

**LABRADOR GOLD CORP.
82 RICHMOND STREET EAST
TORONTO, ONTARIO
M5C 1P1**

**INFORMATION CIRCULAR
MANAGEMENT SOLICITATION**

SOLICITATION OF PROXIES

This Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management (the “Management”) of Labrador Gold Corp. (the “Corporation”) for use at the Annual General and Special Meeting of Shareholders (the “Meeting”) to be held at the offices of the Corporation, Ring of Fire Boardroom, The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario M5C 1P1 at the hour of 2:00 o'clock in the afternoon (Toronto time), on Friday, the 23rd day of April 2021, for the purposes set out in the accompanying Notice of Meeting. The cost of solicitation will be borne by the Corporation.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally by the Directors and/or officers of the Corporation at nominal cost. Arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares (“**Common Shares**”) held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

COVID-19 SAFETY PROTOCOLS

The Corporation will be following stringent safety protocols for the Meeting as a result of the coronavirus pandemic (“**COVID-19**”). Registered shareholders and properly appointed proxy holders who wish to attend the Meeting in person will be required to present their identification and a copy of their completed proxy or other proof of their status as a shareholder or valid proxy holder, complete the Corporation’s sign-in and COVID screening form, not enter with any food or drink, wear masks and maintain appropriate social distancing at all times. The capacity of the Corporation’s offices is limited to four (4) people and those choosing to attend in person will be accommodated on a “first-come first-served” basis. No one other than registered shareholders and properly appointed proxy holders will be allowed to attend the Meeting in person to ensure adequate space is available for those registered shareholders and properly appointed proxy holders who wish to attend the Meeting. **All shareholders are strongly urged to send in their proxies in advance of the Meeting as set out in the Circular below and as set out in the proxy or voting instruction form mailed to registered shareholders and Non-Objecting Beneficial Owners (“NOBO”) to ensure that their votes are counted at the Meeting.** The lockdown resulting from the outbreak of COVID-19 has created unprecedented disruptions in the global economy and required the Corporation to take all necessary precautions to ensure the health and safety of its officers, directors, employees and shareholders. Given the fact that the spread of COVID-19 in certain areas of the country and in particular in certain states in the United States has increased recently, the Corporation needs to continue to take appropriate precautions while proceeding with the Meeting. In order to provide some accommodation to those shareholders unable or unwilling to attend in person, the Corporation has set up a conference call number for shareholders and guests to phone in and listen to the Meeting (the “**Conference Call**”), the particulars of which are set out below. The Scrutineer representing the Corporation’s transfer agent, Computershare Investor Services Inc., will be scrutineering the Meeting remotely and will be attending the Meeting via the Conference Call. Following the completion of the formal part of the Meeting, the President and CEO of the Corporation, Roger Moss, will make a presentation to the Meeting. Those shareholders and guests participating in the Conference Call will be able to ask questions of Roger Moss. **Participation in the Conference Call will not constitute attendance at the Meeting and voting will not be permitted by telephone.** The Meeting has not been set up as a “virtual meeting”. The Corporation is providing the Conference Call as a means for those participating in the Conference Call to ask questions of and receive responses from Roger Moss relating to the business of the Corporation.

Shareholders and guests may participate in the Conference Call by joining the Meeting from a PC, Mac, iPad, iPhone or Android device by clicking or entering the following URL into your web browser:

Please click the link below to join the webinar:

<https://zoom.us/j/92200248557?pwd=M1BqTXduWUNNMkpZNmFDeDBFeiVndz09>

Passcode: 977675

Or iPhone one-tap :

Canada: +14388097799,,92200248557#,,,,*977675# or +15873281099,,92200248557#,,,,*977675#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

Canada: +1 438 809 7799 or +1 587 328 1099 or +1 647 374 4685 or +1 647 558 0588 or +1 778 907 2071 or +1 204 272 7920

US: +1 301 715 8592 or +1 312 626 6799 or +1 346 248 7799 or +1 646 558 8656 or +1 669 900 9128 or +1 253 215 8782

Webinar ID: 922 0024 8557

Passcode: 977675

International numbers available: <https://zoom.us/u/aeFswGhhq>

NOTICE-AND-ACCESS

The Corporation has elected to use the “notice-and-access” process under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 *Continuous Disclosure Obligations*, for distribution of this Circular and other meeting materials to registered Shareholders of the Corporation and non-registered Shareholders of the Corporation as set out in the “Advice to Non-Registered Shareholders” section below.

Notice-and-access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR and one other website, rather than mailing paper copies of such meeting materials to Shareholders. Notice-and-access may be used by issuers in respect of meetings that occur on or after March 1, 2013. The Corporation anticipates that utilizing the notice-and-access process will substantially reduce both postage and printing costs.

The Corporation has posted the Circular, the Corporation’s audited financial statements for the years ended September 30, 2020 and 2019 and September 30, 2019 and 2018 (the “**Annual Financial Statements**”) and the Corporation’s management discussion and analysis for the year ended September 30, 2020 and September 30, 2019 (the “**Annual MD&A**”) on the websites, www.labradorgold.com and www.sedar.com.

Although the Circular, Annual Financial Statements and Annual MD&A (collectively, the “**Meeting Materials**”) will be posted electronically online, as noted above, the registered and non-registered Shareholders (subject to the provisions set out below under the heading “Advice to Non-Registered Shareholders”) (collectively the “**Notice-and-Access Shareholders**”) will receive a “notice package” (the “**Notice-and-Access Notification**”), by prepaid mail, which includes the information prescribed by NI 54-101, and a proxy form or voting instruction form from their respective intermediaries. Notice-and-Access Shareholders should follow the instructions for completion and delivery contained in the proxy or voting instruction form. Notice-and-Access Shareholders are reminded to review the Circular before voting.

Notice-and-Access Shareholders who are registered shareholders will not receive a paper copy of the Meeting Materials unless they contact Computershare Investor Services Inc. in which case Computershare Investor Services Inc. will mail the requested materials within three business days of any request provided the request is made prior to the Meeting. Notice-and-Access Shareholders who are registered shareholders can request a copy of the Meeting

Materials without charge by contacting Computershare Investor Services Inc. at 1-866-962-0498 within North America or at 514-982-8716 outside of North America up to the date of the Meeting, or any adjournment thereof, or thereafter by contacting the Corporation at 416-704-8291 or by email at info@labradorgold.com. Requests for paper copies of the Meeting Materials must be received at least six (6) business days in advance of the proxy deposit date and time set out below, being 2:00 p.m. on, Tuesday, April 13, 2021, in order to receive the Meeting Materials in advance of the proxy deposit date and Meeting. Notice-and-Access Shareholders with questions about notice-and-access may contact Computershare Investor Services Inc. at 1-866-964-0492 up to the date of the Meeting, or any adjournment thereof, and thereafter may contact the Corporation at 416-704-8291 or by email at info@labradorgold.com. Notice-and-Access Shareholders who are non-registered shareholders should refer to the heading “Advice to Non-Registered Shareholders” below.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the form of proxy or voting instruction form are officers or Directors of the Corporation (the “**Management Designees**”). **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** by inserting such other person’s name in the blank space provided in the form of proxy and depositing the completed proxy with the Transfer Agent of the Corporation, **Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.** A proxy can be executed by the Shareholder or his attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, the proxy may be revoked before it is exercised by instrument in writing executed and delivered in the same manner as the proxy at any time up to and including the second last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting and upon either such occurrence, the proxy is revoked.

Please note that Shareholders who receive their Notice-and-Access Notification from Broadridge Investor Communication Solutions, Canada (“**Broadridge**”) or an Intermediary (as defined in the “Advice to Non-Registered Shareholders” section below) must return the proxy forms, once voted, to Broadridge or their Intermediary, as applicable, for the proxy to be dealt with.

DEPOSIT OF PROXY

By resolution of the Directors duly passed, **ALL PROXIES TO BE USED AT THE MEETING MUST BE DEPOSITED BY 2:00 P.M. (TORONTO TIME) ON WEDNESDAY, APRIL 21, 2021, BEING NOT LESS THAN 48 HOURS EXCLUDING SATURDAYS, SUNDAYS AND STATUTORY HOLIDAYS PRECEDING THE DATE OF THE MEETING, OR ANY ADJOURNMENT THEREOF, WITH THE CORPORATION’S AGENT, COMPUTERSHARE INVESTOR SERVICES INC.,** provided that a proxy may be delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time for voting to revoke a proxy previously delivered in accordance with the foregoing.

ADVICE TO NON-REGISTERED SHAREHOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares owned by a person are registered either (a) in the name of an intermediary (an “**Intermediary**”) that the non-registered holder (a “**Non-Registered Holder**”) deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant.

The Corporation has decided to use Notice-and-Access in accordance with the requirement of NI 54-101 to deliver the Meeting Materials to Shareholders by posting the Meeting Materials on its website at www.labradorgold.com. The Meeting Materials will be available on the Corporation’s website on or before March 17, 2021, and will remain on the website for a full year thereafter. The Meeting Materials will also be available on the Corporation’s profile on

SEDAR at www.sedar.com. The Corporation will only be mailing the Notice-and-Access Notification to Non-Registered Holders as set out below.

Non-Registered Holders fall into two categories – those who object to their identity being made known to the issuers of securities which they own (“**Objecting Beneficial Owners**” or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**” or “**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries via their transfer agent. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly to such NOBOs.

If you are a Non-Objecting Beneficial Owner and the Corporation or its agent has sent the Notice-and-Access Notification directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you, and (ii) executing your proper voting instructions as specified in the request for voting instructions.

The Corporation’s decision to deliver proxy-related materials directly to its NOBOs will result in all NOBOs receiving a Voting Instruction Form (“**VIF**”) from Broadridge. Please complete and return the VIF to Broadridge in the envelope provided or by facsimile. In addition, instructions in respect of the procedure for internet voting can be found in the VIF. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs received by Broadridge. For purposes of the Meeting, NOBOs who deliver VIFs in accordance with the instructions on the VIF will be otherwise treated the same as registered Shareholders.

Non-Registered Shareholders who are NOBOs may make their request for paper copies of the Meeting Materials without charge by calling Broadridge Investor Communication Solutions, Canada’s toll free number at 1-877-907-7643 on or before the day of the Meeting, or any adjournment thereof, or thereafter contact the Corporation at 416-907-6151 or by email at info@eskaymining.com.

Requests for paper copies of the Meeting Materials must be received at least six (6) business days in advance of the proxy deposit date and time set out above, being 2:00 p.m. on Tuesday, April 13, 2021, in order to receive the Meeting Materials in advance of the proxy deposit date and Meeting.

OBOs may expect to receive their materials related to the Meeting from Broadridge or other Intermediaries. If a reporting issuer does not intend to pay for an Intermediary to deliver materials to OBOs, OBOs will not receive the materials unless their Intermediary assumes the cost of delivery. The Corporation does not intend to pay for Intermediaries to deliver the proxy-related materials to OBOs.

Intermediaries are required to forward the Notice-and-Access Notification to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies such as Broadridge to forward the Notice-and-Access Notification to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Notice-and-Access Notification will either:

- a) 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 and class of securities beneficially owned by the Non-Registered Holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or
- b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder 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 Non-Registered Holder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the Non-Registered Holder must remove the label from the

instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In any case, the purpose of this procedure is to permit Non-Registered Holders including NOBOs to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives a form of proxy, VIF or Voting Instruction Form wish to vote at the Meeting in person, the Non-Registered Holder should strike out the persons named in such form of proxy and insert the Non-Registered Holder's name in the blank space provided. Non-Registered Holders should carefully follow the instructions on the VIF or the instructions received from their Intermediary including those regarding when and where the form of proxy, VIF or Voting Instruction Form is to be delivered.

All references to Shareholders in this Circular, the accompanying Notice of Meeting and any proxy or voting instruction form sent to Shareholders with the Notice-and-Access Notification are to Shareholders of record unless specifically stated otherwise.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the form of proxy or voting instruction form for use at the Meeting will vote the Common Shares in respect of which they are appointed in accordance with the directions of the shareholders appointing them. **IN THE ABSENCE OF SUCH DIRECTIONS, SUCH SHARES SHALL BE VOTED "FOR":**

- (a) setting the number of Directors at five (5);
- (b) election of the Directors as nominated by Management;
- (c) appointment of DeVisser Gray LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and authorizing the Directors to fix their remuneration;
- (d) ratification of the 2006 Stock Option Plan;
- (e) approval of a special resolution (the "**Continuance Resolution**"), the text of which is set out in the accompanying Circular, to authorize and approve the continuance of the Corporation from the *Business Corporations Act* (British Columbia) to the *Business Corporations Act* (Ontario) (the "**Continuance**"), all as more particularly described in the Circular;
- (f) approval of the Articles of Continuance and authorizing the Directors to determine the number of directors;
- (g) adoption of a new general By-Law Number 1;
- (h) adoption of the 2021 Stock Option Plan; and
- (i) to transact such further and other business as may properly come before the said Meeting or any adjournment of adjournments thereof.

ALL AS MORE PARTICULARLY DESCRIBED IN THIS CIRCULAR

As of the date of this Circular, Management of the Corporation knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting, each Management Designee intends to vote thereon in accordance with the Management Designee's best judgment.

ALL AS MORE PARTICULARLY DESCRIBED IN THIS CIRCULAR.

The form of proxy or voting instruction form confers discretionary authority upon the persons named therein with respect to any amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. **HOWEVER, IF ANY SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS WHICH ARE NOT NOW KNOWN TO THE MANAGEMENT DESIGNEES SHOULD PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXIES HEREBY SOLICITED WILL BE VOTED THEREON IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING SUCH PROXIES.**

EFFECTIVE DATE

The effective date of this Circular is March 11, 2021.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation presently consists of an unlimited number of Common Shares of which 111,198,747 Common Shares are currently outstanding as fully paid and non-assessable Common Shares.

Each shareholder of record will be entitled to one (1) vote for each Common Share held at the Meeting.

Holders of record of the Common Shares of the Corporation on March 11, 2021 (the “**Record Date**”) will be entitled either to attend and vote at the Meeting in person (reference is made to the Covid-19 Safety Protocols on the first page of this Circular) shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation as described herein, to attend and vote thereat by proxy the shares held by them (reference is made to the Covid-19 Safety Protocols on the first page of this Circular).

To the knowledge of the Directors and executive officers of the Corporation, there are no parties who beneficially own, directly or indirectly, or exercise control or direction over 10% or more of any class of outstanding voting securities of the Corporation other than as follows:

Name of Shareholder	Number of Common Shares	Percentage of Class
Palisades Goldcorp Ltd.	13,800,000	12.41%

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation’s last completed financial year and no associate or affiliate of any of the foregoing 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, other than the election of directors and the appointment of officers except as disclosed herein.

EXECUTIVE COMPENSATION

The information contained below is provided as required under Form 51-102F6 for Venture Issuers (the “**Form**”), as such term is defined in National Instrument 51-102.

In this section “**Named Executive Officer**” or “**NEO**” means the CEO, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed fiscal year and whose total compensation exceeds \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Corporation at the end of the most recently completed financial year end.

Compensation Discussion and Analysis

The Board as a whole has the responsibility of determining the compensation for the Chief Executive Officer (the “**CEO**”) and the Chief Financial Officer (the “**CFO**”) and of determining compensation for directors and senior management.

The Corporation’s compensation objectives include the following:

- to assist the Corporation in attracting and retaining highly-qualified individuals;
- to create among directors, officers, consultants and employees a sense of ownership in the Corporation and to align their interests with those of the shareholders; and

- to ensure competitive compensation that is also financially affordable for the Corporation.

Compensation

The compensation program is designed to provide competitive levels of compensation. The Corporation recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, the Corporation's NEOs may receive compensation that is comprised of three components:

- Salary, wages or contractor payments;
- Stock option grants; and/or
- Bonuses.

The objective and reason for this system of compensation is to allow the Corporation to remain competitive compared to its peers in attracting experienced personnel. The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not evaluated against a formal "peer group". The independent directors rely on the general experience of its members in setting base salary amounts.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Corporation, although the level of reward provided by a particular stock option grant is dependent upon the volatile stock market.

Any bonuses paid to the NEOs are allocated on an individual basis related to the review by the Board of the work planned during the year and the work achieved during the year, including work related to mineral exploration, administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

Compensation of Directors

For a description of the compensation paid to the company's Named Executive Officer(s) who also act as directors as at the end of the financial years ended September 30, 2020 and September 30, 2019, see "Summary Compensation Table" below.

Other than as disclosed elsewhere in this Circular, no director of the Corporation who is not a Named Executive Officer has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors except for the granting of stock options; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

The Corporation may grant incentive stock options to directors of the Corporation from time to time pursuant to the stock option plan of the Corporation and in accordance with the policies of the TSX-V.

Summary Compensation Table

The following table contains information about the compensation paid to, earned by and payable to, the Corporation’s Chief Executive Officer, Roger Moss and the Chief Financial Officer, Eric Myung, and the former Chief Financial Officer and Secretary, Aurora Davidson, for the fiscal years ending September 30, 2020, September 30, 2019 and September 30, 2018. In accordance with the Form, the Corporation does not have any other “Named Executive Officers” given that no executive officer receives total salary and bonus in excess of \$150,000. Specific aspects of compensation payable to the Named Executive Officers of the Corporation are dealt with in further detail in subsequent tables.

Summary Compensation Table									
Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Roger Moss, C.E.O. ⁽²⁾	2020	112,000	Nil	343,225	Nil	Nil	Nil	Nil	455,225
	2019	96,000	Nil	42,920	Nil	Nil	Nil	Nil	138,920
	2018	81,600	Nil	77,560	Nil	Nil	Nil	Nil	159,160
Eric Myung, C.F.O. ⁽³⁾⁽⁴⁾	2020	17,179	Nil	68,645	Nil	Nil	Nil	Nil	85,824
Aurora Davidson, C.F.O. & Secretary ⁽³⁾⁽⁵⁾	2020	4,000	Nil	Nil	Nil	Nil	Nil	Nil	4,000
	2019	21,000	Nil	42,920	Nil	Nil	Nil	Nil	63,920
	2018	12,000	Nil	38,780	Nil	Nil	Nil	Nil	50,780

Notes:

- (1) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Corporation uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.
- (2) This amount comprises fees for consulting services provided by Moss Exploration Services Ltd., a company controlled by Dr. Moss.
- (3) Aurora Davidson resigned as CFO and Secretary on May 28, 2020 and was replaced by Eric Myung as CFO.
- (4) This amount comprises fees for professional services provided by Marrelli Support Services Inc. (“**Marrelli**”), a company of which Eric Myung is an employee.
- (5) This amount comprises fees for consulting services provided to the Corporation by Delphis Financial Strategies Inc. (“**Delphis**”), a company controlled by Ms. Davidson.

Outstanding Share-Based and Option-Based Awards Granted to Named Executive Officers as of September 30, 2020

The following table summarizes all share-based and option-based awards granted by the Corporation to its Named Executive Officers which are outstanding as of September 30, 2020.

Name	Option-Based Awards			Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date		Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Roger Moss	120,000	0.06	February 9, 2021	37,200	N/A	N/A
	200,000	0.10	March 6, 2022	54,000	N/A	N/A
	400,000	0.20	December 13, 2022	68,000	N/A	N/A
	200,000	0.25	May 15, 2024	24,000	N/A	N/A
	750,000	0.45	July 27, 2025	Nil	N/A	N/A
Eric Myung	150,000	0.45	July 27, 2025	Nil	N/A	N/A
Aurora Davidson ⁽²⁾	Nil	N/A	N/A	Nil	N/A	N/A

Notes:

⁽¹⁾ The value of the unexercised in-the-money options was calculated based on the difference between the closing price of the Common Shares underlying the options as at September 30, 2020, which was \$0.37, and the exercise price of the options.

⁽²⁾ Aurora Davidson resigned as CFO and Secretary on May 28, 2020 and her options expired unexercised on August 28, 2020.

Outstanding Share-Based and Option-Based Awards Granted to Named Executive Officers as of September 30, 2019

The following table summarizes all share-based and option-based awards granted by the Corporation to its Named Executive Officers which are outstanding as of September 30, 2019.

Name	Option-Based Awards			Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date		Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Roger Moss	120,000	0.06	February 9, 2021	11,400	N/A	N/A
	200,000	0.10	March 6, 2022	11,000	N/A	N/A
	400,000	0.20	December 13, 2022	Nil	N/A	N/A
	200,000	0.25	May 15, 2024	Nil	N/A	N/A
Aurora Davidson	200,000	0.25	May 15, 2024	Nil	N/A	N/A
	200,000	0.20	December 13, 2022	Nil	N/A	N/A
	200,000	0.10	March 6, 2022	11,000	N/A	N/A
	120,000	0.06	Feb 9, 2021	11,400	N/A	N/A

Note:

⁽¹⁾ The value of the unexercised in-the-money options was calculated based on the difference between the closing price of the Common Shares underlying the options as at September 27, 2019 (being the last closing price for fiscal 2019), which was \$0.155, and the exercise price of the options.

Value Vested or Earned by Named Executive Officers During the Year Ended September 30, 2020 Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year by Named Executive Officers in respect

of option-based awards, share-based awards and non-equity incentive plan compensation during the year ended September 30, 2020.

