option-based awards and/or share-based awards granted to directors of the Company (other than Named Executive Officers) as at December 31, 2018.

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 (\$)
Thomas Obradovich	100,000	0.645	December 8, 2022	Nil	Nil	Nil
	550,000	0.4675	December 7, 2021	Nil	Nil	Nil
	75,000	0.2475	December 22, 2020	Nil	Nil	Nil
	800,000	0.29	October 14, 2020	88,000	Nil	Nil
	1,200,000	0.27	July 15, 2020	156,000	Nil	Nil
John Kutkevicius	75,000	0.645	December 8, 2022	Nil	Nil	Nil
	575,000	0.4675	December 7, 2021	Nil	Nil	Nil
	75,000	0.2475	December 22, 2020	11,438	Nil	Nil
Anthony Makuch	750,000	0.27	July 15, 2020	97,500	Nil	Nil
	100,000	0.645	December 8, 2022	Nil	Nil	Nil
	575,000	0.4675	December 7, 2021	Nil	Nil	Nil
	75,000	0.2475	December 22, 2020	11,438	Nil	Nil
	1,200,000	0.27	July 15, 2020	156,000	Nil	Nil

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 (\$)
Morris Prychidny	100,000	0.645	December 8, 2022	Nil	Nil	Nil
	575,000	0.4675	December 7, 2021	Nil	Nil	Nil
	75,000	0.2475	December 22, 2020	11,438	Nil	Nil
	600,000	0.27	July 15, 2020	78,000	Nil	Nil
Sean Roosen	100,000	0.645	December 8, 2022	Nil	Nil	Nil
	1,100,000	0.4675	December 7, 2021	Nil	Nil	Nil
	600,000	0.52125	March 8, 2021	Nil	Nil	Nil
John F. Burzynski	75,000	0.645	December 8, 2022	Nil	Nil	Nil
	500,000	0.8825	June 30, 2022	Nil	Nil	Nil
Andree St-Germain	75,000	0.645	December 8, 2022	Nil	Nil	Nil
	500,000	0.8825	June 30, 2022	Nil	Nil	Nil
John Sabine	75,000	0.645	December 8, 2022	Nil	Nil	Nil
	500,000	0.8825	June 30, 2022	Nil	Nil	Nil

**Note(s):**

- (1) Calculated using the closing price of the Common Shares on the TSXV on December 31, 2018 of \$0.40 and subtracting the exercise price of in-the-money stock options.

***Value Vested or Earned During the Year***

The following table sets forth the values of all awards to directors that vested during 2018.

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 (\$)
Thomas Obradovich	Nil	Nil	Nil
John Kutkevicius	Nil	Nil	Nil
Anthony Makuch	Nil	Nil	Nil
Morris Prychidny	Nil	Nil	Nil
Sean Roosen	Nil	Nil	Nil
John F. Burzynski	Nil	Nil	Nil
Andree St-Germain	Nil	Nil	Nil
John Sabine	Nil	Nil	Nil

**Note(s):**

- (1) Options granted to the directors of the Company vest at the time of grant. Because the exercise price of options at the time of grant is set at or above the market price of the Common Shares on the grant date, the value of these incentive stock option grants at the time of vesting is nil.

**Corporate Cease Trade Orders or Bankruptcies**

No proposed director, within ten years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

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

No proposed director, within ten years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

### Personal Bankruptcies

None of the directors has, within the ten years before the date of this 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 such person.

### Penalties and Sanctions

Other than as disclosed below, none of the directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

On April 2, 2018, the Company announced that it had entered into a settlement agreement in respect of a class action lawsuit that related, in part, to an August 12, 2012 technical report published by the Company which contained a mineral resource estimate for the Cariboo Gold Project. The class action lawsuit alleged that the Company published core and non-core documents and made other statements that misrepresented the quantity and quality of the mineralized ore and the corresponding amount of gold contained within the Company's Cariboo Gold Project. The settlement agreement entered into between the Company and the plaintiffs provides for the payment of an aggregate settlement amount of \$250,000 and contained no admission of liability or wrongdoing. The payment made was fully funded by insurance coverage maintained by the Company.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as at the date hereof, information concerning securities authorized for issuance under equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (#)
Stock Option Plan <sup>(1)</sup>	29,615,000	0.54	26,596,411.90
RSU Plan <sup>(2)</sup>	930,000	N/A	8,503,400
<b>Total</b>	<b>30,545,000</b>	<b>0.54</b>	<b>35,099,811.90</b>