Name	Option-Based Awards- Value Vested During the Year (\$)⁽¹⁾	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)
Roger Moss	Nil	Nil	Nil
Eric Myung	Nil	Nil	Nil
Aurora Davidson	Nil	Nil	Nil

Note:

⁽¹⁾ Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

Value Vested or Earned by Named Executive Officers During the Year Ended September 30, 2019 Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year by Named Executive Officers in respect of option-based awards, share-based awards and non-equity incentive plan compensation during the year ended September 30, 2019.

Name	Option-Based Awards- Value Vested During the Year (\$)⁽¹⁾	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During the Year (\$)
Roger Moss	Nil	Nil	Nil
Aurora Davidson	Nil	Nil	Nil

Note:

⁽¹⁾ Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

Employment/Consulting Contracts

Pursuant to a contract made as of the 1st day of January 2018 (the “**Moss Contract**”) between the Corporation and Moss Exploration Services Ltd. (“**Moss**”), the Corporation agreed to pay to Moss a fee of \$8,000 per month plus applicable taxes. Effective September 1, 2020, the Moss Contract was superseded and replaced with a new agreement pursuant to which Moss is paid a fee of \$12,000 per month plus applicable taxes.

Marrelli charges a monthly retainer for accounting services to the Corporation.

Delphis charges a monthly retainer for accounting services to the Corporation.

Termination and Change of Control Benefits

The Corporation has no compensatory plan or arrangement with respect to the Named Executive Officers that results or will result from the resignation, retirement or any other termination of employment of any such officer’s employment with the Corporation, from a change of control of the Corporation or a change in the responsibilities of a Named Executive Officer following a change in control except as noted below.

The Moss Contract contains termination provisions, which may be summarized as follows:

- (a) Moss may terminate the Moss Contract by giving notice to the Corporation at least one month prior to termination;
- (b) The Corporation may terminate the Moss Contract immediately upon the death of Dr. Moss or for cause, upon which Moss is entitled to the prorated portion of its fee through the date of termination and reimbursement for expenses properly incurred prior to the date of termination

plus the prorated portion of its fee for an additional period of one month. “Cause” is defined as existing if:

- (i) Moss commits a breach of any of the material provisions contained in the Moss Contract;
 - (ii) Moss is guilty of any misconduct or neglect in the discharge of its duties pursuant to the Moss Contract;
 - (iii) Moss becomes bankrupt or makes any arrangements or assignments with its creditors; or
 - (iv) Moss or Dr. Moss is convicted of any criminal offence or misdemeanor involving moral turpitude.
- (c) The Corporation may terminate the Moss Contract in any other circumstance on three months’ notice to Moss, provided that if Moss terminated without Cause or voluntarily resigns for “Good Reason” within 90 days following a “Change in Control”, the Corporation is required to pay to Moss an amount equal to twelve months payment of the fee then in effect (the “Control Payment”). “Good Reason” is defined to mean (1) a reduction in the fee, (2) a material reduction in Moss’ responsibilities or duties or (3) a requirement that Moss relocate its residence from its present location. The Moss Contract states that a “Change in Control” will be evidenced by the election or appointment of a majority of new directors of the Corporation or the acquisition by any person or by any person and such person’s associates or related bodies corporate, as such terms are define in the *Securities Act* (British Columbia), and whether directly or indirectly, of shares of the Corporation which, when added to all other shares of the Corporation at the time held by such person and such person’s associates and related bodies corporate, totals for the first time fifty percent (50%) or more of the outstanding shares of the Corporation. The Moss Contract further provides that the Corporation is not required to make the Control Payment to Moss if, after a Change in Control, Moss is offered a reasonably equivalent position with the surviving corporation and does not accept such position.

Compensation of Directors for the year ended September 30, 2020

The following table contains information about the compensation awarded to, earned by, paid to or payable to, the Corporation’s Directors, other than its Named Executive Officers, the compensation of whom is detailed above under “Summary Compensation Table”, for the fiscal year ended September 30, 2020.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total (\$)
				Annual Incentive Plans	Long-Term Incentive Plans			
James S. Borland	Nil	Nil	160,172	Nil	Nil	Nil	Nil	160,172
Trevor Boyd	Nil	Nil	160,172	Nil	Nil	Nil	Nil	160,172
Leo Karabales	Nil	Nil	343,225	Nil	Nil	Nil	Nil	343,225
Kai Hoffmann	Nil	Nil	160,172	Nil	Nil	Nil	Nil	160,172

Note:

⁽¹⁾ The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of nil; risk free interest rate of 0.35%; estimated life of 5 years and expected volatility of 123%.

All Directors are reimbursed by the Corporation for travel and other out-of-pocket expenses incurred in attending Directors and shareholders meetings and meetings of Board committees. Directors are also entitled to receive compensation to the extent that they provide services to the Corporation at rates that would be charged by such Directors for such services to arm’s length parties. No Directors fees were paid or accrued in fiscal 2020.

Compensation of Directors for the year ended September 30, 2019

The following table contains information about the compensation awarded to, earned by, paid to or payable to, the Corporation’s Directors, other than its Named Executive Officers, the compensation of whom is detailed above under “Summary Compensation Table”, for the fiscal year ended September 30, 2019.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total (\$)
				Annual Incentive Plans	Long-Term Incentive Plans			
James S. Borland	Nil	Nil	42,920	Nil	Nil	Nil	Nil	42,920
Trevor Boyd	Nil	Nil	42,920	Nil	Nil	Nil	Nil	42,920
Leo Karabelas	Nil	Nil	42,920	Nil	Nil	Nil	Nil	42,920
Kai Hoffmann ⁽²⁾	Nil	Nil	107,300	Nil	Nil	Nil	Nil	107,300

Notes:

⁽¹⁾ The fair value of the options was estimated using the Black-Scholes Option pricing model with the following assumptions: expected dividend yield of nil; risk free interest rate of 1.54 %; estimated life of 5 years and expected volatility of 201.56%

⁽²⁾ Kai Hoffmann was appointed a director on May 14, 2019.

All Directors are reimbursed by the Corporation for travel and other out-of-pocket expenses incurred in attending Directors and shareholders meetings and meetings of Board committees. Directors are also entitled to receive compensation to the extent that they provide services to the Corporation at rates that would be charged by such Directors for such services to arm's length parties. No Directors fees were paid or accrued in fiscal 2019.

Outstanding Share-Based and Option-Based Awards Granted to Directors (Other Than Directors Who are Named Executive Officers) as of September 30, 2020

The following table summarizes all share-based and option-based awards granted by the Corporation to its Directors (other than Directors who are Named Executive Officers whose share-based and option-based awards outstanding as of September 30, 2020 are detailed above) which are outstanding as of September 30, 2020.

Name	Option-Based Awards			Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	Share-Based Awards	
	Number of Securities Underlying Unexercised Options ⁽¹⁾ (#)	Option Exercise Price (\$)	Option Expiration Date		Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
James S. Borland	200,000	0.10	March 6, 2022	54,000	N/A	N/A
	200,000	0.20	December 13, 2022	34,000	N/A	N/A
	200,000	0.25	May 15, 2024	24,000	N/A	N/A
	350,000	0.45	July 27, 2025	Nil	N/A	N/A
Trevor Boyd	120,000	0.06	February 9, 2021	37,200	N/A	N/A
	200,000	0.20	December 13, 2022	34,000	N/A	N/A
	200,000	0.25	May 15, 2024	24,000	N/A	N/A
	350,000	0.45	July 27, 2025	Nil	N/A	N/A
Leo Karabelas	520,000	0.20	December 13, 2022	88,400	N/A	N/A
	200,000	0.25	May 15, 2024	24,000	N/A	N/A
	750,000	0.45	July 27, 2025	Nil	N/A	N/A
Kai Hoffmann	500,000	0.25	May 15, 2024	60,000	N/A	N/A
	350,000	0.45	July 27, 2025	Nil	N/A	N/A

Note:

⁽¹⁾ The value of the unexercised in-the-money options was calculated based on the difference between the closing price of the Common Shares underlying the options as at September 30, 2020, which was \$0.37, and the exercise price of the options.

Outstanding Share-Based and Option-Based Awards Granted to Directors (Other Than Directors Who are Named Executive Officers) as of September 30, 2019

The following table summarizes all share-based and option-based awards granted by the Corporation to its Directors (other than Directors who are Named Executive Officers whose share-based and option-based awards outstanding as of September 30, 2019 are detailed above) which are outstanding as of September 30, 2019.

Name	Option-Based Awards			Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	Share-Based Awards	
	Number of Securities Underlying Unexercised Options ⁽¹⁾ (#)	Option Exercise Price (\$)	Option Expiration Date		Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
James S. Borland	200,000	0.10	March 6, 2022	11,000	N/A	N/A
	200,000	0.20	December 13, 2022	Nil	N/A	N/A
	200,000	0.25	May 15, 2024	Nil	N/A	N/A
Trevor Boyd	120,000	0.06	February 9, 2021	11,400	N/A	N/A
	200,000	0.10	March 6, 2022	11,000	N/A	N/A
	200,000	0.20	December 13, 3022	Nil	N/A	N/A
	200,000	0.25	May 15, 2024	Nil	N/A	N/A
Leo Karabelas	520,000	0.20	December 13, 2022	Nil	N/A	N/A
	200,000	0.25	May 15, 2024	Nil	N/A	N/A
Kai Hoffmann ⁽²⁾	500,000	0.25	May 15, 2024	Nil	N/A	N/A

Notes:

(1) The value of the unexercised in-the-money options was calculated based on the difference between the closing price of the Common Shares underlying the options as at September 27, 2019 (being the last closing price for fiscal 2019), which was \$0.155, and the exercise price of the options.

(2) Kai Hoffmann was appointed a director on May 14, 2019.

Value Vested or Earned During the Year Ended September 30, 2020 by Directors (Other Than Directors Who are Named Executive Officers) Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year ended September 30, 2020 by Directors of the Corporation (other than Directors who are Named Executed Officers whose value vested or earned during the year ended September 30, 2020 under option-based awards, share-based awards and non-equity incentive plan compensation is detailed above) in respect of option-based awards, share-based awards and non-equity incentive plan compensation.

Name	Option-Based Awards-Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation-Value Earned During the Year (\$)
James S. Borland	Nil	Nil	Nil
Trevor Boyd	Nil	Nil	Nil
Leo Karabelas	Nil	Nil	Nil
Kai Hoffmann	Nil	Nil	Nil

Note:

(1) Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

Value Vested or Earned During the Year Ended September 30, 2019 by Directors (Other Than Directors Who are Named Executive Officers) Under Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan Compensation

The following table summarizes the value vested or earned during the year ended September 30, 2019 by Directors of the Corporation (other than Directors who are Named Executed Officers whose value vested or earned during the year ended September 30, 2019 under option-based awards, share-based awards and non-equity incentive plan compensation is detailed above) in respect of option-based awards, share-based awards and non-equity incentive plan compensation.

Name	Option-Based Awards-Value Vested During the Year (\$)⁽¹⁾	Share-Based Awards- Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation-Value Earned During the Year (\$)
James S. Borland	Nil	Nil	Nil
Trevor Boyd	Nil	Nil	Nil
Leo Karabelas	Nil	Nil	Nil
Kai Hoffmann	Nil	Nil	Nil

Note:

(1) Determined based on the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of September 30, 2020 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	6,510,000	\$0.32	2,827,417
Equity compensation plans not approved by security holders	Nil	Nil	Nil
TOTAL	6,510,000	\$0.32	2,827,417

The following table sets out information as of September 30, 2019 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	4,480,000	\$0.19	1,223,902
Equity compensation plans not approved by security holders	Nil	Nil	Nil
TOTAL	4,480,000	\$0.19	1,223,902

STOCK OPTION PLAN

The Board of Directors of the Corporation has previously adopted the Corporation's stock option plan effective January 23, 2006, as amended (the "Plan"), which is a "rolling" stock option plan pursuant to which a maximum of 10% of the issued and outstanding Shares are reserved for issuance upon the exercise of incentive stock options ("Options").

The purpose of the Plan is to allow the Corporation to grant Options to directors, officers, employees and consultants of the Corporation and its subsidiaries or employees of companies providing management or consulting services to the Corporation or its subsidiaries (each, an "Eligible Optionee") as additional compensation, and as an opportunity to participate in the success of the Corporation. The granting of such Options is intended to align

the interests of such persons with that of the shareholders. Options are exercisable over periods of up to five years as determined by the Board of Directors of the Corporation and are required to have an exercise price no less than the greater of \$0.10 and the closing market price of the Shares prevailing on the date preceding the day that the Option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSX Venture Exchange (the “Exchange”).

The Plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion. The Plan provides that if a change of control, as defined therein, occurs, all Options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

In addition, the Plan provides as follows:

- (a) the number of Shares which may be issued to any one individual pursuant to the exercise of options may not exceed 5% of the issued Shares on a yearly basis;
- (b) the number of Shares which may be issued to any one consultant pursuant to the exercise of options may not exceed 2% of the issued Shares on a yearly basis;
- (c) the number of Shares which may be issued, in the aggregate, to a person conducting investor relations activities may not exceed 2% of the issued Shares on a yearly basis. Options issued to Consultants retained to provide investor relations activities must vest in stages over a period of at least 12 months with no more than ¼ of the options vesting in any three month period; and
- (d) if an optionee ceases to be an Eligible Optionee, any Options held by such Optionee shall expire no later than 90 days from the date such optionee ceases to be an Eligible Optionee (or 30 days if the optionee is engaged in investor relations activities). If an Eligible Optionee ceases to be an optionee due to death, the Options held by such optionee will expire 12 months from the date of death of the Option Holder; or a Consultant, or an Employee performing Investor Relations Activities, the Expiry Date shall be one month from the date of death of the Option Holder.

The Plan was last approved by the Corporation’s shareholders at the Corporation’s last annual general meeting held on November 22, 2019. Exchange policy requires that all such rolling stock option plans be approved by shareholders on an annual basis, and consequently the Corporation is seeking Shareholder approval of the Plan at the Meeting.

As of the date of this Circular, there are currently 7,220,000 stock options outstanding under the Stock Option Plan and 3,899,874 options available for grant as follows:

Name and Position	Common Shares Under Option	Exercise Price Range	Expiry Date
Directors	4,020,000	\$0.10-\$0.45	March 6, 2022 to July 27, 2025
Directors who are also Executive Officers	1,550,000	\$0.10-\$0.45	March 6, 2020 to July 27, 2025
Executive Officers	800,000	\$0.45	July 27, 2025 to October 8, 2025
Consultants and Employees	850,000	\$0.25-\$0.45	September 9, 2024 to December 21, 2025
TOTAL	7,220,000		

INDEBTEDNESS OF OFFICERS AND DIRECTORS

No officer or Director of the Corporation is indebted to the Corporation for any sum.

MANAGEMENT CONTRACTS

No Management functions of the Corporation are performed to any substantial degree by a person other than the

Directors or executive officers of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No insider of the Corporation, no proposed nominee for election as a Director of the Corporation, and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Corporation or any of its subsidiaries, other than disclosed under the headings "Executive Compensation" and "Stock Option Plan" and as disclosed below.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

National Instrument 52-110 of the Canadian Securities Administrators ("**NI 52-110**") requires the Corporation, as a Venture Issuer, to disclose annually in its information circular certain information relating to the Corporation's audit committee and its relationship with the Corporation's independent auditors.

The Audit Committee's Charter

The Corporation's Audit Committee is governed by its Audit Committee Charter, a copy of which is annexed hereto as **Schedule "A"**.

Composition of the Audit Committee

The Corporation's Audit Committee currently comprises three (3) Directors, James S. Borland (Chair), Trevor Boyd and Leo Karabelas. As defined in NI 52-110, all members are independent. Also as defined in NI 52-110, all members of the Audit Committee are financially literate.

Audit Committee Oversight

Since the commencement of the Corporation's two (2) most recently completed fiscal years, the Corporation's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Relevant Education and Experience

The following is a summary of the relevant education and experience of each of the members or proposed members of the Corporation's Audit Committee:

James S. Borland (Chair) has been involved in the mining industry for more than 25 years.

Trevor Boyd is a professional geologist with over 30 years of experience, holds a Ph.D in geology and has worked with both private and public companies.

Leo Karabelas has more than 14 years of experience in the capital markets industry.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditors in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Committee will review the engagement of non-audit services as required.

External Auditors Service Fees (By Category)

The fees paid to the Corporation’s external auditors in each of the last three fiscal years for audit fees are as follows:

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees⁽¹⁾</u>	<u>Tax Fees⁽²⁾</u>	<u>All Other Fees⁽³⁾</u>
2020	\$22,500	Nil	Nil	Nil
2019	\$17,000	Nil	Nil	Nil
2018	\$16,500	Nil	\$1,100	Nil

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 for venture issuers which allows for an exemption from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2.

CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires issuers to disclose the corporate governance practices that they have adopted according to guidance provided pursuant to National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”).

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the “**CSA**”) have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure by reporting issuers of its corporate governance practices. This section sets out the Corporation’s approach to corporate governance and addresses the Corporation’s compliance with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “**material relationship**” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

There are currently five (5) members of the Board of Directors. The current independent members of the Board of Directors of the Corporation are James S. Borland, Trevor Boyd, Leo Karabelas and Kai Hoffmann. The current non-independent director is Roger Moss, the Corporation’s President and Chief Executive Officer.

To facilitate the Directors of the Corporation functioning independent of management, where appropriate, during regularly scheduled meetings, non-independent Directors and members of management are excluded from certain discussions. The Board implemented a Board Charter in March 2021, which sets out its responsibilities and duties of its members. A copy of the Board Charter of the Corporation is attached hereto as **Schedule “B”**.

Directorships — No Director of the Corporation or nominee for director of the Corporation is presently a Director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction except for:

Director	Name of Reporting Issuer	Market	Positions with Issuer
Leo Karabelas	Smartset Services Inc.	TSXV	Director
	ANC Capital Ventures Inc.	TSXV	Director

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Corporation's properties and on director responsibilities.

Board meetings may also include presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business. In addition, management of the Corporation makes itself available to discussions with all Board members.

Ethical Business Conduct

The Board is committed to the establishment and maintenance of appropriate ethical standards to underpin the Corporation's operations and corporate practices. The Corporation's Code of Business Conduct and Ethics (the "Code") was implemented in March 2021 which aims to encourage the appropriate standards of conduct and behavior of the Directors, officers, employees and contractors (collectively the "Corporation Representatives") in carrying out their roles for the Corporation. The Corporation Representatives are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Corporation. The Corporation has also implemented an Insider Trading Policy, which imposes basic trading restrictions on all employees and consultants of the Corporation, and a Whistleblower Policy, which encourages the reporting of any non-compliance with the Code.

All Directors are required to notify fellow Directors of any material personal interest in any matter under the Board's consideration. Having regard to the nature and extent of such interest, the affected Director may be required to remove himself from discussion and consideration of, and voting on, such matter.

Nomination of Directors

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

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

Compensation

Compensation is determined by the Independent Directors of the Corporation with reference to compensation of officers and directors in similar industries performing similar functions.

Other Board Committees

The Corporation has no other committees aside from the Audit Committee.

The Audit Committee provides an open avenue of communication between management, the Corporation's independent auditors and the Board and to assist the Board in its oversight of:

- (a) the integrity, adequacy and timeliness of the Corporation's financial reporting and disclosure practices;
- (b) the Corporation's compliance with legal and regulatory requirements related to financial reporting; and
- (c) the independence and performance of the Corporation's independent auditors.

The Audit Committee also performs any other activities consistent with the Audit Committee Charter, the Corporation's Articles and governing laws as the Audit Committee or Board deems necessary or appropriate. See heading "Audit Committee and Relationship with Auditors".

Assessments

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

PARTICULARS OF MATTERS TO BE ACTED UPON

PRESENTATION OF FINANCIAL STATEMENTS

The Annual Financial Statements for the fiscal years ended September 30, 2020 and 2019 and September 30, 2019 and 2018 including the reports of the auditors thereon (the “**Annual Financial Statements**”) and the management, discussion and analysis of the Annual Financial Statements for the years ended September 30, 2020 and September 30, 2019 (the “**Annual MD&A**”) will be submitted to the Meeting. Receipt at the Meeting of the auditors’ report and the Annual Financial Statements for the Corporation’s last completed fiscal period will not constitute approval or disapproval of any matters referred to therein. The Annual Financial Statements and the Annual MD&A can be obtained from the Corporation’s profile on the SEDAR website at www.sedar.com. Upon receiving a written request to the address on the first page of this Circular, the Corporation will mail a copy of the Annual Financial Statements and Annual MD&A to you.

SET NUMBER OF DIRECTORS TO BE ELECTED

Shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution setting the number of directors to be elected at the Meeting. Currently the number of directors is set at five (5). At the Meeting, it will be proposed that five (5) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of the resolution to fix the number of directors to be elected at five (5).**

The shareholders are urged to approve the resolution to fix the number of directors at five (5).

ELECTION OF THE BOARD OF DIRECTORS

The Board of Directors of the Corporation currently consists of five (5) Directors. The Directors have passed a resolution fixing the number of Directors to be elected at five (5). The persons named in the enclosed form of proxy intend to vote for the election as Directors of each of the five (5) nominees of management whose names are set forth in the table below. The Board of Directors has adopted a majority voting policy in order to promote enhanced Director accountability. Each Shareholder is entitled to cast their votes for, or withhold their votes from, the election of each Director. If the number of shares “withheld” for any nominee exceeds the number of shares voted “for” the nominee, then, notwithstanding that such Director was duly elected as a matter of corporate law, he shall tender his written resignation to the Corporation. The Board will consider such offer of resignation and the Director’s suitability to continue to serve as a Board member after considering, among other things, the stated reasons, if any, why certain shareholders “withheld” votes for the Director, the qualifications of the Director and whether the Director’s resignation from the Board would be in the best interests of the Corporation.

These nominees have consented to being named in this Circular and to serve if elected. The Corporation’s management does not contemplate that any of the nominees will be unable or unwilling to serve as a Director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly submitted proxies given in favour of such nominee(s) may be voted by the persons whose names are printed in the form of proxy, in their discretion, in favour of another nominee.

The following table and notes thereto state the names of all the persons proposed to be nominated for election as Directors, all of the positions and offices with the Corporation now held by them, their present principal occupations or employments for the last five (5) years and the number of shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of March 11, 2021. The information as to shares beneficially owned has been furnished to the Board of Directors by the respective nominees.

<u>Name & Municipality of Residence</u>	<u>Position with Corporation</u>	<u>Principal Occupation or Employment for the Last Five Years</u>	<u>Director From</u>	<u>Number of Shares Beneficially Owned or Controlled</u>
Roger Moss Ontario, Canada	President, C.E.O. and Director	President of Moss Exploration, Services since September, 1997; President, CEO and Director of the Corporation since March 2004	March 22, 2004	2,428,859 Common Shares
James Borland ⁽¹⁾ Ontario, Canada	Director	President, Borland, Levand & Associates, a mining sector management services company	January 7, 2014	281,667 Common Shares
Trevor Boyd ⁽¹⁾ Ontario, Canada	Director	Professional Geologist, Self Employed Consultant	February 9, 2016	370,000 Common Shares
Leo Karabelas ⁽¹⁾ Ontario, Canada	Director	President, Focus Communications Ltd., an investor relations company	October 19, 2017	565,714 Common Shares
Kai Hoffmann Vancouver, Canada	Director	CEO, Soar Financial Group, a boutique merchant bank and corporate communications company	May 14, 2019	135,714 Common Shares

Note:

⁽¹⁾ Member of the Audit Committee.

In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of the election of Management’s nominees as directors of the Corporation.

The shareholders are urged to elect Management’s nominees as directors of the Corporation.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the knowledge of the Corporation, no Director or proposed Director of the Corporation is, as at the date of this Circular, or has been in the last 10 years before the date of this Circular, a Director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity,

- (a) was subject to an order that was issued while the Director or executive officer 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 Director or executive officer 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.

For the purposes of subsections (a) and (b) above, “order” means (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.

Bankruptcies

To the knowledge of the Corporation, no Director or proposed Director of the Corporation:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a Director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was

subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) has, within 10 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 the Director or proposed Director.

Penalties or Sanctions

To the knowledge of the Corporation, none of the Directors or proposed Directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian 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 making an investment decision.

Conflict of Interest

To the best of the Corporation's knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among the Corporation, its promoters, Directors, officers or other members of management of the Corporation except that certain of the Directors, officers, promoters and other members of management serve as Directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a Director, officer, promoter or member of management of such other companies and their duties as a Director, officer, promoter or management of the Corporation.

The Directors and officers of the Corporation are aware of the existence of laws governing accountability of Directors and officers for corporate opportunity and requiring disclosure by Directors of conflicts of interest and the Corporation will rely upon such laws in respect of any Directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its Directors and officers.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the appointment of DeVisser Gray LLP, of Vancouver, British Columbia, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the Directors of the Corporation to fix the auditors' remuneration.

On the representations of the said auditors, neither that firm nor any of its partners has any direct financial interest nor any material indirect financial interest in the Corporation or any of its subsidiaries nor has had any connection during the past three years with the Corporation or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, Director, officer or employee.

In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of the appointment of DeVisser Gray LLP, as the Corporation's auditors, and authorizing the Board of Directors to fix their remuneration.

The shareholders are urged by Management to appoint DeVisser Gray LLP, as the Corporation's auditors, and to authorize the Board of Directors to fix their remuneration.

RATIFICATION OF THE STOCK OPTION PLAN

The Corporation received shareholder approval on November 22, 2019 to ratify the 2006 Stock Option Plan (the "**2006 Plan**") which plan is a "rolling" stock option plan whereby a maximum of 10% of the issued shares of the Corporation, from time to time, may be reserved for issuance pursuant to the exercise of options.

The TSX-V requires listed companies that have "rolling" stock option plans in place to receive shareholder approval of such plans on a yearly basis at the Corporation's Annual General Meeting. Accordingly, Shareholders will be asked at the Meeting to ratify the 2006 Plan.

Management of the Corporation is seeking shareholder approval to ratify the 2006 Stock Option Plan. Reference is made to the heading "Adoption of the 2021 Stock Option Plan". If the 2021 Stock Option Plan is adopted, all the options granted under the 2006 Plan will be governed by the 2021 Stock Option Plan and the 2021 Stock Option Plan will supersede and replace the 2006 Plan.

It is proposed that shareholders approve the following resolution:

"BE IT RESOLVED THAT:

1. the Corporation's 2006 Stock Option Plan is hereby ratified; and
2. any one director or officer of the Corporation be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution."

In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of ratification of the 2006 Stock Option Plan.

Management urges shareholders to approve the ratification of the 2006 Stock Option Plan.

CONTINUANCE INTO ONTARIO

The Corporation is currently governed by the *Business Corporations Act* (British Columbia) (the "BCBCA"). Management is seeking the approval of Shareholders, by special resolution, to continue the Corporation into the Province of Ontario pursuant to Section 180 of the *Business Corporations Act* (Ontario) (the "OBCA") (the "Continuance"). The Continuance will be effective upon approval of the articles of continuance (the "Articles of Continuance") to be filed with the Director (appointed under Section 278 of the OBCA (the "Director")) pursuant to subsection 180(2) of the OBCA after the B.C. Registrar of Companies (appointed under Section 400 of the BCBCA (the "Registrar")) has granted to the Corporation an authorization to continue into the Province of Ontario.

As management and the head office of the Corporation are now located in Ontario, management believes that it will be more efficient and cost effective for the Corporation to be governed by the laws of Ontario.

Upon completion of the Continuance, the BCBCA will cease to apply to the Corporation and the Corporation will hereupon become subject to the OBCA, as if it had been originally incorporated as an Ontario company. The Continuation will not result in any change in the name or business of the Corporation or its assets, liabilities or net worth.

If the special resolution approving the Continuance (the "Continuance Resolution") is approved at the Meeting, it is proposed the Corporation shall apply to and file all necessary documentation with the Registrar under the BCBCA for an authorization to continue into the Province of Ontario. Immediately following the receipt of the Registrar's authorization, it is proposed that the Corporation shall apply for a certificate of continuance and file Articles of Continuance under the OBCA to continue the Corporation into Ontario. The Articles of Continuance will constitute the governing instrument of the continued company under the OBCA and the certificate of continuance issued by the Director will be deemed to be the certificate of incorporation of the continued company.

In order to complete the Continuance, Shareholders will be asked, at the Meeting, to consider, and if thought advisable, to pass, with or without amendment, the Continuance Resolution as more particularly set out below under the heading "Shareholder Approval to Continuance Resolution". The Continuance Resolution must be passed by non-less than 66 2/3% of the votes cast by the Shareholders present in person or represented by proxy at the Meeting. Management recommends that Shareholders vote in favor of the Continuance Resolution.

Section 309 of the BCBCA gives to registered Shareholders who object to the Continuance the right of dissent provided under section 238 of the BCBCA under Division 2 of Part 8 in respect of the Continuance and to be paid the fair value of their Common Shares determined as of the day before the resolution approving the

Continuance was passed. See heading “Dissent Right to Continuance” below for details of this dissent right.

Comparison of Rights Under the OBCA and the BCBCA

The OBCA provides shareholders with substantially the same rights as are available to shareholders under the BCBCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions. However, there are certain differences between the two statutes and the regulations made thereunder.

The following is a summary of certain differences between the BCBCA and the OBCA, but it is not intended to be a comprehensive review of the two statutes. Reference should be made to the full text of both statutes and the regulations thereunder for particulars of any differences between them, and Shareholders should consult their own legal or other professional advisors with regard to all of the implications of the Continuance which may be of importance to them.

Charter Documents

Under the BCBCA, the charter documents consist of a “notice of articles,” which sets forth, among other things, the name of the corporation and the amount and type of authorized capital, and “articles” which govern the management of the corporation. The notice of articles is filed with the Registrar of Companies, while articles are filed only with the corporation’s registered and records office.

Under the OBCA, a corporation’s charter documents consist of “articles of incorporation,” which set forth the name of the corporation and the amount and type of authorized capital, and the “by-laws,” which govern the management of the corporation. The articles are filed with the Director under the OBCA and the by-laws are filed with the corporation’s registered office, or at another location designated by the corporation’s directors.

Sale of Business or Assets

Under the BCBCA, the directors of a corporation may sell, lease or otherwise dispose of all or substantially all of the undertaking of the corporation only if it is in the ordinary course of the corporation’s business or with shareholder approval authorized by special resolution. Under the BCBCA, a special resolution requires the approval of a “special majority”, which means the majority specified in a corporation’s articles, if such specified majority is at least two-thirds and not more than by three-quarters of the votes cast by those shareholders voting in person or by proxy at a general meeting of the corporation. If the articles do not contain a provision stipulating the special majority, then a special resolution is passed by at least two-thirds of the votes cast on the resolution.

The OBCA requires approval of the holders of two-thirds of the shares of a corporation represented at a duly called meeting to approve a sale, lease or exchange of all or substantially all of the property of the corporation that is other than in the ordinary course of business of the corporation. Holders of shares of a class or series, whether or not they are otherwise entitled to vote, can vote separately only if that class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series.

Amendments to the Charter Documents of a Corporation

Changes to the articles of a corporation under the BCBCA will be effected by the type of resolution specified in the articles of a corporation, which, for many alterations, including change of name or alterations to the articles, could provide for approval solely by a resolution of the directors. In the absence of anything in the articles, most corporate alterations will require a special resolution of the shareholders to be approved by not less than two-thirds of the votes cast by the shareholders voting on the resolution. Alteration of the special rights and restrictions attached to issued shares requires, subject to the requirements set forth in the corporation’s articles, consent by a special resolution of the holders of the class or series of shares affected. A proposed amalgamation or continuation of a corporation out of the jurisdiction generally requires shareholders to approve the adoption of the amalgamation agreement or the continuance, as applicable, by way of a special resolution.

Under the OBCA, certain amendments to the charter documents of a corporation require a resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the amendments and,

where certain specified rights of the holders of a class or series of shares are affected by the amendments differently than the rights of the holders of other classes or series of shares, such holders are entitled to vote separately as a class or series, whether or not such class or series of shares otherwise carry the right to vote. A resolution to amalgamate an OBCA corporation requires a special resolution passed by the holders of each class or series of shares, whether or not such shares otherwise carry the right to vote, if such class or series of shares are affected differently.

Rights of Dissent and Appraisal

The BCBCA provides that shareholders, including beneficial holders, who dissent from certain actions being taken by a corporation, may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable where the corporation proposes to:

- (a) alter the articles to alter restrictions on the powers of the corporation or on the business it is permitted to carry on;
- (b) adopt an amalgamation agreement;
- (c) approve an amalgamation under Division 4 of Part 9 of the BCBCA;
- (d) approve an arrangement, the terms of which arrangement permit dissent;
- (e) authorize or ratify the sale, lease or other disposition of all or substantially all of the corporation's undertaking; or
- (f) authorize the continuation of the corporation into a jurisdiction other than British Columbia.

In certain circumstances, shareholders may also be entitled to dissent in respect of a resolution if dissent is authorized by such resolution, or if permitted by court order.

The OBCA contains a similar dissent remedy to that contained in the BCBCA, although the procedure for exercising this remedy is different. Subject to specified exceptions, dissent rights are available where the corporation resolves to:

- (a) amend its articles to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;
- (b) amend its articles to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;
- (c) amalgamate with another corporation;
- (d) be continued under the laws of another jurisdiction; or
- (e) sell, lease or exchange all or substantially all its property.

Oppression Remedies

Under the OBCA a registered shareholder, beneficial shareholder, former registered shareholder or beneficial shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, and in the case of an offering corporation, the Ontario Securities Commission, may apply to a court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates:

- (a) any act or omission of a corporation or its affiliates effects or threatens to effect a result;
- (b) the business or affairs of a corporation or its affiliates are or have been or are threatened to be carried on or conducted in a manner; or
- (c) the powers of the directors of the corporation or any of its affiliates are, have been or are threatened to be exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of any security holder, creditor, director or officer of the corporation.

On such an application, the court may make such order as it sees fit, including but not limited to, an order restraining the conduct complained of.

The oppression remedy under the BCBCA is similar to the remedy found in the OBCA, with a few differences. Under the OBCA, the applicant can complain not only about acts of the corporation and its directors but also acts of an affiliate of the corporation and the affiliate's directors, whereas under the BCBCA, the shareholder can only complain of oppressive conduct of the corporation. Under the BCBCA the applicant must bring the application in a timely manner, which is not required under the OBCA, and the court may make an order in respect of the complaint if it is satisfied that the application was brought by the shareholder in a timely manner. As with the OBCA, the court may make such order as it sees fit, including an order to prohibit any act proposed by the corporation. Under the OBCA a corporation is prohibited from making a payment to a successful applicant in an oppression claim if there are reasonable grounds for believing that (a) the corporation is, or after the payment, would be unable to pay its liabilities as they become due, or (b) the realization value of the corporation's assets would thereby be less than the aggregate of its liabilities; under the BCBCA, if there are reasonable grounds for believing that the corporation is, or after a payment to a successful applicant in an oppression claim would be, unable to pay its debts as they become due in the ordinary course of business, the corporation must make as much of the payment as possible and pay the balance when the corporation is able to do so.

Shareholder Derivative Actions

Under the BCBCA, a shareholder, defined as including a beneficial shareholder and any other person whom the court considers to be an appropriate person to make an application under the BCBCA, or a director of a corporation may, with leave of the court, bring a legal proceeding in the name and on behalf of the corporation to enforce an obligation owed to the corporation that could be enforced by the corporation itself, or to obtain damages for any breach of such an obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against a corporation.

A broader right to bring a derivative action is contained in the OBCA than is found in the BCBCA, and this right extends to former shareholders, directors or officers of a corporation or its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the OBCA permits derivative actions to be commenced in the name and on behalf of a corporation or any of its subsidiaries. The complainant must provide the directors of the corporation or its subsidiary with fourteen days' notice of the complainant's intention to apply to the court to bring a derivative action, unless all of the directors of the corporation or its subsidiary are defendants in the action.

Requisition of Meetings

The BCBCA provides that one or more shareholders of a corporation holding not less than 5% of the issued voting shares of the corporation may give notice to the directors requiring them to call and hold a general meeting which meeting must be held within 4 months. Subject to certain exceptions, if the directors fail to provide notice of a meeting within 21 days of receiving the requisition, the requisitioning shareholders, or any one or more of them holding more than 2.5% of the issued shares of the corporation that carry the right to vote at general meetings may send notice of a general meeting to be held to transact the business stated in the requisition.

The OBCA permits the holders of not less than 5% of the issued shares of a corporation that carry the right to vote to require the directors to call and hold a meeting of the shareholders of the corporation for the purposes stated in the requisition. Subject to certain exceptions, if the directors fail to provide notice of a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

Form and Solicitation of Proxies, Information Circular

Under the BCBCA, the management of a public corporation, concurrently with sending a notice of meeting of shareholders, must send a form of proxy to each shareholder who is entitled to vote at the meeting as well as an information circular containing prescribed information regarding the matters to be dealt with at the meeting. The required information is substantially the same as the requirements that apply to the corporation under applicable securities laws. The BCBCA does not place any restriction on the method of soliciting proxies.

The OBCA also contains provisions prescribing the form and content of notices of meeting and information circulars. Under the OBCA, a person who solicits proxies, other than by or on behalf of management of the corporation, must send a dissident's proxy circular in prescribed form to each shareholder whose proxy is solicited and certain other recipients. Pursuant to the OBCA a person may solicit proxies without sending a dissident's proxy circular if either (i) the total number of shareholders whose proxies are solicited is 15 or fewer (with two or more joint holders being counted as one shareholder), or (ii) the solicitation is, in certain prescribed circumstances, conveyed by public broadcast, speech or publication.

Place of Shareholders' Meetings

The BCBCA requires all meetings of shareholders to be held in British Columbia unless: (i) a location outside the province of British Columbia is provided for in the articles; (ii) the articles do not restrict the corporation from approving a location outside of the province of British Columbia for holding of the general meeting and the location of the meeting is approved by the resolution required by the articles for that purpose or by ordinary resolution if no resolution is required for that purpose by the articles; or (iii) if the location for the meeting is approved in writing by the registrar before the meeting is held.

The OBCA provides that, subject to the articles and any unanimous shareholder agreement, meetings of shareholders may be held either inside or outside Ontario as the directors may determine, or in the absence of such a determination, at the place where the registered office of the corporation is located.

Directors' Residency Requirements

The BCBCA provides that a public corporation must have at least three directors but does not have any residency requirements for directors.

The OBCA requires that at least 25% of directors be resident Canadians, unless the corporation has less than four directors, in which case at least one director must be a resident Canadian.

Removal of Directors

The BCBCA provides that the shareholders of a corporation may remove one or more directors by a special resolution or by any other method specified in the articles. If holders of a class or series of shares have the exclusive right to elect or appoint one or more directors, a director so elected or appointed may only be removed by a separate special resolution of the shareholders of that class or series or by any other method specified in the articles.

The OBCA provides that the shareholders of a corporation may by ordinary resolution at an annual or special meeting remove any director or directors from office. An ordinary resolution under the OBCA requires the resolution to be passed, with or without amendment, at the meeting by at least a majority of the votes cast. The OBCA further provides that where the holders of any class or series of shares of a corporation have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.

Meaning of "Insolvent"

Under the BCBCA, for purposes of the insolvency test that must be passed for the payment of dividends and purchases and redemptions of shares, "insolvent" is defined to mean when a corporation is unable to pay its debts as they become due in the ordinary course of its business. Unlike the OBCA, the BCBCA does not impose a net asset solvency test for these purposes. For purposes of proceedings to dissolve or liquidate, the definition of "insolvent" from federal bankruptcy legislation applies.

Under the OBCA, a corporation may not pay dividends or purchase or redeem its shares if there are reasonable grounds for believing (i) it is or would be unable to pay its liabilities as they become due; or (ii) it would not meet a net asset solvency test. The net asset solvency tests for different purposes vary somewhat.

Reduction of Capital

Under the BCBCA, capital may be reduced by special resolution or court order. A court order is required if the realizable value of the corporation's assets would, after the reduction of capital, be less than the aggregate of its liabilities.

Under the OBCA, capital may be reduced by special resolution but not if there are reasonable grounds for believing that, after the reduction, (i) the corporation would be unable to pay its liabilities as they become due; or (ii) the realizable value of the corporation's assets would be less than its liabilities.

Shareholder Proposals

The BCBCA includes a more detailed regime for shareholders' proposals than the OBCA. For example, a person submitting a proposal must have been the registered or beneficial owner of one or more voting shares for at least two years before signing the proposal. In addition, the proposal must be signed by shareholders who, together with the submitter, are registered or beneficial owners of (i) at least 1% of the corporation's voting shares, or (ii) shares with a fair market value exceeding an amount prescribed by regulation (at present, C\$2,000).

The OBCA allows shareholders entitled to vote or a beneficial owner of shares that are entitled to be voted to submit a notice of a proposal.

Compulsory Acquisition

The OBCA provides a right of compulsory acquisition for an offeror that acquires 90% of the target securities pursuant to a take-over bid or issuer bid, other than securities held at the date of the bid by or on behalf of the offeror.

The BCBCA provides a substantively similar right although there are differences in the procedures and process. Unlike the OBCA, the BCBCA provides that where an offeror does not use the compulsory acquisition right when entitled to do so, a securityholder who did not accept the original offer may require the offeror to acquire the securityholder's securities on the same terms contained in the original offer.

Investigation/Appointment of Inspectors

Under the BCBCA, a corporation may appoint an inspector by special resolution. Shareholders holding at least 20% of the issued shares of a corporation may apply to the court for the appointment of an inspector. The court must consider whether there are reasonable grounds for believing there has been oppressive, unfairly prejudicial, fraudulent, unlawful or dishonest conduct.

Under the OBCA, shareholders can apply to the court for the appointment of an inspector. Unlike the BCBCA, the OBCA does not require an applicant to hold a specified number of shares.

Shareholder Approval to Continuance Resolution

In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of the Continuance Resolution.