#### Note(s):

- (1) The Stock Option Plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued Common Shares at the time of the stock option grant. As at the date of this Circular, 56,211,411 Common Shares may be reserved for issuance pursuant to the Stock Option Plan.
- (2) Under the RSU Plan, 10,000,000 Common Shares have been reserved for issuance, and as of the date of this Circular, 930,000 restricted share units have been granted and 566,600 restricted share units have been exercised for Common Shares.

## REPORT ON GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (the "**Governance Guidelines**") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. The following disclosure is required by the Governance Guidelines and describes the Company's approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented to address the foregoing requirements.

### Board of Directors

The Board is currently composed of nine (9) directors. National Policy 58-201 – *Corporate Governance Guidelines* suggests that the Board of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under Multilateral Instrument 52-110 ("**MI 52-110**"), which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Of the directors nominated at the Meeting, Thomas Obradovich, who serves as a consultant for the Company and Chris Lodder, President and Chief Executive Officer are each "inside" or management directors and accordingly are considered not "independent". The remaining seven (7) directors are considered by the Board to be "independent", within the meaning of MI 52-110.

### Directorships

The following table sets forth the directors of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuer
Thomas Obradovich	Sable Resources Ltd. and Talisker Resources Ltd.
Anthony Makuch	Kirkland Lake Gold Ltd. and Premier Gold Mines Limited
Morris Prychidny	Nighthawk Gold Corp., Northfield Capital Corporation, and Fountain Asset Corp.
Sean Roosen	Osisko Gold Royalties Ltd., Osisko Mining Inc., Falco Resources Ltd., Condor Petroleum Inc., and ValGold Resources Ltd.
Andree St-Germain	Ascot Resources Ltd.
John Sabine	Seabridge Gold Inc., North American Nickel Inc., and Meridian Mining S.E.
Blair Zaritsky	Talisker Resources Ltd.

### Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and the Corporate Secretary briefs them on the responsibilities of directors and the Company's governance policies and procedures. As part of the orientation new directors meet with senior management to discuss the business of the Company and receive historical and current operating and financial information and may tour offices and locations of the Company.

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

### Ethical Business Conduct

The Board has adopted a formal Code of Business Conduct and Ethics (the "**Code**") for its directors, officers, consultants and employees. All directors, officers, consultants and employees receive a copy of the Code and are expected to be familiar with it and to follow it. Those who observe non-compliance with the Code can report the non-compliance directly to the Board, the Audit Committee Chair or the Company Ethics Officer, as appropriate under the circumstances.

Directors are always reminded of their obligation to report conflicts of interest. Once a director has declared an interest in a material matter before the Board, he or she is expected to recuse themselves from any discussions on the matter and not vote on any resolutions concerning the matter.

The Board encourages and supports a corporate culture that encompasses the principals of ethical business conduct by adhering to and promoting compliance with applicable laws, rules and regulations that pertain to the jurisdictions in which the Company operates, providing guidance on ethical issues as needed and promoting a culture of honesty and accountability for all members of the team. Directors, officers, consultants and employees may face disciplinary consequences under the Code for failure to conduct business in an ethical manner.

### **Diversity Policy**

The Company is committed to diversity on its Board and recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role that women with appropriate and relevant skills and experience can play in contributing to the diversity of perspective on the Board.

In May 2019, the Board adopted a diversity policy (the "**Diversity Policy**"). The purpose of the Diversity Policy is to communicate the importance that the Company places on the diversity of its Board.