The following is the text of the Special Resolution which requires approval of two-thirds ($\frac{2}{3}$) of the votes cast at the Meeting to be effective:

“BE IT RESOLVED, AS A SPECIAL RESOLUTION THAT:

- (a) the continuance (the “**Continuance**”) of the Corporation out of the Province of British Columbia and into the Province of Ontario under the *Business Corporations Act* (Ontario) (the “**OBCA**”) is hereby authorized and approved;
- (b) the Corporation is hereby authorized to make application to the Registrar of Companies for

British Columbia, for authorization to permit the Continuance in accordance with section 308 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”);

- (c) pursuant to section 308 of the BCBCA, the board of directors (the “**Board**”) of the Corporation be and is hereby authorized, directed and empowered to make application pursuant to section 180 of the OBCA to the Director under the OBCA for a certificate of continuance continuing the Corporation as if it had been incorporated thereunder;
- (d) notwithstanding that this special resolution has been duly passed by the shareholders of the Corporation, the Board is hereby authorized, at its discretion, to determine, at any time, to proceed or not proceed with the Continuance and to abandon the application for continuance of the Corporation at any time prior to the implementation of the Continuance without further approval of the shareholders of the Corporation; and
- (e) any director or officer of the Corporation is hereby authorized to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the foregoing resolutions (including, without limitation, the execution and filing of such Articles of Continuance and of certificates or other assurances that the Continuance will not adversely affect creditors or shareholders of the Corporation), the execution of any such document or the doing of any such other act or thing by any director or officer of the Corporation being conclusive evidence of such determination.”

The Board may, notwithstanding requisite shareholder approval, abandon the application for the Continuance without further approval of the shareholders, all as provided under the BCBCA. In making such determination, the Board in its discretion, will determine whether it is in the best interests of the Corporation to proceed with the Continuance, after considering all relevant factors at the particular time, whether or not foreseen at this date.

Section 309 of the BCBCA gives to registered Shareholders who object to the Continuance the right of dissent provided under section 238 of the BCBCA under Division 2 of Part 8 in respect of the Continuance and to be paid the fair value of their Common Shares determined as of the day before the resolution approving the Continuance was passed. See heading “Dissent Right to Continuance” below for details of this dissent right.

Management recommends that shareholders vote for the Continuance Resolution.

THIS RESOLUTION MUST BE APPROVED BY THE REQUISITE TWO-THIRDS MAJORITY OF THE VOTES CAST AT THE MEETING.

Dissent Right to the Continuance

Division 2 of Part 8 of the BCBCA (the “**Dissent Provisions**”) provides that a shareholder of the Corporation, whether or not such shareholder’s shares carry the right to vote has the right to dissent from the Continuance Resolution (“**Dissent Rights**”). A shareholder who validly exercises the Dissent Rights, in accordance with the Dissent Provisions, will be entitled, if the Continuance is completed, to be paid the payout value of the dissenting shareholder’s Shares determined in accordance with the Dissent Provisions.

The following is only a summary of the dissent rights applicable to the Continuance under the Dissent Provisions, which are technical and complex. The summary is not a comprehensive statement of the procedures to be followed by a shareholder who seeks to exercise the Dissent Rights and is qualified in its entirety by the complete text of the Dissent Provisions, which are attached to this Circular as **Schedule “C”**. **A shareholder who intends to exercise Dissent Rights in respect of the Continuance Resolution should carefully review, consider and comply with the Dissent Provisions and it is suggested that any shareholders wishing to avail themselves of the Dissent Rights seek legal advice as failure to comply strictly with the Dissent Provisions may prejudice the availability of the Dissent Rights. Additionally, persons who are beneficial owners of shares registered in the name of a broker, custodian, nominee or other intermediary, or in some other name, should contact the registered shareholder for assistance in exercising the Dissent Rights.**

A shareholder who wishes to exercise the Dissent Rights must give written notice of dissent (a “**Dissent Notice**”) to the Corporation by depositing the Dissent Notice with the Corporation, or by mailing it to the Corporation by

registered mail at its head office at c/o Gowling WLG (Canada) LLP, 550 Burrard Street, Bentall 5, Suite 2300, Vancouver, British Columbia V6C 2B5, marked to the attention of the President not later than two business days before the Meeting. A shareholder who wishes to exercise the Dissent Rights must prepare a separate Dissent Notice for: (i) the shareholder, if the shareholder is dissenting on its own behalf, and (ii) each person who beneficially owns Shares in the shareholder's name and on whose behalf the shareholder is dissenting. To be valid, a Dissent Notice must:

- (a) identify in each Dissent Notice the person on whose behalf dissent is being exercised;
- (b) set out the number of Shares in respect of which the shareholder is exercising the Dissent Rights (the "**Notice Shares**"), which number cannot be less than all of the Shares held by a beneficial owner on whose behalf the Dissent Rights are being exercised, if any;
- (c) if the Notice Shares constitute all of the Shares of which the dissenting shareholder is both the registered owner and beneficial owner and the dissenting shareholder owns no other Shares as beneficial owner, a statement to that effect;
- (d) if the Notice Shares constitute all of the Shares of which the dissenting shareholder is both the registered and beneficial owner but the dissenting shareholder owns other shares of the Corporation as beneficial owner, a statement to that effect, and (i) the names of the registered owners of those other shares, (ii) the number of those other shares that are held by each of those registered owners, and (iii) a statement that Notices of Dissent are being or have been sent in respect of all those other shares; and
- (e) if dissent is being exercised by the dissenting shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect, and (i) the name and address of the beneficial owner, and (ii) a statement that the dissenting shareholder is dissenting in relation to all of the Shares beneficially owned by the beneficial owner that are registered in the dissenting shareholder's name.

The giving of a Dissent Notice does not deprive a dissenting shareholder of the shareholder's right to vote at the Meeting, however, a shareholder is not entitled to exercise the Dissent Rights with respect to any Shares if the shareholder votes (or instructs or is deemed, by submission of an incomplete proxy or otherwise, to have instructed the shareholder's proxyholder to vote) in favour of the Continuance Resolution. A vote against the Continuance Resolution or the execution or exercise of a proxy does not constitute a Dissent Notice. A dissenting shareholder, however, may vote as a proxy for a shareholder whose proxy required an affirmative vote, without affecting the shareholder's right to exercise the Dissent Rights. If the Corporation intends to act on the authority of the Continuance Resolution, it must send a notice (the "**Notice to Proceed**") to the dissenting shareholder promptly after the later of:

- (a) the date on which the Corporation forms the intention to proceed with the Continuance; and
- (b) the date on which the Dissent Notice was received.

If the Corporation has acted on the Continuance Resolution it must promptly send a Notice to Proceed to the dissenting shareholder. The Notice to Proceed must be dated not earlier than the date on which it is sent and state that the Corporation intends to act or has acted on the authority of the Continuance Resolution and advise the dissenting shareholder of the manner in which dissent is to be completed. On receiving a Notice to Proceed, the dissenting shareholder is entitled to require the Corporation to purchase all of the Shares in respect of which the Dissent Notice was given.

A dissenting shareholder who receives a Notice to Proceed, and who wishes to proceed with the dissent, must send to the Corporation or to the Transfer Agent within one month after the date of the Notice to Proceed:

- (a) a written statement that the dissenting shareholder requires the Corporation to purchase all of the Notice Shares;
- (b) the certificates, if any, representing the Notice Shares; and
- (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a written statement signed by the beneficial owner setting out whether the beneficial owner is the beneficial owner of other Shares and if so, setting out (i) the names of the registered owners of those other Shares, (ii) the number of those other Shares that are held by each of those registered owners, and (iii)

that dissent is being exercised in respect of all of those other Shares, whereupon the Corporation is bound to purchase them in accordance with the Dissent Notice.

The Corporation and the dissenting shareholder may agree on the amount of the payout value of the Notice Shares and in that event, the Corporation must either promptly pay that amount to the dissenting shareholder or send a notice to the dissenting shareholder that the Corporation is unable lawfully to pay dissenting shareholders for their Shares as the Corporation is insolvent or the payment would render the Corporation insolvent. If the Corporation and the dissenting shareholder do not agree on the amount of the payout value of the Notice Shares, the dissenting shareholder or the Corporation may apply to the Supreme Court of British Columbia (the “**Court**”) and the Court may:

- (a) determine the payout value of the Notice Shares or order that the payout value of the Notice Shares be established by arbitration or by reference to the registrar or a referee of the Court;
- (b) join in the application each dissenting shareholder who has not agreed with the Corporation on the amount of the payout value of the Notice Shares; and
- (c) make consequential orders and give directions it considers appropriate.

Promptly after a determination of the payout value of the Notice Shares has been made, the Corporation must either pay that amount to the dissenting shareholder or send a notice to the dissenting shareholder that the Corporation is unable lawfully to pay dissenting shareholders for their Shares as the Corporation is insolvent or the payment would render the Corporation insolvent. If the dissenting shareholder receives a notice that the Corporation is unable to lawfully pay dissenting shareholders for their Shares, the dissenting shareholder may, within 30 days after receipt, withdraw the shareholder’s Dissent Notice. If the Dissent Notice is not withdrawn, the dissenting shareholder remains a claimant against the Corporation to be paid as soon as the Corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Corporation but in priority to the shareholders.

Any notice required to be given by the Corporation or a dissenting shareholder to the other in connection with the exercise of the Dissent Rights will be deemed to have been given and received, if delivered, on the day of delivery, or, if mailed, on the earlier of the date of receipt and the second business day after the day of mailing, or, if sent by telecopier or other similar form of transmission, the first business day after the date of transmittal.

A dissenting shareholder who:

- (a) properly exercises the Dissent Rights by strictly complying with all of the Dissent Provisions required to be complied with by a dissenting shareholder, will cease to have any rights as a shareholder other than the right to be paid the fair value of such shareholder’s Shares in accordance with the Dissent Provisions; or
- (b) seeks to exercise the Dissent Rights, but who for any reason does not properly comply with each of the Dissent Provisions required to be complied with by a dissenting shareholder loses such right to dissent.

A dissenting shareholder may not withdraw a Dissent Notice without the consent of the Corporation. A dissenting shareholder may, with the written consent of the Corporation, at any time prior to the payment to the dissenting shareholder of the full amount of money to which the dissenting shareholder is entitled, abandon such dissenting shareholder’s dissent to the Continuance by giving written notice to the Corporation withdrawing the Dissent Notice, by depositing such notice with the Corporation, or mailing it to the Corporation by registered mail, at its head office at c/o Gowling WLG (Canada) LLP, 550 Burrard Street, Bentall 5, Suite 2300, Vancouver, British Columbia V6C 2B5, marked to the attention of the President.

Shareholders who wish to exercise their Dissent Rights should carefully review the Dissent Provisions attached to this Circular as **Schedule “C”** and seek independent legal advice, as failure to adhere strictly to the Dissent Rights requirements may result in the loss of any right to dissent.

APPROVAL OF ARTICLES OF CONTINUANCE AND AUTHORIZING THE DIRECTORS TO DETERMINE THE NUMBER OF DIRECTORS

If the Continuance is approved, it is proposed that shareholders be asked to consider, and if thought appropriate, approve, by a two-thirds ($\frac{2}{3}$) majority of all Common Shares voted at the Meeting, a special resolution approving the contents of the Articles of Continuance, the form of which is attached hereto as **Schedule “D”**. Shareholders are

also being asked to approve a special resolution, pursuant to section 125(3) of the OBCA, authorizing the directors, by a resolution of the directors, to determine the number of directors of the Corporation and the number of directors to be elected at the annual meeting of the shareholders. If this special resolution is approved, pursuant to section 124(2) of the OBCA, the directors will have the ability, between meetings of shareholders, to appoint additional directors provided the total number of directors appointed would not exceed one and one-third ($1\frac{1}{3}$) times the number of directors elected at the last annual meeting of shareholders.

In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of this Special Resolution.

The following is the text of the Special Resolution which requires approval of two-thirds ($\frac{2}{3}$) of the votes cast at the Meeting to be effective:

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Articles of Continuance attached as **Schedule “D”** to the Circular are hereby approved;
2. the authorized capital of the Corporation following the Continuance of the Corporation into Ontario shall consist of an unlimited number of Common Shares without par value;
3. pursuant to section 125(3) of *the Business Corporations Act* (Ontario) (the “**OBCA**”), the directors of the Corporation are hereby empowered to determine from time to time by resolution the number of directors of the Corporation and the number of directors of the Corporation to be elected at annual meetings of the Shareholders of the Corporation; and
4. the directors of the Corporation be and are hereby authorized upon the board of directors resolving to give effect to this resolution, to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution (including, without limitation, the delivery of Articles of Continuance in the prescribed form to the Director appointed under the OBCA).”

Management recommends that shareholders vote for the Special Resolution authorizing the Articles of Continuance and authorizing the directors to determine the number of directors.

THIS RESOLUTION MUST BE APPROVED BY THE REQUISITE TWO-THIRDS MAJORITY OF THE VOTES CAST AT THE MEETING.

ADOPTION OF NEW GENERAL BY-LAW NUMBER 1

If the Continuance is approved and effected, By-Law Number 1 (“**By-Law Number 1**”) under the OBCA which has been conditionally approved by the Board of Directors will be implemented as the Corporation’s general by-law. The Shareholders of the Corporation will be asked to consider and, if thought appropriate, approve, a resolution adopting By-Law Number 1, a copy of which is attached hereto as **Schedule “E”**. **In the absence of contrary directions, the Management Designees intend to vote proxies in the accompanying form in favour of the resolution to adopt By-Law Number 1.**

By-Law Number 1 includes a provision requiring advance notice (the “**Advance Notice Provisions**”) to the Corporation in circumstances where nominations of persons for election to the Board are made by the shareholders of the Corporation other than pursuant to: (a) a requisition of a meeting made pursuant to the provisions of the OBCA; or (b) a shareholder proposal made pursuant to the provisions of the OBCA.

Among other things, the Advance Notice Provisions fix a deadline by which holders of record or beneficial owners of Common Shares of the Corporation must submit Director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the

Corporation. In the case of an annual meeting of shareholders, notice to the Corporation must be provided not less than 30 days nor more than 65 days prior to the date of the annual meeting.

In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Corporation must be provided no later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The Board believes that the Advance Notice Provisions are consistent with shareholder rights and democracy and of benefit to shareholders for the following reasons:

- They do not prevent shareholders from making Director nominations.
- They will provide the Corporation with adequate prior notice of Director nominations.
- They will ensure the Corporation has sufficient information about nominees. This way, the Corporation will be in a better position to evaluate a proposed nominee's qualifications and suitability to serve as a Director of the Corporation.
- They ensure an orderly nomination and meeting process and that shareholders are informed in advance of a proxy contest and have the relevant information, in a timely way, to knowledgeably vote on contested Director elections.
- They prevent the possibility of a small group of shareholders taking advantage of a poorly attended meeting to nominate their slate of Directors from the floor of a meeting and thus impose their slate on what could be a majority of shareholders who are unaware that this could happen (because without a provision in a corporation's articles or by-laws, there is no requirement to give prior notice of nominations from the floor).

The following is the text of the resolution which requires approval of a majority of the votes cast at the Meeting to be effective:

“BE IT RESOLVED THAT:

1. By-Law Number 1, being a general by-law in the form attached to the Circular dated March 11, 2021 as **Schedule “E”** be and is hereby adopted as a by-law of the Corporation; and
2. any one or more directors or officers be and are hereby authorized, upon the board of directors resolving to give effect to this resolution, to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution.”

Management recommends that shareholders vote for the adoption of By-Law Number 1.

ADOPTION OF THE 2021 STOCK OPTION PLAN

Management of the Corporation is seeking shareholder approval to replace the 2006 Plan by adopting the new 2021 Stock Option Plan. The changes to the 2006 Plan include the automatic extension of the expiry date of an option without shareholder approval where the option expires during a blackout period or within ten (10) days from the end of a blackout period, the extension of the term of options for a period not exceeding ten (10) years, the extension of the expiry of an option for up to six (6) months following the date of termination of the optionee and some minor administrative changes.. The proposed new 2021 Stock Option Plan (the **“2021 Plan”**) is attached hereto as **Schedule “F”**.

The purpose of the 2021 Plan is to provide certain directors, officers and key employees of, and certain other persons who provide services to the Corporation and any subsidiaries with an opportunity to purchase Common

Shares of the Corporation and benefit from any appreciation in the value of the Corporation's Common Shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the Shareholders and increasing the ability of the Corporation and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Corporation.

The 2021 Plan provides for a floating maximum limit of 10% of the outstanding Common Shares, as permitted by the policies of the TSX-V. As at March 11, 2021, this represents 11,119,874 Common Shares available under the Plan, of which 7,220,000 are issued and 3,899,874 are reserved and available for issuance under the 2021 Plan.

Under the 2021 Plan, the option price must not be less than the exercise price permitted by the TSX-V. The current policies of the TSX-V state that the option price must not be less than the closing price of the Common Shares listed on the TSX-V on the day immediately preceding the date of grant, less the applicable discount permitted by the policies of the TSX-V. The 2021 Plan does not permit discounts. An option must be exercised within a period of five years from the date of granting. Within this five year period, the Board may determine the limitation period during which an option may be exercised. Any amendment to the 2021 Plan requires the approval of the TSX-V and may require shareholder approval.

The material terms of the 2021 Plan are as follows:

1. The term of any options granted under the Plan will be fixed by the Board at the time such options are granted, provided that options will not be permitted to exceed a term of five (5) years.
2. The exercise price of any options granted under the Plan will be determined by the Board, in its sole discretion, but shall not be less than the closing price of the Corporation's Common Shares on the day prior to the grant of such options.
3. No vesting requirements will apply to options granted under the Plan other than as required by TSX-V policies or as may be determined by the Board.
4. All options will be non-assignable and non-transferable.
5. No more than (i) 5% of the issued Common Shares may be granted to any one individual in any 12-month period; and (ii) 2% of the issued Common Shares may be granted to a consultant, or an employee performing investor relations activities, in any 12-month period.
6. If the option holder ceases to be a director of the Corporation or ceases to be employed by the Corporation (other than by reason of death or disability), as the case may be, then the option granted shall expire on no later than six (6) months following the date that the option holder ceases to be a director or ceases to be employed by the Corporation, subject to the terms and conditions set out in the Plan. However, if the option holder is engaged in investor relations activities the options must expire within thirty (30) days after the option holder ceases to be employed by the Corporation to provide investor relations activities, in accordance with the policies of the TSX-V.
7. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12-month period, exceeding 10% of the Corporation's issued Common Shares; and (iii) any grant of options to any one individual, within a 12-month period, exceeding 5% of the Corporation's issued Common Shares.
8. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Corporation's Common Shares.
9. The automatic extension of the expiry date of an option for a period of ten (10) business days following the expiry of the blackout period without shareholder approval where the option expires during a blackout period or within ten (10) days from the end of a blackout period.

It is proposed that shareholders approve the following resolution:

“BE IT RESOLVED THAT:

1. the Corporation’s 2021 Stock Option Plan, a copy of which is annexed to the Circular as **Schedule “F”**, is hereby approved; and
2. any one director or officer of the Corporation be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

Management urges shareholders to approve the 2021 Plan.

ADDITIONAL INFORMATION

Additional information concerning the Corporation can be obtained from www.sedar.com.

Financial information concerning the Corporation is provided in the Corporation’s comparative financial statements and Management Discussion and Analysis for its fiscal years ended September 30, 2020 and September 30, 2019. Copies of these documents may be obtained from the Corporation by making a request in writing to the Corporation at 82 Richmond Street East, 1st Floor, Toronto, Ontario, M5C 1P1, email: info@labradorgold.com, Attention: Chief Executive Officer.

APPROVAL OF DIRECTORS

The Circular and the mailing of same to shareholders have been approved by the Board of Directors of the Corporation.

DATED the 11th day of March, 2021.

BY ORDER OF THE

BOARD OF DIRECTORS

“Roger Moss”

ROGER MOSS

President and Chief Executive Officer

SCHEDULE “A”

to Information Circular of
Labrador Gold Corp. dated March 11, 2021

AUDIT COMMITTEE CHARTER

Purpose of the Audit Committee

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of the Corporation is to assist the Board in fulfilling its responsibility for the oversight of the financial reporting process. The purpose of this Charter is to ensure that the Corporation maintains a strong, effective and independent audit committee, to enhance the quality of financial disclosure made by the Corporation and to foster increased investor confidence in both the Corporation and Canada’s capital markets. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Corporation’s management to ensure that the independent auditors serve the interests of shareholders rather than the interests of management of the Corporation. The Committee’s primary duties and responsibilities are to:

- identify and monitor the management of the principal risks that could affect the reliability of financial reporting;
- monitor the integrity of the Corporation’s financial reporting process and system of internal control over financial reporting and accounting compliance;
- be directly responsible for overseeing the work of the external auditor including monitoring the independence and performance of the external auditor;
- be directly responsible for overseeing the internal review processes;
- monitor the Corporation’s compliance with applicable legal and regulatory requirements affecting financial reporting; and
- provide an avenue for effective communication among the audit committee, external auditor, management and the Board.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditor as well as anyone in the Corporation. The Committee has the authority to retain, at the Corporation’s expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.

Composition of the Audit Committee

The Committee shall consist of at least three (3) directors appointed by the Board as provided for in the by-laws of the Corporation and may be removed by the Board in its discretion. Each member of the Committee must be an independent director and must be financially literate or become financially literate within a reasonable time after his or her appointment to the Committee. At least one (1) member of the Committee shall have accounting or related financial management expertise. The Committee shall establish procedures for quorum, notice and timing of meetings subject to the proviso that a quorum shall

be no less than two (2) Committee members. While the Board may recommend a Chair for the Committee, the Committee shall have the discretion to appoint the Chair from amongst its members.

The Canadian Securities Administrators (“CSA”) state that an audit committee member is independent if he or she has no direct or indirect material relationship with the issuer; that is, a relationship that could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment. The CSA notes that these relationships may include commercial, charitable, industrial, banking, consulting, legal, accounting or familial relationships. The regulations also include a list of situations that are defined to be material relationships.

The Board shall determine, in its business judgment, whether an individual is financially literate based upon the regulatory definition of financial literacy, meaning the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements. It is the view of the regulators that it is not necessary for a member to have a comprehensive knowledge of generally accepted accounting principles and generally accepted auditing standards to be considered financially literate.

Disclosure must be made in the Corporation’s Information Circular (“IC”) for its annual meeting or in the Corporation’s Annual Information Form (“AIF”), if applicable, of the name of each Committee member and whether or not the member is independent and financially literate. It should also describe the education and experience of each member that is relevant to his or her responsibilities as a Committee member. If a member is not independent, the Corporation must explain why.

Meetings of the Audit Committee

The Committee shall meet at least four times annually, corresponding with the Corporation’s financial reporting cycle, or more frequently as circumstances dictate. The Committee Chair will prepare an agenda in advance of each meeting. The Secretary will circulate the agenda and supporting materials sufficiently in advance of the meeting to allow members an appropriate period of time to prepare for the meeting. The Committee will generally invite members of management and the external auditor to attend each meeting. The Committee shall meet privately at least annually with management and the external auditor to discuss any matters that the Committee or each of these groups believes should be discussed. In addition, the Committee may consider *in camera* sessions at the beginning and/or conclusion of each meeting to discuss privately any matters of interest or concern to the members.

Responsibilities and Duties of the Audit Committee

Management is responsible for adopting and applying sound accounting principles; for designing, implementing and maintaining effective processes related to internal control over financial reporting; and for preparing the annual and interim financial statements, management’s discussion and analysis (“MD&A”) and other continuous disclosure documents. The external auditor is responsible for conducting an independent audit and for forming an opinion on the annual financial statements. The Committee is responsible for overseeing these financial reporting processes.

Committee members should conduct themselves in an informed, vigilant and effective manner.

Members of the Committee should rely on information furnished to them by others only if they believe it to be reliable for the purpose of making their decisions. They should act in accordance with their own knowledge and training.

The Committee shall be responsible for the following specific matters:

1. Accounting policies

- (a) Review all of the Corporation's critical accounting policies and all major issues regarding accounting principles and financial statement presentations (including any significant changes in the Corporation's selection or application of accounting principles).
- (b) Review major changes in the Corporation's accounting policies and practices.
- (c) Review with the external auditor and management the extent to which changes or improvements in financial or accounting practices, as previously reported to the Committee, have been implemented.

2. Financial reporting process and financial statements

- (a) In consultation with management and the external auditor, inquire as to the integrity of the Corporation's financial reporting processes, both internal and external, and any major issues as to the adequacy of internal control.
- (b) Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas.
- (c) Review recent professional and regulatory pronouncements and understand their impact on the financial statements.
- (d) Review issues related to liquidity, capital resources and contingencies that could affect liquidity.
- (e) Review all plans for treasury operations including financial derivatives and hedging activities.
- (f) Review all material off-balance-sheet transactions, contingent liabilities and transactions with related parties.
- (g) Discuss with the external auditor the matters that generally accepted auditing standards in Canada require to be communicated with the Committee.
- (h) Review and discuss with management and the external auditor the Corporation's quarterly and annual financial statements, MD&A, IC, AIF and annual and interim press releases before they are publicly disclosed by the Corporation and recommend their approval by the Board.
- (i) Periodically assess the adequacy of procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements.
- (j) Consider reviewing other financial information provided to analysts and rating agencies.
- (k) Following completion of the annual audit, review with each of management and the external auditor any significant issues, concerns or difficulties encountered during the course of the

audit including any major issues that arose during the course of the audit and, which have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgments; and levels of misstatements identified during the audit, obtaining explanations from management and, where necessary, the external auditor, as to why certain misstatements might remain unadjusted.

- (l) Receive and review reports from other Board committees with regard to matters that could affect financial reporting.
- (m) Oversee the resolution of disagreements between management and the external auditor regarding financial reporting.
- (n) Discuss with the external auditor the quality and not just the acceptability of the Corporation's accounting principles.
- (o) Regularly review with the external auditor any audit problems or difficulties and management's response.

3. External auditor

- (a) Be directly responsible for the selection, appointment, compensation, retention, termination and oversight of the work of the Corporation's external auditor, and in such regard recommend to the Board the nomination of the external auditor for approval by the shareholders. Monitor audit engagement partner rotation requirements.
- (b) Pre-approve all audit and non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor including fees and terms. In this regard, establish which non-audit services the external auditor shall be prohibited from providing. In doing so, the Committee should consider:
 - i whether the skills and experience of the audit firm make it a suitable supplier of the non-audit services;
 - ii whether there are safeguards in place to help ensure that there is no threat to the external auditor's objectivity and independence in the conduct of the audit resulting from providing such services; and
 - iii the nature of the non-audit services, the related fee levels, and the fee levels individually and in aggregate relative to the audit fee.
- (c) The Committee satisfies the pre-approval requirement in subsection 3(b) if:
 - i the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent (5%) of the total amount of fees paid by the Corporation and its subsidiary entities to the Corporation's external auditors during the fiscal year in which the services are provided;
 - ii the Corporation or the subsidiary entity of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and

- iii the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.
- (d) The Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 3(b).
- (e) The pre-approval of non-audit services by any member to whom authority has been delegated pursuant to subsection 3(d) must be presented to the Committee at its first scheduled meeting following such pre-approval.
- (f) The Committee satisfies the pre-approval requirement in subsection 3(b) if it adopts specific policies and procedures for the engagement of the non-audit services, if:
 - i the pre-approval policies and procedures are detailed as to the particular service;
 - ii the Committee is informed of each non-audit service; and
 - iii the procedures do not include delegation of the Committee's responsibilities to management.
- (g) Prior to commencement of the annual audit, review with the external auditor the proposed audit plan and scope of work.
- (h) Review the audit representation letters with particular attention to non-standard representations.
- (i) Review and monitor the content of the external auditor's management letter, in order to assess whether it is based on a good understanding of the Corporation's business and establish whether recommendations have been acted upon and, if not, the reasons they have not been acted upon.
- (j) Consider, assess and report to the Board with regard to the independence and performance of the external auditor, and for such purpose:
 - i Review the formal written statement and letter submitted by the external auditor that outlines all relationships between the external auditor and the Corporation, and its affiliates and associates.
 - ii Actively engage in a dialogue with the external auditor with respect to any disclosed relationships or services and their impact on the objectivity or independence of the external auditor.
 - iii Conduct a periodic evaluation (taking into account the opinions of management) of the external auditor's qualifications, performance and independence, and present to the Board the Committee's conclusion in such regard.
 - iv Consider obtaining and reviewing at least annually a report from the external auditor describing the firm's quality control procedures and any material issues raised by the

firm's most recent review of internal quality control or by any governmental or professional inquiry or investigation.

- (k) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.

4. Internal controls and risk management

- (a) Receive and review the interim and annual CEO and CFO certifications filed with securities regulatory authorities.
- (b) Receive and review reports from management and the external auditors with regard to the reliability and effective operation of the Corporation's accounting system and internal controls.
- (c) Discuss with senior management their certification of internal control over financial reporting, as and when required by regulation.

5. Internal review and legal compliance

- (a) Review and approve management's decisions related to the need for internal review.
- (b) Review the mandate, budget, plan, changes in plan, activities, organization structure and qualifications of the internal review function.
- (c) Review significant reports prepared as a result of the internal review together with management's response and follow-up to these reports.
- (d) On at least an annual basis, review with the Corporation's counsel any legal matters that could have a significant impact on the Corporation's financial statements, the Corporation's compliance with applicable laws and regulations, and any inquiries received from regulators or governmental agencies.

6. Additional responsibilities

- (a) Review and reassess the adequacy of the Committee's charter on an annual basis.
- (b) Determine that the IC or the AIF discloses the text of the Committee's charter, a description of any specific policies and procedures for the engagement of non-audit services, and the aggregate fees billed by the external auditor in each of the last two (2) years, by service fee category.
- (c) Review the process for communicating the Corporation's Code of Business Conduct and Ethics and Whistleblower Policy to company personnel, and for monitoring compliance therewith.
- (d) Discuss guidelines and policies to govern the process by which risk assessment and risk management have been and are handled, even if the primary responsibility for risk assessment and management is assigned to another Board committee. The Corporation's major financial and business risks exposures and the steps management has taken to monitor and control such exposures should be discussed.

- (e) Establish procedures and policies for the following:
 - i the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - ii the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (f) Prepare and review with the Board an annual performance evaluation of the Committee, the Chair of the Committee and its individual members.
- (g) Review the appointments of the Corporation's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
- (h) Review financial and accounting personnel succession planning within the Corporation.
- (i) Periodically review a summary of all related party transactions and potential conflicts of interest.
- (j) Report regularly to the Board, including matters such as the quality or integrity of the Corporation's financial statements, and compliance with legal or regulatory requirements.
- (k) Review expenses incurred by selected senior executives.
- (l) Conduct or authorize any review or investigation and consider any matters of the Corporation the Committee believes is within the scope of its responsibilities and establish procedures for such review or investigation as may be required.

SCHEDULE “B”

to Information Circular of
Labrador Gold Corp. dated March 11, 2021

BOARD CHARTER

The Board of Directors (the “**Board**”) of Labrador Gold Corp. (the “**Corporation**”) is responsible for the stewardship of the business and affairs of the Corporation on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board shall be constituted with at least two (2) individuals who are independent directors in accordance with the requirements for a Venture Issuer. Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Corporation’s Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board may appoint one director as Chairman. If appointed, the Chairman shall be an independent director. If appointed, the Chairman will be responsible for the leadership of the Board and for specific functions to ensure the independence of the Board.

The Senior Officers are accountable to the Board for all authority delegated to the positions. For the purposes of these Corporate Governance Policies, Senior Officer shall be defined as any person holding the position of President, CEO, CFO, COO or Vice President of Exploration.

The Board has the following overall responsibilities:

- in conjunction with management, establishing the direction and strategies for the Corporation and monitoring the implementation of those strategies; and
- monitoring compliance with regulatory requirements and setting the tone for ethical behaviour and standards.

The monitoring and ultimate control of the business of the Corporation is vested in the Board. The Board’s primary responsibility is to oversee the Corporation’s business activities and management for the benefit of the Corporation and its shareholders. The specific responsibilities of the Board include:

- selection, appointment, monitoring, evaluation, rewarding and if necessary the removal of the Senior Officers of the Corporation;
- in conjunction with management, development of the strategic planning process and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities;
- monitor and review annually the success of management in implementing the approved strategies and plans;
- establishing appropriate levels of delegation to the Senior Officers to allow them to manage the Corporation’s operations efficiently;
- monitoring actual performance against planned performance expectations and reviewing operating information;

- appreciation of areas of significant business risk and ensuring arrangements are in place to adequately manage those risks;
- overseeing the management of safety and occupational health, environmental issues and community development;
- satisfying itself that the financial statements of the Corporation fairly and accurately set out the financial position and financial performance of the Corporation for the period under review;
- satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control processes are in place and functioning appropriately;
- ensuring that appropriate external audit arrangements are in place and operating effectively;
- developing the Corporation's approach to corporate governance issues;
- having a framework in place to help ensure that the Corporation acts legally and responsibly on all matters consistent with the Code of Business Conduct and Ethics; and
- reporting to shareholders.

At all times the Board retains full responsibility for guiding and monitoring the Corporation; however, in discharging its stewardship the Board has established the Audit Committee. The Board is of the view that with a majority of independent directors, no other committees are required at this time.

The Corporation also has in place a Disclosure Committee comprised of the Chief Executive Officer and the Corporate Secretary.

Each director has the right to seek independent professional advice on matters relating to his position as a director of the Corporation at the Corporation's expense, subject to the prior approval of the Chairman, which shall not be unreasonably withheld.

The independent members of the Board shall meet regularly during the year without any member of the Corporation's management present. Generally these meetings will be held prior to regular Board meetings. Any material business items arising from these meetings shall be brought to the attention of the Corporate Secretary and such matters will be added to the agenda of the next regularly scheduled Board meeting.

In the event of a conflict of interest or where a potential conflict of interest may arise, involved directors will, unless the remaining directors resolve otherwise, withdraw from deliberations concerning the matter.

The Board does not specify a maximum term for which a director may hold office.

The responsibility for the day-to-day operation and administration of the Corporation is delegated by the Board to the Senior Officers. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Senior Officers.

Policy history

Established:	March 2021
Last review:	March 2021
Review frequency:	Annually

SCHEDULE “C”

to Information Circular of
Labrador Gold Corp. dated March 11, 2021

Registered holders of Common Shares of Labrador Gold Corp. have the right to dissent to the special resolution relating to the Continuance under Section 238 of *the Business Corporations Act* (British Columbia). The full text of Sections 237-247 is set forth below. Failure to strictly comply with the requirements of Sections 237-247 may result in a loss of any right to dissent.

Definitions and application

237 (1) In this Division:

“**dissenter**” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“**notice shares**” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“**payout value**” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238(1)(g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder’s shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles

- (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or
 - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91; or
 - (iii) without limiting subparagraph (i), in the case of a benefit company, to alter the company's benefit provision;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
 - (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
 - (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
 - (e) under section 301(5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
 - (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
 - (g) in respect of any other resolution, if dissent is authorized by the resolution;
 - (h) in respect of any court order that permits dissent.

(1.1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent under section 51.995 (5) in respect of a resolution to alter its notice of articles to include or to delete the benefit statement.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
- (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
- (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

- (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

- (a) provide to the company a separate waiver for

- (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

- (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

- (b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

- (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and

- (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

- (i) the date on which the shareholder learns that the resolution was passed, and
- (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
- (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
- (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

- (i) the names of the registered owners of those other shares,
- (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
- (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

- (i) the name and address of the beneficial owner, and
- (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial

owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

SCHEDULE "D"

to Information Circular of
Labrador Gold Corp. dated March 11, 2021

See attached.

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6. Number of directors is/are: Fixed number OR minimum and maximum 3 10
 Nombre d'administrateurs : Nombre fixe OU minimum et maximum 3 10

7. The director(s) is/are: / Administrateur(s) First name, middle names and sur-name Prénom, autres prénoms et nom de famille	Address for service, giving Street & No. or R.R. No., Municipality, Province, Country and Postal Code Domicile élu, y compris la rue et le numéro ou le numéro de la R.R., le nom de la municipalité, la province, le pays et le code postal	Resident Canadian State 'Yes' or 'No' Résident canadien Oui/Non
Roger Moss		Yes
Trevor Boyd		Yes
James S. Borland		Yes
Leo Karabelas		Yes
Kai Hoffmann		Yes

8. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
 Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la société.

None

9. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la société est autorisée à émettre :

The Corporation is authorized to issue an unlimited number of common shares.

10. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série :

The holders of the common shares are entitled to:

- (i) one vote for each common share held at any meeting of shareholders of the Corporation other than meetings of the holders of another class of shares;
- (ii) receive dividends as and when declared by the board of directors of the Corporation; and
- (iii) receive the remaining property of the Corporation upon dissolution.

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11. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes :
None.

12. Other provisions, (if any):
Autres dispositions s'il y a lieu :
None.

13. The corporation has complied with subsection 180(3) of the *Business Corporations Act*.
La société s'est conformée au paragraphe 180(3) de la *Loi sur les sociétés par actions*.
14. The continuation of the corporation under the laws of the Province of Ontario has been properly authorized under the laws of the jurisdiction in which the corporation was incorporated/amalgamated or previously continued on
Le maintien de la société en vertu des lois de la province de l'Ontario a été dûment autorisé en vertu des lois de l'autorité législative sous le régime de laquelle la société a été constituée ou fusionnée ou antérieurement maintenue le

Year, Month, Day
année, mois, jour

15. The corporation is to be continued under the *Business Corporations Act* to the same extent as if it had been incorporated thereunder.
Le maintien de la société en vertu de la *Loi sur les sociétés par actions* a le même effet que si la société avait été constituée en vertu de cette loi.

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

LABRADOR GOLD CORP.

Name of Corporation / Dénomination sociale de la société

By / Par

Signature / Signature

Print name of signatory / Nom du signataire en lettres moulées

Description of Office / Fonction

These articles **must** be signed by a director or officer of the corporation (e.g. president, secretary)
Ces statuts doivent être signés par un administrateur ou un dirigeant de la société (p. ex. : président, secrétaire).

SCHEDULE “E”

to Information Circular of
Labrador Gold Corp. dated March 11, 2021

BY-LAW NUMBER 1

A by-law relating generally to the conduct
of the business and affairs of
LABRADOR GOLD CORP.

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BY-LAW NUMBER 1

LABRADOR GOLD CORP.

**ARTICLE ONE
DEFINITIONS AND INTERPRETATION**

Section 1.01 Definitions: In this by-law and all other by-laws of the Corporation, unless otherwise defined or the context otherwise requires:

- (a) “**Act**” means the *Business Corporations Act* (Ontario) or any successor statute thereof, as amended from time to time, and, in the case of any successor statute thereof, any reference in any by-law of the Corporation to any provision of the *Business Corporations Act* (Ontario) shall be read as a reference to the provision substituted therefor in the successor statute thereof, together with the regulations thereunder, as amended from time to time;
- (b) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada;
- (c) “**board**” or “**directors**” means the directors of the Corporation from time to time and includes the only director of the Corporation when the number of directors of the Corporation is one;
- (d) “**by-laws**” means all of the by-laws of the Corporation then in effect;
- (e) “**Corporation**” means LABRADOR GOLD CORP. or any successor thereto;
- (f) “**Director**” means the Director appointed under the Act;
- (g) “**holiday**” means Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Ontario) or any successor statute thereof, as amended from time to time;
- (h) “**Indemnified Person**” has the meaning as set out in section 6.04;
- (i) “**meeting of shareholders**” includes an annual meeting of the shareholders of the Corporation, a special meeting of the shareholders of the Corporation and a meeting of the holders of any class or series of shares of the Corporation;
- (j) “**Other Entity**” has the meaning as set out in section 6.04;
- (k) “**person**” includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, employee benefit plan and a natural person acting as a trustee, executor, administrator or other legal representative;

- (l) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com;
- (m) “**recorded address**” means, with respect to a single shareholder, his latest address as recorded in the securities register of the Corporation, with respect to joint shareholders, the first address appearing in the securities register of the Corporation in respect of the joint holding and, with respect to any other person, subject to the Act, his latest address as recorded in the records of the Corporation or otherwise known to the secretary, if any, of the Corporation; and
- (n) “**signing officer**” means, in relation to any contract or document (within the meaning of section 2.04 hereof), the person or persons authorized to sign such contract or document on behalf of the Corporation.

Subject to the foregoing, words and terms in this by-law which are defined in the Act shall have the same meaning when used in this by-law and in all other by-laws of the Corporation as in the Act.

Section 1.02 Gender and Number: Words importing the singular shall include the plural and vice-versa, words importing either gender or neuter shall include the masculine and feminine genders and neuter and headings in this by-law and in any other by-law of the Corporation are for convenience of reference only and shall not affect the interpretation of this by-law or any other by-law of the Corporation.

Section 1.03 Unanimous Shareholder Agreement and Articles to Govern: Notwithstanding any provision of this by-law or any other by-law of the Corporation, where any such provision herein or therein conflicts with any provision in any unanimous shareholder agreement relating to, or the articles of, the Corporation, such provision of the unanimous shareholder agreement or the articles, as the case may be, shall govern.

ARTICLE TWO BUSINESS OF THE CORPORATION

Section 2.01 Registered Office: The registered office of the Corporation shall be located at such address within the requisite municipality or geographic township as the directors may determine from time to time.

Section 2.02 Seal: The Corporation may have a corporate seal in such form as the directors may determine from time to time.

Section 2.03 Financial Year: The financial year of the Corporation shall end on such day of the year as the directors may determine from time to time.

Section 2.04 Execution of Instruments: Contracts or documents requiring execution by the Corporation may be signed by any two (2) directors or by any person holding the office of chairman of the board, lead director, president, chief executive officer, chief operating officer, chief financial officer, vice-president, secretary or general manager or any other office the holder of which has been designated as a signing officer by the directors. All contracts or documents so signed shall be binding upon the Corporation without further authorization or formality. In addition, the directors may direct from time to time the manner in which and the person or persons by whom any particular contract or document or any class of contracts or documents may or shall be signed on behalf of the Corporation. Any officer or

director of the Corporation may affix the corporate seal, if any, of the Corporation to any contract or document, and may certify a copy of any resolution or of any by-law or contract or document of the Corporation to be a true copy thereof. Subject to the provisions of this by-law relating to share certificates and to the Act, and if authorized by the directors, the corporate seal, if any, of the Corporation and the signature of any signing officer may be mechanically or electronically reproduced upon any contract or document of the Corporation. Any such facsimile signature shall bind the Corporation notwithstanding that any signing officer whose signature is so reproduced may have ceased to hold office at the date of delivery or issue of such contract or document. The term “contracts or documents” shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property (real or personal, immovable or movable, legal or equitable), agreements, releases, receipts and discharges for the payment of money, share certificate, certificates representing other securities, including warrants, and all other instruments in writing.

Section 2.05 Exercise of Voting Rights of Corporation: Except as otherwise directed by the directors, the person or persons authorized to sign contracts or documents on behalf of the Corporation may execute and deliver instruments of proxy on behalf of the Corporation and may arrange for the issue of a voting certificate or other evidence of the right to exercise the voting rights attached to any securities held by the Corporation and any such instrument, certificate or other evidence shall be in favour of such person as may be determined by the signing officers. However, the directors may direct from time to time the manner in which and the person by whom any such particular voting rights may or shall be exercised.