While the Company has not set a target with respect to the appointment of female Directors or executive officers, the Company is committed to providing an environment in which all employees and directors are treated with fairness and respect, and have equal access to opportunities for advancement based on skills and aptitude. In this regard, the Nomination and Compensation Committee is guided by the following principals:

- maintain an evergreen list of potential candidates for election to the Board which list includes parity between men and women candidates; this list shall take into account that qualified candidates may be found in a broad array of organizations;
- periodically assess the effectiveness of the nomination process at achieving the Company's diversity objectives outlined in this Policy; and
- in order to support the specific objective of gender diversity, considers the level of representation of women on the Board and ensures that women are included in the short list of candidates being considered for a Board position.

When identifying potential candidates for the Board, the Nomination and Compensation Committee considers the selection criteria approved by the Board, as well as its analysis of the Board's needs based on the above criteria. These selection criteria are reviewed periodically.

The Diversity Policy will be reviewed by the Nomination and Compensation Committee annually to ensure that it is effective in achieving its objectives. Any changes to the Diversity Policy as well as any changes to the diversity achievements will be reported annually in the Company's management information circular.

The Company currently has one female director, Andree St-Germain, representing 11% of all nine board members. The Nomination and Compensation Committee and the Board actively continue to recruit female representation on the Board.

### **Nomination of Directors**

As approved at the Annual and Special Meeting of the Shareholders held on June 9, 2017, the Company has a combined Nomination and Compensation Committee which is responsible for identifying and recommending to the Board the individuals qualified to be nominated for election to the Board. In making its recommendations, the Nomination and Compensation Committee considers a number of factors including applicable rules on independence, the candidate's current relationships with competitors of the Company, the obligations and time commitments required of the candidates and any conflicts of interest.

The Board as a whole is responsible for considering the Board's size and the number of directors to be recommend to the Company's Shareholders for election at annual meetings of Shareholders. To do so, the Board considers factors such as

the number of directors that may be required to carry out the Board's duties effectively, the need to maintain a majority of independent directors and the goal of fostering a diversity of views and experience within the members of the Board.

The current members of the Nomination and Compensation Committee are: Thomas Obradovich (Chair), Anthony Makuch, and Morris Prychidny. Both of Mr. Makuch and Mr. Prychidny are independent.

## **Compensation**

The Nomination and Compensation Committee is responsible for the development and supervision of the Company's approach to compensation for directors, officers and senior management as well as bonuses and any increases in compensation to employees or staff that would have a material impact on the Company's expenses. The Nomination and Compensation Committee is also responsible for providing oversight, input and feedback on the Company's human resources policies and procedures.

The Nomination and Compensation Committee is also responsible for reviewing on an annual basis, the corporate goals and objectives relevant to executive compensation, evaluating each executive officer's performance in light of those goals and objectives and setting the executive officer's compensation level based, in part, on such evaluation. In making its recommendations, the Nomination and Compensation Committee also takes into consideration the Company's overall performance, Shareholder returns, the value of similar incentive awards to executive officers at comparable companies and the awards given to executive officers in past years.

The Nomination and Compensation Committee also supervises the appointment and removal of executive officers, reviews and approves any employment, severance or change in control agreements for executive officers, makes recommendations to the Board on the Company's human resource policies and procedures for employees, establishes pay ranges and other compensation criteria and approves any loans to employees, as allowed by law.

The members of the Nomination and Compensation Committee all have extensive and unique experience to bring to their role on the committee. This includes experience in top leadership roles, strong knowledge of the mining industry and finance as well as various tenures as directors of public companies. Specifically:

Mr. Obradovich has more than 30 years of experience in mining exploration, development and financing. He is President and Chief Executive Officer of Canadian Continental Exploration Corp., and he was one of the key individuals behind Aurelian (acquired by Kinross Gold Mines for \$1.2 billion in 2008), which discovered the Fruta Del Norte gold deposit in Ecuador. Mr. Obradovich was also the co-founder of Canadian Royalties Inc., which discovered and developed the Raglan south nickel belt. Mr. Obradovich acquired most of the Matachewan gold camp and, through a reverse takeover of Young-Davidson Mines Ltd., upgraded and doubled the resource, which was subsequently acquired by Northgate Minerals in 2005. In 2011, Mr. Obradovich was appointed to the board of Dalradian Resources Inc. Mr. Obradovich was President and CEO of Barkerville Gold Mines from January 2015 to July 2016 when he resigned and took a role as a consultant to the Company. He became President and CEO of Sable Resources Ltd. in December of 2016.

Mr. Makuch is a Professional Engineer (Ontario) with over 25 years of management, operations and technical experience in the mining industry, having managed numerous projects in Canada and the United States from advanced exploration through production. Mr. Makuch has held senior executive roles, including as CEO and President, of several publicly listed companies in mining and other industries throughout his career.

Mr. Prychidny is a graduate of the University of Western Ontario and is a Chartered Accountant with more than 35 years of experience in the mining and real estate industries. Mr. Prychidny brings strong portfolio management, accounting and financing expertise to the Company. He is currently a director and audit committee member of several public companies and private investment companies, including, Nighthawk Gold Corp., Northfield Capital Corporation, Fountain Asset Corp., Orion Capital Corporation and Woodbine Downs Limited.

## **Other Board Committees**

In addition to the Audit Committee and the Nomination and Compensation Committee, the Board has a Health, Safety and Environment Committee ("HSEC") and a Technical Committee. The HSEC has overall responsibility for developing and monitoring standards for ensuring a safe, healthy work environment, environmentally safe work practices and sustainable development, and appropriate community relations. The role of the Technical Committee is to advise the CEO

with respect to overseeing capital projects from a technical, financial and scheduling perspective, with the intent of providing advisory support, guidance and assistance to Management in respect of construction, commissioning and operation of the Company's mines, and assisting the Board in providing oversight.

### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and Management and the strategic direction and processes of the Board and committees. It does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but is in the planning stages of implementing such assessments. Until then, the Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees or individual directors on an *ad hoc* basis.

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

Except as otherwise disclosed in this Circular, no director or officer of the Company, no proposed nominee for election to the Board, no person who owns, or controls or directs, directly or indirectly, more than 10% of the Company's issued and outstanding shares, and no associate or affiliate of any such person, has had a material interest, direct or indirect, in any material transaction involving the Company since the commencement of its most recently completed financial year.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

## **AUDIT COMMITTEE**

National Instrument 52-110 ("**NI 52-110**") requires that certain information regarding the audit committee of a "**venture issuer**" (as that term is defined in NI 52-110) be included in the management information circular sent to Shareholders in connection with the issuer's annual meeting.

### **Audit Committee Charter**

The audit committee of the Company (the "**Audit Committee**") has a charter, a copy of which is attached hereto as Schedule "A" to this Circular.

### **Composition of the Audit Committee**

The Audit Committee members are: Morris Prychidny (Chair), Andree St-Germain, and John Kutkevicius, each of whom is a director and financially literate. All members of the Audit Committee are independent in accordance with NI 52-110.

### **Relevant Education and Experience**

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the Audit Committee member with:

- an understanding of the accounting principles used by the Company to prepare its financial statements;
- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues

that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and

- an understanding of internal controls and procedures for financial reporting.

### ***Morris Prychidny***

Mr. Prychidny is a graduate of the University of Western Ontario and is a Chartered Accountant with more than 35 years of experience in the mining and real estate industries. Mr. Prychidny brings strong portfolio management, accounting and financing expertise to the Company. He is currently a director and audit committee member of several public companies and private investment companies, including, Nighthawk Gold Corp., Northfield Capital Corporation, and Fountain Asset Corp.

### ***John Kutkevicius***

Mr. Kutkevicius is a lawyer and practices exclusively in the areas of corporate and personal tax and tax litigation. He has extensive experience representing companies in the mining and oil and gas sectors.

### ***Andree St-Germain***

Ms. St-Germain is the Chief Financial Officer of Integra Resources Corp. She is an experienced mining finance executive with an extensive background in banking, mining finance and financial management. She began her career in investment banking for Dundee Capital Markets Inc. As an investment banker, Ms. St-Germain worked exclusively with mining companies on M&A advisory and financing. In 2013, Ms. St-Germain joined Golden Queen Mining Co. Ltd. as CFO. During her tenure at Golden Queen, she played an instrumental role in securing project financing and overseeing Golden Queen as it transitioned from development and construction to commercial production. She joined Integra Gold as CFO in early 2017 and helped oversee the sale to Eldorado Gold Corporation in July 2017 for C\$590 million. Ms. St-Germain is currently a director of Ascot Resources Ltd.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### **Reliance on Exemptions in NI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (De Minimis Non-audit Services) of MI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit); or
2. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter attached hereto as Schedule "A".