Section 2.06 Banking Arrangements: The banking business of the Corporation shall be transacted with such banks, trust companies or other person or persons as the directors may determine from time to time and all such banking business shall be transacted on behalf of the Corporation by such person or persons and to such extent as the directors may determine from time to time.

Section 2.07 Charging Power: Without restricting any of the powers of the directors, whether derived from the Act or otherwise, the directors may from time to time, without the authorization of the shareholders of the Corporation:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) subject to the Act, give a guarantee on behalf of the Corporation to secure the performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any present or future, real or personal, immovable or movable, legal or equitable property of the Corporation (including, without limitation, book debts, rights, powers, franchises and undertakings) to secure any obligation of the Corporation.

The directors may by resolution delegate any or all of the powers referred to above to a director, a committee of directors or an officer of the Corporation.

Section 2.08 Withholding Information from Shareholders: No shareholder shall be entitled to require discovery of any information respecting any details or conduct of the Corporation’s business which in the opinion of the board it would be inexpedient or not in the interests of the shareholders of the Corporation to communicate to any shareholder or to the public.

The board may from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Corporation or any of them shall be

open to the inspection of shareholders, and no shareholder shall have any right of inspecting any account or book or document of the Corporation except as conferred by statute or authorized by the board or by resolution passed at a general meeting of shareholders.

Section 2.09 Submission of Contracts to Shareholders: The board in its discretion may submit any contract, act or transaction for approval, confirmation or ratification at any annual meeting of the shareholders or at any special meeting of the shareholders called for the purpose of considering the same, and any contract, act or transaction that shall be approved, confirmed or ratified by a resolution passed by at least a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act, or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, confirmed or ratified by every shareholder of the Corporation.

ARTICLE THREE DIRECTORS

Section 3.01 Powers of the Board of Directors: Subject to any unanimous shareholder agreement relating to the Corporation, the directors shall manage, or supervise the management, of the business and affairs of the Corporation.

Section 3.02 Qualifications: No person shall be a director if the person is not an individual, is less than 18 years of age, has the status of bankrupt or has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere. Except as permitted by the Act, at least 25% of the directors shall be resident Canadians provided that when the required number of directors is less than four, only one director needs to be a resident Canadian. Whenever the Corporation has an audit committee of the directors, a number of directors sufficient to form a majority of such committee shall not be officers or employees of the Corporation or of any affiliate of the Corporation. If the Corporation is an offering corporation, at least one-third of the directors shall not be officers or employees of the Corporation or of any affiliate of the Corporation.

Section 3.03 Number and Quorum of Directors: The number of directors shall be the number from time to time fixed by the articles of the Corporation or the number from time to time determined within the range provided for in the articles of the Corporation by special resolution of the shareholders of the Corporation or by the directors when empowered to do so by a special resolution of the shareholders of the Corporation. The number of directors from time to time required to constitute a quorum for the transaction of business at a meeting of the directors shall be 51% of the number of directors so fixed or determined at that time (or, if that number is a fraction, the next larger whole number), provided that if the Corporation has fewer than three directors, all of the directors must be present at a meeting of the directors to constitute a quorum. Reference is made to section 3.08 and section 3.12 of this by-law.

Pursuant to a Special Resolution dated August 4, 2010, the directors are empowered to determine by resolution the number of directors of the Corporation within the minimum and maximum number of directors permitted under the Corporation's articles until such special resolution has been revoked.

Section 3.04 Election and Term: Directors shall be elected to hold office for a term or terms expiring at the close of the first, second or third annual meeting of the shareholders of the Corporation following their election or when their successors are elected. The term of a director who is elected for a term that is not expressly otherwise stated shall expire at the close of the first annual meeting of the shareholders of the Corporation following his election or when his successor is elected. The incumbent directors shall continue in office until their successors are elected, unless their terms are earlier terminated. A director

shall cease to hold office when he dies, resigns, is removed or ceases to be qualified to be a director or when his successor is elected.

Section 3.05 Advance Notice of Nominations of Directors: Subject only to the Act and the articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act or (c) by any person (a “**Nominating Shareholder**”) (i) who, at the close of business on the date of the giving of the notice provided for below in this section 3.05 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in this section 3.05:

- (a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation in accordance with this section 3.05.
- (b) To be timely, a Nominating Shareholder’s notice to the Secretary of the Corporation must be made (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (ii) in the case of a special meeting of shareholders (which is not also an annual meeting of shareholders) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this section 3.05(b). In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.
- (c) To be in proper written form, a Nominating Shareholder’s notice to the Secretary of the Corporation must set forth (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residential address of the person, (B) the principal occupation(s) or employment(s) of the person, (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (D) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and (ii) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement,

understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- (d) No person shall be eligible for election as a director unless nominated in accordance with the provisions of this section 3.05; provided, however, that nothing in this section 3.05 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (e) Notwithstanding any other provision of this By-law Number 1-A, notice given to the Secretary of the Corporation pursuant to this section 3.05 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (f) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this section 3.05.

Section 3.06 Resignation, Removal and Vacation of Office: A director may resign by delivering or sending his resignation in writing to the Corporation and such resignation shall be effective when it is received by the Corporation or at such time as may be specified in the resignation, whichever is later. Subject to the Act, the shareholders of the Corporation entitled to elect a director may, by resolution at a meeting of the shareholders of the Corporation, remove such director and may at the same meeting fill the vacancy created by such removal, failing which the vacancy may be filled by the remaining directors if a quorum of the directors remains in office. A director ceases to hold office on death, on removal from office by the shareholders, on ceasing to be qualified for election as a director, on receipt of a written resignation by the Corporation, or, if a time is specified in such resignation, at the time so specified, whichever is later.

Section 3.07 Statements: A director who resigns or who learns of a meeting of the shareholders of the Corporation called for the purpose of removing him as a director or a meeting of the shareholders of the Corporation or of the directors at which another person is to be elected or appointed a director in his place may submit to the Corporation a written statement giving the reason or reasons for his resignation or the reasons why he opposes the proposed action. The secretary or another officer of the Corporation shall

send, or cause to be sent, a copy of such statement to every shareholder of the Corporation entitled to receive notice of meetings of shareholders of the Corporation and, if required by the Act, to the Director.

Section 3.08 Vacancies: Notwithstanding vacancies but subject to the Act, the remaining directors may exercise all of the powers of the directors as long as a quorum of the directors remains in office. Subject to the articles of the Corporation, any vacancy in the directors among directors whose election is not the exclusive right of the holders of any class or series of shares of the Corporation may be filled for the remainder of the unexpired term by:

- (a) the shareholders of the Corporation at a special meeting of the shareholders of the Corporation called for the purpose; or
- (b) the remaining directors (notwithstanding that a majority of those acting are not resident Canadians), unless (i) there is no quorum of the directors, (ii) the vacancy results from a failure to elect the number of directors required to be elected at any meeting of shareholders, (iii) the vacancy results from an increase in the number or maximum number of directors fixed by the articles of the Corporation, or (iv) the directors have been empowered by special resolution of the shareholders of the Corporation to determine the number of directors within the range provided for in the articles of the Corporation and the number of directors in office after the filling of the vacancy would be greater than one and one-third times the number of directors required to have been elected at the last annual meeting of the shareholders of the Corporation; in any of which events the directors then in office shall forthwith call a special meeting of the shareholders of the Corporation to fill the vacancy and, if they fail to call such a meeting or if there are no directors then in office, the meeting may be called by any shareholder of the Corporation.

Section 3.09 Place and Calling of Meetings: Meetings of the directors shall be held from time to time at such places within or outside the Province of Ontario (or by such communications facilities as are permitted by the Act) on such days and at such times as the chairman of the board, the lead director, the president, if a director, any vice-president who is a director, any two directors or any other officer designated by the directors, may determine from time to time, and the secretary or another officer of the Corporation shall give notice of any such meeting when directed by the person calling the meeting. In any financial year of the Corporation, a majority of the meetings of the directors may be held within or outside Canada.

Section 3.10 Notice: Notice of the time and of the place or manner of participation for every meeting of the directors shall be sent to each director not less than 48 hours (excluding Saturdays and holidays) before the time of the meeting; provided always that a director may in any manner and at any time waive notice of a meeting of the directors and attendance of a director at a meeting of the directors shall constitute a waiver of notice of the meeting except when the director attends the meeting for the express purpose of objecting to the transaction of any business thereat on the grounds that the meeting is not lawfully called and provided further that meetings of directors may be held at any time without notice if all of the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business thereat on the grounds that the meeting is not lawfully called) or if all of the absent directors waive notice thereof either before or after the date of such meeting. A meeting of the directors may resume without further notice following an adjournment if the time and place for resuming the meeting are announced at the meeting prior to the adjournment. Reference is made to article ten of this by-law.

Section 3.11 Regular Meetings: The directors may appoint a day or days in any month or months for regular meetings of the directors to be held at a place or by communications facilities and at an hour to be

named. A copy of any resolution of the directors fixing the time and place or manner of participation for such regular meetings shall be sent to each director forthwith after being passed and to each director elected or appointed thereafter, but no other notice shall be required for any such regular meeting of the directors.

Section 3.12 Canadian Directors: No business, other than the filling of a vacancy among the directors, shall be transacted at a meeting of the directors unless at least 25% of the directors present are resident Canadians, except as permitted by the Act or where a resident Canadian director who is unable to be present approves in writing or by telephone or other communication facilities the business transacted at the meeting and at least 25% of resident Canadian directors would have been present had that director been present at the meeting.

Section 3.13 Meetings by Telephone: A meeting of the directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and each director participating in such a meeting by such means shall be deemed to be present at the meeting.

Section 3.14 Chairman: The chairman of the board or, in his absence, the lead director or, in his absence, the president if a director or, in the absence of all of them, a director designated by the directors, shall be the chairman of any meeting of the directors. If no such person is present, the directors present shall choose one of them to be the chairman of the meeting.

Section 3.15 Voting: At all meetings of the directors every matter shall be decided by a majority of the votes cast on the matter. In case of an equality of votes the chairman of the meeting shall not be entitled to a casting vote.

Section 3.16 One-Director Meetings: Where the required number of directors is one, the only director may constitute a meeting of directors.

Section 3.17 Signed Resolutions: Notwithstanding any provision of this by-law, but subject to the Act or any unanimous shareholder agreement, when there is a quorum of directors in office, a resolution in writing signed by all of the directors entitled to vote thereon at a meeting of the directors or of any committee thereof is as valid as if passed at a meeting. Any such resolution may be signed in counterparts and if signed as of any date shall be deemed to have been passed on such date.

Section 3.18 Remuneration of Directors: The remuneration of the directors, as such, may from time to time be determined by the directors or, if the directors shall so decide, by the shareholders. Such remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Corporation as such who is also a director. The directors shall be paid such reasonable travelling, hotel and other expenses as they incur in and about the business of the Corporation and if any director shall perform any professional or other services for the Corporation that in the opinion of the directors are outside the ordinary duties of a director or shall otherwise be specially occupied in or about the Corporation's business, he may be paid a remuneration to be fixed by the board or, at the option of such director, by the Corporation in general meeting, and such remuneration may be either in addition to or in substitution for any other remuneration that he may be entitled to receive. The directors, on behalf of the Corporation, unless otherwise determined by ordinary resolution, may pay a gratuity, a pension or an allowance on retirement to any director who has held any salaried office or place of profit with the Corporation or to his spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

**ARTICLE FOUR
COMMITTEES OF THE DIRECTORS**

Section 4.01 Audit Committee: The directors may, and when required by the Act shall, appoint an audit committee composed of such number of directors, being not less than three, as the directors may determine from time to time. Except as permitted by the Act, a majority of the members of the audit committee shall not be officers or employees of the Corporation or of any affiliate of the Corporation. The audit committee shall review the financial statements of the Corporation and report thereon to the directors before such financial statements are approved by the directors as required by the Act, and may exercise any other powers lawfully delegated to such committee by the directors.

Section 4.02 Other Committees: From time to time the directors may appoint one or more committees thereof in addition to the audit committee. Each committee may exercise those powers lawfully delegated to such committee by the directors or as provided by the Act.

Section 4.03 Procedure: The members of each committee shall hold office while directors during the pleasure of the directors or until their successors shall have been appointed. The directors may fill any vacancy in a committee from among the directors. Unless otherwise determined by the directors, the members of each committee may fix the quorum for, elect the chairman of, and adopt rules to regulate the proceedings of, such committee. Subject to the foregoing, the proceedings of each committee shall be governed by the provisions of this by-law which govern proceedings of the directors so far as such provisions can apply except that a meeting of a committee may be called by any member thereof (or by any member or the auditor in the case of the audit committee), notice of any such meeting shall be given to each member of the committee (or each member and the auditor in the case of the audit committee) and the meeting shall be chaired by the chairman of the committee or, in his absence, some other member of the committee. Each committee shall keep records of the proceedings of such committee and shall report all such proceedings to the directors in a timely manner.

**ARTICLE FIVE
OFFICERS**

Section 5.01 Appointment of Officers: From time to time the directors may appoint a chairman of the board, a vice-chairman of the board, a lead director, a president, a chief executive officer, a chief operating officer, a chief financial officer, one or more vice-presidents (to which title may be added words indicating seniority or function), one or more general managers (to which title may be added words indicating seniority or function), a secretary, a treasurer, a controller and such other officers as the directors may determine from time to time, including one or more assistants to any of the officers so appointed. One person may hold more than one office. Except for the chairman of the board and the lead director, the officers so appointed need not be directors of the Corporation.

Section 5.02 Appointment of Non-Officers: The directors may also appoint other persons to serve the Corporation in such other positions and with such titles, powers and duties as the directors may determine from time to time.

Section 5.03 Terms of Employment: The directors may settle from time to time the terms of employment of the officers and other persons appointed by the directors and may remove at the pleasure of the directors any such person without prejudice to his rights, if any, to compensation under any employment contract. Otherwise each such officer and person shall hold his office or position until he resigns or ceases to be qualified to hold his office or position or until his successor is appointed.

Section 5.04 Powers and Duties of Officers: The directors may from time to time specify the duties of each officer, delegate to such officer the power to manage any business or affairs of the Corporation (including the power to sub-delegate) and change such duties and power, all insofar as not prohibited by the Act. To the extent not otherwise so specified or delegated, and subject to the Act, the duties and powers of the officers of the Corporation shall be those usually pertaining to their respective offices.

Section 5.05 Agents and Attorneys: The directors or any officer of the Corporation designated by the directors may from time to time appoint agents or attorneys for the Corporation in or out of Canada with such lawful powers (including the power to sub-delegate) as may be thought appropriate.

Section 5.06 Incentive Plans: For the purpose of enabling the directors, officers, employees and consultants of the Corporation and affiliates of the Corporation to participate in the growth of the business of the Corporation and of providing an effective incentive to such directors, officers, employees and consultants, the directors may establish such plans (including share option plans, share purchase plans, share bonus plans and other share incentive plans) and make such rules and regulations with respect thereto, and make such changes in such plans, rules and regulations, as the directors may deem advisable from time to time. From time to time the directors (or if provided by the plan a committee of the directors) may designate the directors, officers, employees and consultants of the Corporation and affiliates of the Corporation entitled to participate in any such plan. For the purposes of any such plan, but subject to the provisions of the plan, the Corporation may provide such financial assistance by means of a loan, guarantee or otherwise to directors, officers, employees and consultants of the Corporation or of the affiliates of the Corporation as is permitted by the Act.

ARTICLE SIX CONDUCT OF DIRECTORS AND OFFICERS AND INDEMNITY

Section 6.01 Standard of Care: Every director and officer of the Corporation in exercising his powers and discharging his duties to the Corporation shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Section 6.02 Disclosure of Interest: A director or officer of the Corporation who is a party to, is a director or officer of, or has a material interest in, another person who is a party to, a material contract or transaction with the Corporation shall, in accordance with the Act, disclose in writing to the Corporation or request to have entered in the minutes of a meeting of the directors the nature and extent of his interest. Except as permitted by the Act, a director so interested shall not attend any part of any meeting of the directors during which such contract or transaction is discussed and shall not vote on any motion to approve any such contract or transaction. If no quorum exists for the purpose of voting on a motion to approve a contract or transaction only because a director is not permitted to be present at the meeting by reason of the Act, the remaining directors shall be deemed to constitute a quorum for the purpose of voting on the motion. Where all of the directors are required to not attend a meeting of the directors by virtue of the Act, the contract or transaction may be approved only by the shareholders of the Corporation. A general notice to the directors by a director or officer of the Corporation disclosing that he is a director or officer of, or has a material interest in, a person, or that there has been a material change in the interest of the director or officer in the person, and is to be regarded as interested in, any contract made or transaction entered into with that person is a sufficient disclosure of interest in relation to any contract or transaction so made or entered into.

Section 6.03 Effect of Disclosure: Where the Corporation enters into a material contract or material transaction with a director or officer of the Corporation (or with another person of which a director or officer of the Corporation is a director or officer or in which he has a material interest), the director or

officer is not accountable to the Corporation or the shareholders of the Corporation for any profit or gain realized from the contract or transaction and the contract or transaction is neither void nor voidable, by reason only of that relationship (or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction), if the director or officer disclosed his interest in the manner referred to in section 6.02 of this by-law and the Act and the contract or transaction was reasonable and fair to the Corporation at the time it was so authorized or approved. Notwithstanding the foregoing, a director or officer of the Corporation, acting honestly and in good faith, is not accountable to the Corporation or to the shareholders of the Corporation for any profit or gain realized from any such contract or transaction by reason only of his being a director or officer, and the contract or transaction, if it was reasonable and fair to the Corporation at the time it was authorized or approved, is not by reason only of the interest of the director or officer of the Corporation therein void or voidable, if the contract or transaction is confirmed or approved by at least two-thirds of the votes cast at a special meeting of the shareholders of the Corporation called for that purpose and the nature and extent of the interest of the director or officer of the Corporation in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in an information circular relating thereto or if the contract or transaction is confirmed or approved by a signed resolution of the shareholders of the Corporation and the nature and extent of the interest of the director or officer in the contract or transaction are disclosed in reasonable detail to the shareholders of the Corporation signing such resolution before it is signed.

Section 6.04 Indemnity: Every individual who at any time is or has been a director or officer of the Corporation or who at any time acts or has acted at the request of the Corporation as a director or officer or in a similar capacity of another entity, (for purposes of this section 6.04 an “**Other Entity**”) together with the heirs and legal representatives of every such individual (each such individual for purposes of this section 6.04 being an “**Indemnified Person**”), shall at all times be indemnified and held harmless against all costs, charges, expenses, damages and liabilities of whatsoever nature or kind (including any amount paid to settle an action or to satisfy a fine or judgment) by the Corporation to the fullest extent possible and in every circumstance permitted by the Act. In addition and without prejudice to the foregoing, but subject to the limitations in the Act regarding indemnities in respect of derivative actions, each Indemnified Person shall at all times be indemnified and held harmless by the Corporation against all costs, charges and expenses, including any amount paid to settle an action or to satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of the association of the individual with the Corporation or Other Entity, if:

- (a) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the Other Entity for which the individual acted as a director or officer or in a similar capacity at the request of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the conduct of the individual was lawful.

The Corporation shall advance money to a director, officer or other individual for the costs, charges and expenses of any proceeding contemplated by the foregoing provisions of this section 6.04; provided that the individual shall repay the money if the individual does not meet the condition set out in clause (a) above. Nothing in this section 6.04 shall affect any other right to indemnity to which any individual may be or become entitled by contract or otherwise, and no settlement or plea of guilty in any action or proceeding shall alone constitute evidence that the Indemnified Person did not meet either of the conditions set out in clause (a) or (b) above of this section 6.04 or the corresponding conditions in the Act. From time to time the directors may determine that this section 6.04 shall also apply to employees of

the Corporation who are not directors or officers of the Corporation or to any particular class of such employees, either generally or in respect of a particular occurrence or class of occurrences and either prospectively or retroactively. From time to time the directors of the Corporation may also revoke, limit or vary the continued application of this section 6.04; provided that no such action shall affect any right of any individual or any liability of the Corporation which has arisen prior to the date of such action. With the approval of the court (and the Corporation shall be obligated to apply for such approval at the cost and expense of the Corporation unless the Indemnified Person consents otherwise), the Corporation shall indemnify an Indemnified Person in respect of an action by or on behalf of the Corporation or Other Entity to procure a judgment in its favour, to which the Indemnified Person is made a party because of the association of the individual with the Corporation or Other Entity, against all costs, charges and expenses reasonably incurred by the Indemnified Person in connection with such action if:

- (a) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the Other Entity for which the individual acted as a director or officer or in a similar capacity at the request of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the conduct of the individual was lawful.

Notwithstanding anything to the contrary contained in this section 6.04, an Indemnified Person shall be indemnified by the Corporation in respect of all costs, charges and expenses reasonably incurred by such individual in connection with the defence of any civil, criminal or administrative, investigative or other proceeding to which the individual is subject because of the association of the individual with the Corporation or Other Entity, if the individual seeking indemnity:

- (i) was not judged by a court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and
- (ii) fulfils the conditions set out in clauses (a) and (b) above in this section 6.04.