### **Audit Fees**

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2018, and December 31, 2017.

	<b>Audit Fees<sup>(1)</sup></b> <b>(\$)</b>	<b>Audit-Related</b> <b>Fees<sup>(2)</sup> (\$)</b>	<b>Tax Fees<sup>(3)</sup></b> <b>(\$)</b>	<b>All Other Fees<sup>(4)</sup></b> <b>(\$)</b>
Financial Year ended December 31, 2018	110,250	47,250	49,000	2,895
Financial Year ended December 31, 2017	84,000	59,473	64,678	208,151

**Note(s):**

- (1) **Audit Fees** – aggregate fees billed for professional services rendered by the auditor for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.
- (2) **Audit-Related Fees** – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.
- (3) **Tax Fees** – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.
- (4) **All Other Fees** – aggregate fees billed for professional services which included accounting advice and advice related to relocating employees and fees for products and services provided by the auditors other than those included in "Audit Fees", "Audit-Related Fees", and "Tax Fees".

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Securityholders may contact the Company in order to request copies of the Company's consolidated financial statements at the offices of the Company at Suite 1410-155 University Avenue, Toronto, Ontario, M5H 3B7. Financial information about the Company can be found in the Company's consolidated financial statements and Management's Discussion and Analysis for its most recently completed financial year, copies of which are available under the Company's profile on SEDAR.

**GENERAL**

The contents and the sending of the Notice and this Circular to each Shareholder entitled thereto, each director of the Company, the auditor of the Company and, where required, all applicable securities regulatory authorities have been approved by the board of directors.

DATED at Toronto, Ontario, this 17<sup>th</sup> day of May 2019.

(signed) "*Chris Lodder*"

Chris Lodder  
President and Chief Executive Officer

## **SCHEDULE "A"**

### **BARKERVILLE GOLD MINES LTD. (the "Company")**

#### **Audit Committee Charter**

(Adopted by the Board of Directors on February 18, 2013,  
amended on November 21, 2017, amended on May 10, 2019)

#### **1.0 OBJECTIVES**

The Audit Committee will assist the Board of Directors in fulfilling its oversight responsibilities for:

1. the financial reporting process;
2. the system of internal control over financial reporting;
3. the audit process;
4. compliance with legal and regulatory requirements as they relate to accounting and financial controls and anti-corruption and bribery issues; and
5. the processes for identifying, evaluating and managing the company's principal risks impacting financial reporting.

#### **2.0 COMPOSITION AND MEMBERSHIP**

The Board of Directors shall appoint annually from among its members an Audit Committee to hold office for the ensuing year or until their successors are elected or appointed. The Board of Directors may remove a member at any time and may fill any vacancy occurring on the Audit Committee. No member of the Committee is permitted to have participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the past three years.

The Audit Committee shall be composed of at least three directors, and not more than five directors, all of whom shall be "independent" and "financially literate" (as such terms are defined in National Instrument 52-110 – Audit Committees).

The Board of Directors may from time to time designate one of the members of the Audit Committee to be the Committee Chair and, unless otherwise determined by the Board of Directors, the Secretary of the Company shall be the Secretary of the Audit Committee.

#### **3.0 MEETINGS AND PARTICIPATION**

The Audit Committee shall meet at least once per quarter, or more frequently as circumstances dictate. Any member of the Audit Committee or the external auditor may call a meeting of the Audit Committee. The auditors shall be provided notice of all meetings and be entitled to attend and be heard thereat.

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. The agenda will be set by the Audit Committee Chair in consultation with other members of the Audit Committee, the Board of Directors and senior management.

The Audit Committee Chair, if present, will act as Chair of the meetings of the Audit Committee. If the Audit Committee Chair is not present at a meeting of the Audit Committee, then the members present may select one of their number to act as Chair of the meeting.

No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present. A quorum for meetings of the Audit Committee is a majority of its members.

The Audit Committee shall keep minutes of its meetings in which shall be recorded all action taken by it, which minutes shall be approved by Audit Committee members and available as soon as possible to the Board of Directors.

A majority of members shall constitute quorum for meetings of the Committee, present in person or via telephone or via other telecommunication device that permits all persons participating in the meeting to speak and hear one another.

The Committee shall hold in-camera sessions at each meeting, during which the members of the Committee shall meet in the absence of management.

The Committee may act by unanimous written consent of its members. A resolution approved in writing by the members of the Committee shall be valid and effective as if it had been passed at a duly called meeting.

#### **4.0 DUTIES, POWERS, AND RESPONSIBILITIES**

The Audit Committee is hereby delegated the following duties and powers, without limiting these duties and powers, the Audit Committee shall:

##### **4.1 Financial Reporting**

- Review and recommend for approval to the Board of Directors the annual Financial Statements, accounting policies that affect the statements, annual MD&A and associated press release.
- Review the Annual Report for consistency with the financial disclosure referenced in the annual Financial Statements.
- Be satisfied as to the adequacy of procedures in place for the review of the Company's public disclosure of financial information extracted or derived from annual or quarterly financial statements and periodically assess the adequacy of such procedures.
- Review and approve quarterly financial statements, accounting policies that affect the statements, the quarterly MD&A, and the associated press release.
- Review significant issues affecting financial reports.
- Review significant issues affecting the Company's ability to comply with requirements of taxation and other government bodies.
- Review emerging IFRS developments that could affect the Company.
- Understand how management develops interim financial information and the nature and extent of external audit involvement.

- In review of the annual and quarterly financial statements, discuss the quality of the Company's accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.
- Understand management's use of estimates and judgments in financial reporting.

#### **4.2 Internal and Disclosure Controls**

- Consider the effectiveness of the Company's internal controls over financial reporting and related information technology security and control.
- Review and approve corporate signing authorities and modifications thereto.
- Review with the auditors any issues or concerns related to any internal control systems in the process of the audit.
- Review with management and legal counsel on the adequacy of internal controls over environmental and social matters.
- Review the plan and scope of the annual audit with respect to planned reliance and testing of controls and major points contained in the auditor's management letter resulting from control evaluation and testing.
- Establish and maintain complaint procedures regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Such procedures are appended hereto as Appendix A.
- Review with management, external auditors and legal counsel any material litigation claims or other contingencies, including tax assessments, and adequacy of financial provisions, that could materially affect financial reporting.
- Review with the Chief Executive Officer and the Chief Financial Officer the Company's disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures.
- Discuss with the Chief Executive Officer and the Chief Financial Officer all elements of certification required pursuant to National Instrument 52-109.
- Approve all material related party transactions in advance; materiality is set at \$1 for such matters.
- Direct communications channels with the internal auditor to discuss and review specific issues as appropriate.

#### **4.3 External Audit**

- Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing such other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- Review and approve the audit plans, scope and proposed audit fees.
- Annually review the independence of the external auditors by receiving a report from the independent auditor detailing all relationships between them and the Company.

- Discuss with the auditors the results of the audit, any changes in accounting policies or practices and their impact on the financials, as well as any items that might significantly impact financial results.
- Receive a report from the auditors on critical accounting policies and practices to be used, all alternative treatments of financial information within IFRS that have been discussed with management, including the ramifications of the use of such alternative treatments, and the treatment preferred by the auditor.
- Receive an annual report from the auditors describing the audit firm's internal quality-control procedures, and material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more audits carried out the firm, and any steps taken to deal with any such issues.
- Ensure regular rotation of the lead partner and reviewing partner.
- Evaluate the performance of the external auditor and the lead partner annually.
- Recommend to the Board of Directors: (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and (ii) the compensation of the external auditor.
- Separately meet with the auditors, apart from management, at least once a year.
- Direct communications channels with the external auditors to discuss and review specific issues as appropriate.
- Review with management and the external auditor any correspondence with securities regulators or other regulatory or government agencies which raise material issues regarding the Company's financial reporting or accounting policies.