With the approval of the court (and the Corporation shall be obligated to apply for such approval at the cost and expense of the Corporation unless the Indemnified Person consents otherwise), the Corporation shall advance money to a director, officer or other individual for the costs, charges and expenses of any proceeding contemplated by the foregoing provisions of this section 6.04; provided that the individual shall repay the money if the individual does not meet the condition set out in clause (a) above in this section 6.04.

Section 6.05 Limitation of Liability: So long as he acted honestly and in good faith with a view to the best interests of the Corporation, no person referred to in section 6.04 of this by-law (including, to the extent it is then applicable to them, any employees referred to therein) shall be liable for any damage, loss, cost or liability sustained or incurred by the Corporation or any body corporate, except where specifically required by the Act.

Section 6.06 Insurance: Subject to the Act, the Corporation may purchase liability insurance for the benefit of any person referred to in section 6.04 of this by-law.

Section 6.07 Approval: The directors may submit any contract or transaction for authorization, approval, ratification or confirmation at any meeting of shareholders and, subject to the Act, any such contract or transaction that is authorized, approved, ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed

by the Act or by the articles or any other by-law of the Corporation) shall be as valid and as binding upon the Corporation and upon all of the shareholders of the Corporation as though such contract or transaction had been authorized, approved, ratified or confirmed by each and every shareholder of the Corporation.

ARTICLE SEVEN SHARES

Section 7.01 Issue: Subject to the articles of the Corporation, the directors may issue all or from time to time any shares which the Corporation is then authorized to issue to such persons and for such consideration as the directors shall determine. No share of the Corporation shall be issued until the Corporation has received the requisite consideration for such share in compliance with the Act.

Section 7.02 Commissions: From time to time the directors may authorize the Corporation to pay a reasonable commission to any person in consideration of the purchase, or agreement to purchase, shares of the Corporation from the Corporation or from any other person or in consideration of the procurement or agreement to procure purchasers for any such shares.

Section 7.03 Share Certificates: Subject to section 7.04, every shareholder of the Corporation is entitled to a share certificate that complies with the Act and states the number, class and series, if any, designation, of shares of the Corporation held by such shareholder as appears on the records of the Corporation or a non-transferable written acknowledgement of the right thereof to obtain such a share certificate. However, the Corporation is not bound to issue more than one share certificate or acknowledgement in respect of shares of the Corporation held jointly by several persons and delivery of such share certificate or acknowledgement to one of such persons is sufficient delivery to all of them. Share certificates and acknowledgements shall be in such form as the directors shall approve from time to time and, unless otherwise ordered by the directors, shall be signed in accordance with section 2.04 of this by-law and need not be under the corporate seal of the Corporation. However, share certificates representing shares of the Corporation in respect of which a transfer agent has been appointed shall be signed manually by or on behalf of such transfer agent and other share certificates shall be signed manually by at least one signing officer. A share certificate containing the signature of a person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that such person has ceased to be a director or an officer, as the case may be, of the Corporation and shall be as valid as if such person were still a director or an officer, as the case may be, of the Corporation at the date of issue.

Section 7.04 Electronic, Book-Based or Other Non-Certificated Registered Positions: For greater certainty, a registered shareholder may have his/her/its holdings of shares of the Corporation evidenced by an electronic, book-based, direct registration service or other non-certificated entry or position on the register of shareholders to be kept by the Corporation in place of a physical share certificate pursuant to a registration system that may be adopted by the Corporation, in conjunction with its transfer agent. This by-law shall be read such that a registered holder of shares of the Corporation pursuant to any such electronic, book-based, direct registration service or other non-certificated entry or position shall be entitled to all of the same benefits, rights, entitlements and shall incur the same duties and obligations as a registered holder of shares evidenced by a physical share certificate. The Corporation and its transfer agent may adopt such policies and procedures and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a share registration system by electronic, book-based, direct registration system or other non-certificated means.

Section 7.05 Replacement of Share Certificates: The directors, or if designated by the directors the secretary of the Corporation, may prescribe either generally or in a particular case the conditions, in addition to those provided in the Act, upon which a new share certificate may be issued in place of any

share certificate which is claimed to have been lost, destroyed or wrongfully taken, or which has become defaced.

Section 7.06 Transfer Agent: From time to time the directors may appoint or remove a transfer agent to keep the securities register and the register of transfers, one or more persons or agents to keep branch registers, and a registrar to maintain a record, of issued security certificates and warrants of the Corporation. Subject to the Act, one person may be appointed for purposes of the foregoing in respect of all securities and warrants of the Corporation or in respect of any class or series thereof. In the event of any such appointment in respect of shares (or shares of any class or any series) of the Corporation, all share certificates issued by the Corporation in respect of such shares (or the shares of such class or series) of the Corporation shall be countersigned by or on behalf of one of the transfer agents or branch transfer agents and by or on behalf of one of the registrars or branch registrars, if any.

Section 7.07 Securities Registers: The securities register and the register of transfers of the Corporation shall be kept at the registered office of the Corporation or at such other office or place in the Province of Ontario as may from time to time be designated by the directors and a branch register or branch register of transfers may be kept at such office or offices of the Corporation or other place or places, either within or outside the Province of Ontario, as may from time to time be designated by the directors. Such register or registers shall comply with the Act.

Section 7.08 Registration of Transfer: No transfer of any shares of the Corporation need be recorded in the register of transfers except upon presentation of the share certificate representing such shares endorsed by the appropriate person in accordance with the Act, together with reasonable assurance that the endorsement is genuine and effective, and upon compliance with such restrictions on transfer, if any, as are contained in the articles of the Corporation.

Section 7.09 Lien for Indebtedness: Except when the Corporation has shares listed on a stock exchange recognized by the Ontario Securities Commission, the Corporation shall have a lien on shares of the Corporation registered in the name of a shareholder or his legal representative for any debt of the shareholder to the Corporation. Subject to the Act, the Corporation may enforce such lien without notice or liability by refusing to register a transfer of any such shares until the debt is paid, setting off against the debt any dividends or other distributions payable on any such shares, redeeming any such shares, if redeemable, and applying the redemption price less costs of redemption to the debt, purchasing any such shares and applying the purchase price, less any taxes thereon and costs of purchase, to the debt, selling any such shares as if the Corporation were the owner thereof at any time and place and to any person and on any commercially reasonable terms and applying to the debt the cash proceeds of the sale, less any taxes thereon and all reasonable expenses incurred in connection with the sale, or canceling such shares in satisfaction of the debt, or by any other method permitted by law or by any combination of any of the foregoing.

Section 7.10 Dealings with Registered Shareholder: Subject to the Act, the Corporation may treat the registered owner of a share of the Corporation as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of such share and otherwise to exercise all of the rights and powers of the holder of such share. The Corporation may, however, and where required by the Act shall, treat as the registered shareholder any executor, administrator, heir, legal representative, guardian, committee, trustee, curator, tutor, liquidator or trustee in bankruptcy who furnishes appropriate evidence to the Corporation establishing his authority to exercise the rights relating to a share of the Corporation.

Section 7.11 Securities other than Shares: The provisions herein relating to shares of the Corporation's capital shall, to the extent provided by resolution of the board, apply mutatis mutandis to other securities issued by the Corporation.

ARTICLE EIGHT DIVIDENDS AND RIGHTS

Section 8.01 Dividends: Subject to the Act, any unanimous shareholder agreement and the articles of the Corporation, the directors may from time to time declare dividends payable to the shareholders of the Corporation according to their rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation or options or rights to acquire any such shares. The directors shall determine the value of any such property, shares, options or rights and such determination shall be conclusive evidence of the value thereof.

Section 8.02 Dividend Cheques: A dividend payable to any shareholder of the Corporation in money may be paid by cheque payable to, or to the order of, the shareholder and shall be mailed to the shareholder by prepaid mail addressed to the recorded address thereof unless such shareholder otherwise directs in writing. In the case of joint holders the cheque shall be made payable to, or to the order of, all of them, unless such joint holders otherwise direct in writing. The mailing of a cheque as aforesaid, unless not paid on presentation, shall discharge the liability of the Corporation for the dividend to the extent of the amount of the cheque plus the amount of any tax thereon which the Corporation has properly withheld. If any dividend cheque so sent is not received by the payee thereof, the Corporation shall issue to such payee a replacement cheque for a like amount on such reasonable terms as to indemnity, reimbursement of expenses and evidence of non-receipt and title as the directors or any person designated by the directors may require.

Section 8.03 Record Date for Dividends and Rights: The directors may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the making of any distribution or for the issue of any warrant or other evidence of a right to acquire securities of the Corporation, as the record date for the determination of the persons entitled to receive payment of such dividend or distribution or to receive such right. In every such case only the persons who are holders of record of the applicable shares at the close of business on the date so fixed shall be entitled to receive payment of such dividend or distribution or to receive such right. Notice of any such record date fixed by the directors shall be given as and when required by the Act. Where no such record date is fixed by the directors, the record date for the determination of the persons entitled to receive payment of such dividend or distribution or to receive such right shall be the close of business on the day on which the directors pass the resolution relating thereto.

Section 8.04 Reserve Funds and Investments: The board may from time to time set aside such sums as it deems fit as a reserve fund to meeting contingencies, for equalizing dividends, for special dividends, for repairing, improving and maintaining any of the property of the Corporation replacing wasting assets, or forming an insurance fund, and for such other purposes as the board shall in its absolute discretion think conducive to the interests of the Corporation and may invest these several sum so set aside, or any other funds or moneys not immediately required for the purposes or in the business of the Corporation, in such investments as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Corporation, and may divide the reserve fund into such special funds as it may think fit, with full power to employ the assets constituting the reserve fund in the business of the Corporation without being bound to keep the same separate from other assets. The board may also carry forward to the accounts of the succeeding year or years any profit or balance of profit which it shall not think fit to divide or to place to reserve.

**ARTICLE NINE
MEETINGS OF SHAREHOLDERS**

Section 9.01 Annual Meeting: The annual meeting of the shareholders of the Corporation shall be held on such day and at such time as the directors may, subject to the Act, determine from time to time, for the purpose of transacting such business as may properly be brought before the meeting.

Section 9.02 Special Meeting: From time to time the directors may call a special meeting of the shareholders of the Corporation to be held on such day, at such time and for such purpose as the directors may determine. Any special meeting of the shareholders of the Corporation may be held concurrent with an annual meeting of the shareholders of the Corporation.

Section 9.03 Place of Meetings: Meetings of shareholders of the Corporation shall be held at such place in or outside the Province of Ontario as the directors may determine from time to time.

Section 9.04 Record Date: The directors may fix in advance a record date, preceding the date of any meeting of the shareholders of the Corporation by not more than 60 days nor less than 30 days, for the determination of the shareholders of the Corporation entitled to notice of the meeting, and where no such record date for notice of the meeting is fixed by the directors, the record date for notice of the meeting shall be the close of business on the day immediately preceding the day on which notice of the meeting is given. Notice of any such record date fixed by the directors shall be given as and when required by the Act.

Section 9.05 Shareholder List: For each meeting of shareholders of the Corporation there shall be prepared an alphabetical list of the shareholders entitled to receive notice of the meeting showing the number of shares entitled to be voted at the meeting and held by each such shareholder. The list shall be prepared, if a record date for such notice is fixed by the directors, not later than 10 days thereafter, if no record date for such meeting is fixed by the directors, at the close of business on the day immediately preceding the day on which notice of the meeting is given, and if no notice is given, on the day on which the meeting is held. The list shall be available for examination by any shareholder of the Corporation prior to the meeting during usual business hours at the registered office of the Corporation or at the place where the securities register is kept, and at the meeting. Where a separate list is not prepared, the names of the shareholders of the Corporation entitled to receive notice of the meeting and the number of shares of the Corporation entitled to be voted thereat and held by each shareholder of the Corporation as appears in the securities register of the Corporation at the requisite time (excluding shares not entitled to be voted at the meeting), shall constitute the list prepared in accordance with this section 9.05.

Section 9.06 Notice: Notice in writing of the time, place and purpose for holding each meeting of the shareholders of the Corporation shall be sent not less than 10 days if the Corporation is not an offering corporation, or 21 days otherwise, and in either case not more than 50 days, before the date on which the meeting is to be held, to each director, the auditor, if any, of the Corporation and each person who on the record date for notice of the meeting appears in the securities register of the Corporation as the holder of one or more shares of the Corporation carrying the right to vote at the meeting or as the holder of one or more shares of the Corporation the holders of which are otherwise entitled to receive notice of the meeting. Notice of a meeting of the shareholders of the Corporation shall state or be accompanied by a statement of the nature of all special business to be transacted at the meeting in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and the text of any special resolution or by-law to be submitted to the meeting. Reference is made to article ten of this by-law.

Section 9.07 Proxy and Management Information Circular: If the Corporation is an offering corporation, the secretary or another officer of the Corporation shall, concurrent with sending, or causing to be sent, notice of a meeting of shareholders, (a) send, or cause to be sent, a form of proxy and

management information circular in accordance with the Act to each shareholder who is entitled to receive notice of, and is entitled to vote at, the meeting, (b) send, or cause to be sent, such management information circular to any other shareholder who is entitled to receive notice of the meeting, to any director who is not a shareholder entitled thereto and to the auditor, if any, of the Corporation, and (c) file, or cause to be filed, with any regulatory agency and all other agencies entitled thereto a copy of all documents sent to shareholders of the Corporation in connection with the meeting.

Section 9.08 Financial Statements: Not less than 10 days if the Corporation is not an offering corporation, or 21 days otherwise, before each annual meeting of the shareholders of the Corporation or before the signing of a resolution in writing in lieu thereof, the secretary or another officer of the Corporation shall send, or cause to be sent, a copy of the annual financial statements and the auditors' report, if any, thereon required by the Act to be placed before the annual meeting to each shareholder of the Corporation who has not informed the Corporation in writing that such shareholder does not wish to receive such documents. If the Corporation is an offering corporation, the secretary or another officer of the Corporation shall file, or cause to be filed, a copy of the annual financial statements of the Corporation with any regulatory agency and all other agencies entitled thereto as and when required.

Section 9.09 Shareholder Proposal: A registered holder of shares entitled to vote, or a beneficial owner of shares that are entitled to be voted, at a meeting of the shareholders of the Corporation may submit to the Corporation notice of any proposal that such shareholder wishes to raise at the meeting and may discuss at the meeting any matter in respect of which such registered holder or beneficial owner would have been entitled under the Act to submit a proposal. Where so required by the Act, the management information circular prepared in respect of the meeting shall set out or be accompanied by such proposal.

Section 9.10 Persons Entitled to be Present: The only persons entitled to attend a meeting of the shareholders of the Corporation shall be those persons entitled to notice thereof, those entitled to vote thereat and others who although not entitled to notice thereof are entitled or required under the Act or the by-laws of the Corporation to be present at the meeting. Any other person may be admitted to a meeting of the shareholders of the Corporation only on the invitation of, or with the consent of, the chairman of the meeting or with the consent of the meeting.

Section 9.11 Representatives: An executor, administrator, committee of mentally incompetent person, guardian or trustee and where a corporation is such executor, administrator, committee, guardian or trustee of a testator, intestate, mentally incompetent person, ward or cestui que trust, any person duly appointed a proxy for such corporation, upon filing with the secretary of the meeting sufficient proof of his appointment, shall represent the shares in his or its hands at all meetings of the shareholders of the Corporation and may vote accordingly as a shareholder in the same manner and to the same extent as the shareholder of record. If there be more than one executor, administrator, committee, guardian or trustee, the provisions of section 9.15 shall apply.

Section 9.12 Chairman, Secretary and Scrutineer: The chairman of the board or, in his absence, any of the co-chairmen of the board, or, in their absence, the lead director or, in his absence, the president or, in the absence of all of them or in the event the directors otherwise so determine, such individual as is designated by the directors, shall be the chairman of any meeting of shareholders. If no such individual is present within 15 minutes after the time fixed for the holding of the meeting, the persons present and entitled to vote thereat shall choose one of them to be the chairman of the meeting. The secretary or another officer of the Corporation may act as secretary of the meeting. The chairman of the meeting may appoint an individual, who need not be a shareholder or officer of the Corporation, to act as secretary of the meeting. One or more scrutineers, who need not be a shareholder of the Corporation, may be appointed by the chairman of the meeting or by a resolution of the shareholders to act as scrutineer of the meeting.

Section 9.13 Quorum: The quorum for the transaction of business at any meeting of the shareholders shall be two persons present at the opening of the meeting who are entitled to vote thereat either as shareholders or as proxy holders. If a quorum is not present within such reasonable time (determined by the chairman of the meeting) after the time fixed for the holding of the meeting as the persons present and entitled to vote thereat may determine, such persons may adjourn the meeting to a fixed time and place.

Section 9.14 Persons Entitled to Vote: Without prejudice to any other right to vote, every shareholder of the Corporation recorded on the shareholder list prepared in accordance with section 9.05 of this by-law is entitled, at the meeting to which the list relates, to vote the shares of the Corporation shown thereon opposite the name of such shareholder. Where two or more persons hold a share or the same shares jointly, anyone of them present or represented by proxy may, in the absence of the others, vote such share or shares but, if more than one of such persons is present or represented and vote, they shall vote such share or shares together as one or not vote such shares at all.

Section 9.15 Proxies: Shareholders of the Corporation shall be entitled to vote in person or, if the shareholder is a body corporate, association or other unincorporated entity, by a representative authorized by a resolution of the directors of such body corporate, association or other unincorporated entity. Every shareholder of the Corporation, including a shareholder that is a body corporate, association or other unincorporated entity, entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or alternate proxyholder, who need not be a shareholder of the Corporation, as the nominee thereof to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy. Signatures on instruments of proxy need not be witnessed and may be printed, lithographed or otherwise reproduced thereon. The chairman of any meeting of shareholders shall determine the authenticity of all signatures on instruments of proxy, which determination shall be final and conclusive. The chairman of any meeting of shareholders, including any adjournment thereof, may also in his discretion, unless otherwise determined by resolution of the directors, accept any telecopied, telegraphed, telexed, cabled or e-mailed proxy or other communication as to the authority of anyone claiming to vote on behalf of, or to represent, a shareholder of the Corporation notwithstanding that no instrument of proxy conferring such authority has been lodged with the Corporation and any votes cast in accordance with such telecopied, telegraphed, telexed, cabled or e-mailed proxy or other communication accepted by the chairman shall be valid and any votes cast in accordance therewith shall be counted. An instrument of proxy may be signed and delivered in blank and filled in afterwards by the chairman of the board, the president, the secretary or any assistant-secretary of the Corporation or by any other person designated by the directors. It shall not be necessary for an instrument of proxy to be dated or to have inserted therein the number of shares of the Corporation owned by the appointor thereunder. The directors may, at the expense of the Corporation, send out an instrument of proxy in which certain directors or officers of the Corporation or other persons are named, which may be accompanied by stamped envelopes for the return of such instruments of proxy, even if the directors so named vote the proxies in favour of their own election as directors. The directors may specify in the notice calling a meeting of the shareholders of the Corporation a time, not exceeding 48 hours (excluding Saturdays and holidays) preceding the time fixed for the meeting or any adjournment thereof, before which proxies must be deposited with the Corporation or an agent thereof. Unless otherwise determined by the chairman of the meeting, an instrument of proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice. Where no such time is specified in such notice, an instrument of proxy shall be acted upon if it has been received by the secretary or another officer of the Corporation or the chairman of the meeting or any adjournment thereof before the time of voting on the particular matter. An instrument of proxy shall cease to be valid one year from the date thereof.

Section 9.16 Revocation of Proxies: In addition to revocation in any other manner permitted by law, an instrument of proxy may be revoked by an instrument in writing signed in the same manner as an instrument of proxy may be signed and deposited either at the registered office of the Corporation at any

time up to and including the last day (excluding Saturdays and holidays) preceding the date of the meeting of shareholders or any adjournment thereof at which the instrument of proxy is to be used or with the chairman of such meeting or any adjournment thereof before the time of voting on the particular matter.

Section 9.17 Voting: At each meeting of the shareholders of the Corporation every matter proposed for consideration by the shareholders of the Corporation shall be decided by a majority of the votes cast thereon, unless otherwise required by the Act, the articles or by-laws of the Corporation or any unanimous shareholder agreement relating to the Corporation. In case of an equality of votes the chairman of the meeting shall not be entitled to a casting vote. Every matter submitted to a meeting of shareholders may be decided either by a show of hands or by ballot.

Section 9.18 Show of Hands: At each meeting of shareholders voting shall be by a show of hands unless a ballot is required by the Act or is required or demanded as hereinafter provided. Upon a show of hands every person present and entitled to vote on the motion shall have one vote. Whenever a vote by show of hands has been taken upon a matter, unless a ballot thereon is so required or demanded and such requirement or demand is not withdrawn, a declaration by the chairman of the meeting that the vote upon the matter was carried or carried by a particular majority or not carried or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, shall be prima facie evidence of the result of the vote without proof of the number or percentage of votes cast for or against the matter.

Section 9.19 Ballots: On any matter proposed for consideration at a meeting of shareholders a ballot may be required by the chairman of the meeting or demanded by any person present and entitled to vote thereon, either before any vote by show of hands or after any vote by show of hands and prior to the declaration of the result of the vote by show of hands by the chairman of the meeting. If a ballot is so required or demanded and such requirement or demand is not withdrawn, a ballot upon the matter shall be taken in such manner as the chairman of the meeting shall direct. Subject to the articles of the Corporation, upon a ballot each person present shall be entitled to the number of votes specified in the articles of the Corporation in respect of each share of the Corporation which such person is entitled to vote at the meeting on the particular matter.