#### **4.4 Non-Audit Services**

- Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the external auditor. Pre-approval may be granted by any one member of the Audit Committee.
- The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.
- The CFO of the Company shall maintain a record of non-audit services approved by the Audit Committee for each financial year, and shall provide a report to the Audit Committee no less frequently than on a quarterly basis.

#### **4.5 Risk Management**

- Review and monitor the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company.
- Ensure that Directors and Officers insurance is in place.
- Review and approve corporate investment policies.
- Assess, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board of Directors.

#### **4.6 Anti-Bribery and Anti-Corruption**

- Discuss the principal anti-bribery and anti-corruption risks in the Company's business activities and provide oversight of appropriate systems to manage such risk as applicable to the Company.
- As applicable, review and monitor the anti-bribery and anti-corruption policies and activities of the Company on behalf of the Board to ensure compliance with applicable laws, legislation and policies as they relate to anti-corruption and anti-bribery issues.
- In the event of the occurrence of a corruption or bribery incident, receive and review, without delay, a report from management detailing the nature of the incident. Such report is to be made to the Committee in its entirety, and the Committee will immediately inform the Board at large, which will review the incident and to determine the Company's disclosure obligations if any.

#### **4.7 Other Responsibilities and Matters**

- Report through its Chair to the Board of Directors following meetings of the Audit Committee.
- Review annually the adequacy of the Charter and confirm that all responsibilities have been carried out.
- Evaluate the Audit Committee's and individual member's performance on an annual basis and report annually to the Board the result of its self-assessment.
- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.
- Discuss the Company's compliance with tax and financial reporting laws and regulation, if and when issues arise.
- Review the Company's disclosure in the Management Information Circular regarding Committee's composition and responsibilities and how they are discharged.

### **5.0 ACCESS TO INFORMATION AND AUTHORITY**

The Audit Committee will be granted unrestricted access to all information regarding the Company and all directors, officers, and employees will be directed to cooperate as requested by members of the Audit Committee. The Audit Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors employed by the Audit Committee at the cost of the Company without obtaining approval of the Board of Directors, based on its sole judgment and discretion. The Audit Committee has the authority to communicate directly with the internal and external auditors of the Company.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are

complete and accurate or comply with IFRS and other applicable requirements. These are responsibilities of the senior executives of the Company responsible for such matters and the external auditors. The Audit Committee, the Chair and any members identified as having accounting or related financial expertise are members of the Board of Directors, appointed to the Audit Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Audit Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Audit Committee and Board in the absence of such designation. Rather, the role of a member who is identified as having accounting or related financial expertise, like the role of all members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

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**Appendix A to Schedule A**

**To Audit Committee Charter**

**PROCEDURES FOR THE SUBMISSION OF COMPLAINTS OR CONCERNS  
REGARDING ACCOUNTING, INTERNAL ACCOUNTING CONTROLS OR AUDITING MATTERS**

1. The Company shall forward to the Audit Committee of the Board of Directors any complaints that it has received regarding accounting, internal accounting controls, or auditing matters.
2. Any employee of the Company may submit, on a confidential, anonymous basis if the employee so desires, any concerns by sending such concerns in writing and forwarding them in a sealed envelope to:

Attention: Chair of the Audit Committee  
Barkerville Gold Mines Ltd.  
Suite 1410 – 155 University Ave  
Toronto, ON Canada M5H 3B7

The envelope is to be clearly marked, "To be opened by the Audit Committee only."

Any such envelopes shall be forwarded promptly to the Chair of the Audit Committee.

3. Contact information including a phone number and e-mail address shall be published for the Chair of the Audit Committee on the Company's website for those people wishing to contact the Chair directly.
4. At each of its meetings following the receipt of any information pursuant to this Appendix, the Audit Committee shall review and consider any such complaints or concerns and take any action that it deems appropriate in the circumstances.
5. The Audit Committee shall retain any such complaints or concerns along with the material gathered to support its actions for a period of no less than seven years. Such records will be held on behalf of the Audit Committee by the Audit Committee Secretary.
6. Appendix A shall appear on the Company's website as part of this Charter.

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