Section 9.20 Termination, Adjournment and Postponement: The chairman of a meeting of shareholders may terminate the meeting following the conclusion of all business which may properly come before the meeting. A meeting of shareholders may be adjourned only upon the affirmative vote of a majority of the votes cast in respect of the shares present or represented in person or by proxy at the meeting. Any business may be brought before or dealt with at any adjourned meeting which may have been brought up or dealt with at the original meeting. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of less than 30 days, it is not necessary to give notice of the resumption of the meeting if the time and place for resuming the meeting are announced at the meeting which is adjourned. The directors may postpone any meeting of shareholders previously called by the directors.

Section 9.21 Procedure at Meetings: The chairman of any meeting of shareholders shall determine the procedure thereat in all respects and his decision on all matters or things, including but without in any way limiting the generality of the foregoing, any question regarding the validity or invalidity of any instrument of proxy or ballot, shall be conclusive and binding upon all of the shareholders of the Corporation, except as otherwise specifically provided in the by-laws of the Corporation.

Section 9.22 One-Shareholder Meeting: Where all of the outstanding shares of any class or series of shares of the Corporation are held by one shareholder, that shareholder present in person or by proxyholder or by authorized representative shall constitute a meeting of the holders of that class or series of shares of the Corporation.

Section 9.23 Signed Resolutions: Subject to the Act, a resolution in writing signed by all of the shareholders of the Corporation entitled to vote thereon at a meeting of shareholders is as valid as if passed at a meeting and a resolution in writing dealing with all of the matters required by the Act to be dealt with at a meeting of shareholders and signed by all of the shareholders of the Corporation entitled to vote thereat satisfies all of the requirements of the Act relating to that meeting. Any such resolution may be signed in counterparts and if signed as of any date shall be deemed to have been passed on such date.

Section 9.24 Meeting By Electronic Means: Unless the articles or by-laws of the Corporation or any unanimous shareholder agreement relating to the Corporation provides otherwise, a meeting of the shareholders of the Corporation may be held by telephonic or electronic means and a shareholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed for the purposes of the Act to be present at the meeting.

ARTICLE TEN NOTICES

Section 10.01 Notices to Shareholders and Directors: Any notice or document required or permitted to be sent by the Corporation to a director or shareholder of the Corporation may be mailed by prepaid Canadian mail in a sealed or unsealed envelope addressed to, or may be delivered personally to, such person at the last address thereof recorded in the records of the Corporation, or may be sent by any other manner permitted under the Act. If so mailed, the notice or document shall be deemed to have been received by the addressee on the fifth day after mailing. If notices or documents so mailed to a shareholder are returned on three consecutive occasions because such shareholder cannot be found, the Corporation need not send, or cause to be sent, any further notices or documents to such shareholder until such shareholder informs the Corporation in writing of the new address. If the address of any shareholder of the Corporation does not appear in the records of the Corporation, then any notice or document may be mailed to such address as the person sending the notice or document may consider to be the most likely address at which such notice or document will promptly reach such shareholder.

Section 10.02 Notices to Others: Any notice or document required or permitted to be sent by the Corporation to any person other than a director or shareholder of the Corporation may be delivered personally to such person, addressed to such person and delivered to the last address thereof recorded in the records of the Corporation, mailed by prepaid Canadian mail in a sealed or unsealed envelope addressed to such person at the address thereof recorded in the records of the Corporation, or addressed to such person and sent to the last address thereof recorded in the records of the Corporation by telecopier, telegram, telex, cable, e-mail or any other means of legible communication then in business use in Canada. A notice or document so mailed or sent shall be deemed to have been received by the addressee when deposited in a post office or public letter box, if mailed, or when transmitted by the Corporation on its equipment or delivered to the appropriate communication agency or its representative for dispatch, as the case may be, if sent by telecopier, telegram, telex, cable, e-mail or other means of legible communication.

Section 10.03 Changes in Recorded Address: The secretary or any other officer of the Corporation may change the address recorded in the records of the Corporation of any person in accordance with any information such person believes to be reliable.

Section 10.04 Computation of Days: In computing any period of days under the by-laws of the Corporation or the Act, the period shall be deemed to commence on the day following the event that begins the period and shall be deemed to end at midnight on the last day of the period except that if the last day of the period falls on a holiday, the period shall end at midnight of the first day next following such day that is not a holiday.

Section 10.05 Omissions and Errors: The accidental omission to give any notice to any person, or the non-receipt of any notice by any person or any immaterial error in any notice, shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

Section 10.06 Unregistered Shareholders: Subject to the Act, every person who becomes entitled to any share of the Corporation shall be bound by every notice in respect of such share which was given to any previous holder thereof prior to the name and address of such person being entered on the securities register of the Corporation.

Section 10.07 Waiver of Notice: Any person entitled to attend a meeting of shareholders or a meeting of the directors or a committee thereof may in any manner and at any time waive notice thereof, and attendance of any shareholder or the proxyholder or authorized representative thereof or of any other person at any meeting is a waiver of notice thereof by such shareholder or other person except where the attendance is for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. In addition, where any notice or document is required to be given under the articles or by-laws of the Corporation or the Act, the notice may be waived or the time for sending the notice or document may be waived or abridged at any time with the consent in writing of the person entitled thereto. Any meeting may be held without notice or on shorter notice than that provided for in the by-laws of the Corporation if all persons not receiving the notice to which they are entitled waive notice of or accept short notice of the holding of such meeting.

ARTICLE ELEVEN DIVISIONS

Section 11.01 Authority to Create Divisions: The directors may cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions based upon character or type of operation, geographical territory, product, method of distribution, type of product or products manufactured or distributed or upon such other basis of division as the directors may determine from time to time. In particular, the directors may authorize:

- (a) the further division of the business and operations of any such division into sub-units and the consolidation of the business and operations of any such divisions or sub-units; and
- (b) the designation of any such division or sub-unit by, and the carrying on of the business and operations of any such division or sub-unit under, a name other than the name of the Corporation.

Section 11.02 Designation and Appointment of Divisional Officers: The directors may, by resolution, designate and appoint divisional officers assigned to a particular division or a sub-unit of that division provided that any such divisional officer shall not, as such, be an officer of the Corporation. Such appointed divisional officers shall be subject to removal by resolution of the directors at any time, with or without cause, without prejudice to the rights of such person under any employment contract or in law. For certainty, the removal of a divisional officer from his position as a divisional officer shall not of itself constitute a termination of the employment of that person with the Corporation.

Section 11.03 Duties and Authority of Divisional Officers: The duties, responsibilities, limitations and remuneration of each divisional officer shall be such as are determined from time to time by the directors or by the person or persons or committee or committees designated by the directors as having responsibility for the division to which such divisional officer has been appointed. The authority of each such divisional officer shall, however, be limited to acts and transactions relating only to the business and operations which such division is authorized to transact and perform, provided, however, that if the same

person is also an officer of the Corporation, the foregoing shall not limit the authority of such person in his capacity as an officer of the Corporation.

**ARTICLE TWELVE
REPEAL**

Section 12.01 Repeal: Upon this By-Law Number 1 coming into force, the Articles of the Corporation dated May 11, 2005 are repealed provided that such repeal shall not affect the previous operation of such Articles so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such Articles prior to its repeal.

By-Law Number 1 of the Corporation shall come into force upon being adopted by the shareholders in accordance with the Act and enacted by the board.

ADOPTED by the shareholders the day of April, 2021.

President and Chief Executive Officer
Roger Moss

ENACTED by the board the day of , 2021.

WITNESS the seal of the Corporation.

President and Chief Executive Officer
Roger Moss

Corporate Secretary
William R. Johnstone

SCHEDULE “F”

to Information Circular of
Labrador Gold Corp. dated March 11, 2021

2021 INCENTIVE STOCK OPTION PLAN

1. **PURPOSE:** The purpose of this 2021 Stock Option Plan (the “**Plan**”) is to encourage common stock ownership in Labrador Gold Corp. (the “**Company**”) by directors, officers, employees (including part time employees employed by the Company for less than twenty (20) hours per week) and consultants (including consultants whose services are contracted through a company) of the Company or any Affiliate, as that term is defined in relevant securities legislation, of the Company or by a personal holding company of any such officer, director or employee that is wholly-owned by such individual or by registered retirement savings plans or tax free saving accounts established by any such officer, director or employee (hereinafter referred to as “**Optionee**” or “**Optionees**”) who are primarily responsible for the management and profitable growth of its business and to advance the interests of the Company by providing additional incentive for superior performance by such persons and to enable the Company to attract and retain valued directors, officers, consultants and employees by granting options (the “**Options**” or “**Option**”) to purchase common shares of the Company on the terms and conditions set forth in this Plan and any Stock Option Agreements entered into between the Company and the Optionees in accordance with the Plan. Any Options granted to a personal holding company shall be cancelled immediately upon any change in control of such personal holding company, save and except in the event of the death of the principal of such personal holding company, in which case, subject to the terms of the Stock Option Agreement, the provisions of subparagraph 5(f)(iii) shall apply.

2. **ADMINISTRATION:** The Plan shall be administered by the Board of Directors from time to time of the Company (the “**Administrator**”). No member of the Board of Directors shall by virtue of such appointment be disentitled or ineligible to receive Options. The Administrator shall have full authority to interpret the Plan and to make such rules and regulations and establish such procedures as it deems appropriate for the administration of the Plan, taking into consideration the recommendations of management, and the decision of the Administrator shall be binding and conclusive. The decision of the Administrator shall be binding, provided that notwithstanding anything herein contained, the Administrator may from time to time delegate the authority vested in it under this clause to the President or Chief Executive Officer who shall thereupon exercise all of the powers herein given to the Administrator, subject to any express direction by resolution of the Board of Directors of the Company from time to time and further provided that a decision of the majority of persons comprising the Board of Directors in respect of any matter hereunder shall be binding and conclusive for all purposes and upon all persons. The senior officers of the Company are authorized and directed to do all things and execute and deliver all instruments, undertakings and applications as they in their absolute discretion consider necessary for the implementation of the Plan.

3. NUMBER OF SHARES SUBJECT TO OPTIONS: The Board of Directors of the Company will make available that number of common shares for the purpose of the Plan that it considers appropriate except that the number of common shares that may be issued pursuant to the exercise of Options under the Plan, the exercise of options under the previous Stock Option Plan ratified by shareholders on November 22, 2019 (the “**2006 Plan**”) and under any other stock options of the Company shall not exceed 10% of the common shares issued and outstanding (on a non-diluted basis) at any time and from time to time. In the event that Options granted under the Plan, and under any other stock options of the Company which may be in effect at a particular time, are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the common shares not purchased under such lapsed Options. All Options granted and outstanding under the 2006 Plan shall be deemed to have been granted under the Plan.

4. PARTICIPATION: Options shall be granted under the Plan only to Optionees as shall be designated from time to time by the Administrator and shall be subject to the approval of such regulatory authorities as the Administrator shall designate, which shall also determine the number of shares subject to such Option. Optionees who are consultants of the Company or an Affiliate of the Company must either perform services for the Company on an ongoing basis or provide, or be expected to provide, a service of value to the Company or to an Affiliate of the Company. The Company represents that no option shall be granted to any Employee or Consultant who is not a bona fide Employee or Consultant.

5. TERMS AND CONDITIONS OF OPTIONS: The terms and conditions of each Option granted under the Plan shall be set forth in written Stock Option Agreements between the Company and the Optionee. Such terms and conditions shall include the following as well as such other provisions, not inconsistent with the Plan, as may be deemed advisable by the Administrator:

(a) Number of Shares subject to Option to any one Optionee: The number of shares subject to an Option shall be determined from time to time by the Administrator; but no one Optionee shall be granted an Option which when aggregated with any other options or common shares allotted to such Optionee under the Plan exceeds 5% of the issued and outstanding common shares of the Company (on a non-diluted basis), the total number of Options granted to any one Optionee in any 12 month period shall not exceed 5% of the issued and outstanding common shares of the Company (on a non-diluted basis), the total number of Options granted to all Insiders (as that term is defined in the TSX Venture Exchange Policies)(“**Related Persons**”) in any 12 month period shall not exceed 10% of the issued and outstanding common shares of the Company (on a non-diluted basis), the total number of Options granted to any one consultant in any 12 month period shall not exceed 2% of the issued and outstanding common shares of the Company (on a non-diluted basis), and the total number of Options granted to all persons, including employees, providing investor relations activities to the Company in any 12 month period shall not exceed 2% of the issued and outstanding common shares of the Company (on a non-diluted basis) and the Option Price per common share shall be determined in accordance with subparagraph (b) below. Options granted to persons providing investor relations activities must vest over a period of not less than twelve (12) months with no more than 25% of the Options vesting in any quarter.

(b) **Option Price:** The Option Price of any common shares in respect of which Options may be granted under the Plan shall not be less than the closing price of the Company's common shares, on the principal exchange on which the common shares of the Company are listed, on the last trading day prior to the on the date prior to the date of grant of the Options or in accordance with the pricing rules of any stock exchange on which the common shares of the Company may trade in the future or, where no specific rules apply with respect to price, the fair market value of the common share at the time the Options are granted.

In the resolution allocating any Option, the Administrator may determine that the date of grant aforesaid shall be a future date determined in the manner specified by such resolution. The Administrator may also determine that the Option Price per share may escalate at a specified rate dependent upon the year in which any Option to purchase common shares may be exercised by the Optionee. No options granted to Related Persons may be repriced without the approval of a majority of disinterested shareholders of the Company exclusive of any Related Persons.

(c) **Payment:** The full purchase price of shares purchased under the Option shall be paid in cash upon the exercise thereof. A holder of an Option shall have none of the rights of a stockholder until the shares are issued to him. All common shares issued pursuant to the exercise of Options granted or deemed to be granted under the Plan, will be so issued as fully paid and non-assessable common shares. No Optionee or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares subject to an Option under this Plan, unless and until certificates for such common shares are issued to him or them under the terms of the Plan.

(d) **Term of Options:** Options may be granted under this Plan exercisable over a period not exceeding five (5) years. Each Option shall be subject to earlier termination as provided in subparagraph (f) below and paragraphs 7 and 8.

(e) **Exercise of Options:** The exercise of any Option will be contingent upon receipt by the Company at its head office of a written notice of exercise, specifying the number of common shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such common shares with respect to which the Option is exercised. An Option may be exercised in full or in part during any year of the term of the Option as provided in the written Stock Option Agreement; provided however that except as expressly otherwise provided herein or as provided in any valid Stock Option Agreement approved by the Administrator, no Option may be exercised unless that Optionee is then a director, officer, consultant and/or in the employ of the Company. This Plan shall not confer upon the Optionee any right with respect to continuance as a director, officer, employee or consultant of the Company or of any affiliate of the Company.

(f) **Termination of Options:** Any Option granted pursuant hereto, to the extent not validly exercised, and save as expressly otherwise provided herein and subject to the provisions of paragraphs 7,8, and 12, will terminate on the earlier of the following dates:

(i) the date of expiration specified in the Stock Option Agreement, being not

more than five (5) years after the date the Option was granted;

- (ii) the date of termination of the Optionee's employment or upon ceasing to be a director and/or officer of the Company or up to a period not exceeding six (6) months thereafter for any cause other than by retirement, permanent disability or death;
- (iii) one (1) year after the date of the Optionee's death during which period the Option may be exercised only by the Optionee's legal representative or the person or persons to whom the deceased Optionee's rights under the Option shall pass by will or the applicable laws of descent and distribution, and only to the extent the Optionee would have been entitled to exercise it at the time of his death if the employment of the Optionee had been terminated by the Company on such date;
- (iv) twelve (12) months after termination of the Optionee's employment by permanent disability or retirement under any Retirement Plan of the Company during which twelve (12) month period the Optionee may exercise the Option to the extent he was entitled to exercise it at the time of such termination provided that if the Optionee shall die within such twelve (12) month period, then such right shall be extended to one (1) year following the death of the Optionee and shall be exercisable only by the persons described in subparagraph (f)(iii) hereof and only to the extent therein set forth.

(g) **Non-transferability of Options:** No Option shall be transferable or assignable by the Optionee other than by will or the laws of descent and distribution and shall be exercisable during his lifetime only by him.

(h) **Applicable Laws or Regulations:** The Company's obligation to sell and deliver stock under each Option is subject to such compliance by the Company and any Optionee as the Company deems necessary or advisable with all laws, rules and regulations of Canada and the United States of America and any Provinces and/or States thereof applying to the authorization, issuance, listing or sale of securities and is also subject to the acceptance for listing of the common shares which may be issued in exercise thereof by each stock exchange upon which shares of the Company are listed for trading.

(i) **Vesting:** Options granted pursuant hereto may vest over any period determined by the Administrator in its sole discretion (subject to the provisions of paragraph 5(a)).

6. ADJUSTMENT IN EVENT OF CHANGE IN STOCK: Each Option shall contain uniform provisions in such form as may be approved by the Administrator to appropriately adjust the number and kind of shares covered by the Option and the exercise price of shares subject to the Option in the event of a declaration of stock dividends, or stock subdivisions or consolidations or reconstruction or reorganization or recapitalization of the Company or other relevant changes in the Company's capitalization (other than issuance of additional shares) to

prevent substantial dilution or enlargement of the rights granted to the Optionee by such Option. The number of common shares available for Options, the common shares subject to any Option, and the Option Price thereof shall be adjusted appropriately by the Administrator and such adjustment shall be effective and binding for all purposes of the Plan.

7. ACCELERATION OF EXPIRY DATES: Upon the announcement or contemplation of any event, including a reorganization, acquisition, amalgamation or merger (or a plan of arrangement in connection with any of the foregoing), other than solely involving the Company and one or more of its affiliates (as such term is defined in the Securities Act (Ontario)), with respect to which all or substantially all of the persons who were the beneficial owners of the common shares, immediately prior to such reorganization, amalgamation, merger or plan of arrangement do not, following such reorganization, amalgamation, merger or plan of arrangement, beneficially own, directly or indirectly more than 50% of the resulting voting shares on a fully-diluted basis (for greater certainty, this shall not include a public offering or private placement out of treasury) or the sale to a person other than an affiliate of the Company of all or substantially all of the Company's assets (collectively, a "**Change of Control**"), the Company shall have the discretion, without the need for the agreement of any Optionee, to accelerate the Expiry Dates and/or any applicable vesting provisions of all Options, as it shall see fit. The Company may accelerate one or more Optionee's Expiry Dates and/or vesting requirements without accelerating the Expiry Dates and/or vesting requirements of all Options and may accelerate the Expiry Date and/or vesting requirements of only a portion of an Optionee's Options.

8. AMALGAMATION, CONSOLIDATION OR MERGER: In the event that the Company is a consenting party to a Change of Control, outstanding Options shall be subject to the agreement effecting such Change of Control and Optionees shall be bound by such Change of Control agreement. Such agreement, without the Optionees' consent, may provide for:

- (a) the continuation of such outstanding Options by the Company (if the Company is the surviving or acquiring corporation);
- (b) the assumption of the Plan and such outstanding Options by the surviving entity;
or
- (c) the substitution or replacement by the surviving or acquiring corporation or its parent of options with substantially the same terms for such outstanding Options.

The Company may provide in any agreement with respect to any such Change of Control that the surviving, new or acquiring corporation shall grant options to the Optionees to acquire shares in such corporation or its parent with respect to which the excess of the fair market value of the shares of such corporation immediately after the consummation of such Change of Control over the exercise price therefore shall not be less than the excess of the value of the common shares over the Exercise Price of the Options immediately prior to the consummation of such Change of Control.

9. APPROVALS: The obligation of the Company to issue and deliver the common shares

in accordance with the Plan is subject to any approvals which may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Company. If any common shares cannot be issued to any Optionee for whatever reason, the obligation of the Company to issue such common shares shall terminate and any Option exercise price paid to the Company will be returned to the Optionee.

10. STOCK EXCHANGE RULES: The rules of any stock exchange upon which the Company's common shares are listed shall be applicable relative to Options granted to Optionees.

11. AMENDMENT AND DISCONTINUANCE OF PLAN: Subject to regulatory approval, the Board of Directors may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such right may, without the consent of the Optionee, in any manner adversely affect the rights of the Optionee under any Option theretofore granted under the Plan.

12. EXTENSION OF EXPIRY DATE DURING BLACKOUT PERIOD: The expiry date of an Option will be extended automatically without shareholder approval where such expiry date occurs within a Blackout Period or within ten (10) Business Days from the end of a Blackout Period and the new expiry date shall be the 10th Business Day following the end of the relevant Blackout Period. For the purposes of the Plan "Business Day" means any day other than a Saturday, Sunday or a day that is treated as a holiday at the Corporation's principal executive offices in Toronto, Ontario, Canada. For the purposes of the Plan "Blackout Period" means any period during which a policy of the Company prevents Optionees of the Company from trading in securities of the Company, including the exercise of the Options. The Blackout Period must be formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information. The Blackout Period must expire upon the general disclosure of the undisclosed Material Information or upon such Material Information ceasing to be material or applicable.

13. EFFECTIVE DATE AND DURATION OF PLAN: The Plan shall remain in full force and effect from the date of shareholder approval hereof and from year to year thereafter until amended or terminated in accordance with Paragraph 11 hereof and for so long thereafter as Options remain outstanding in favour of any Optionee.

14. REPLACEMENT OF PREVIOUS PLAN: This Plan replaces and supersedes the 2006 Plan.