

**MANAGEMENT INFORMATION CIRCULAR**

**AND**

**NOTICE OF ANNUAL & SPECIAL MEETING  
OF SHAREHOLDERS OF**

**WILDSKY RESOURCES INC.**

**TO BE HELD ON SEPTEMBER 14, 2021**

**Dated: August 11, 2021**

**NOTICE OF ANNUAL & SPECIAL MEETING OF SHAREHOLDERS  
to be held on September 14, 2021 at 10:00 am PST**

NOTICE IS HEREBY GIVEN that the Annual & Special Meeting (the “**Meeting**”) of the shareholders of Wildsky Resources Inc. (the “**Corporation**”) will be held in the offices of the Corporation at Suite 890, 580 Hornby Street, Vancouver, BC, V6C 3B6 on September 14, 2021 at 10:00 a.m. to consider resolutions for the following purposes:

1. To receive and consider the comparative financial statements of the Corporation for the financial year ended November 30, 2020, together with the report of the auditor thereon;
2. To set the number of directors at three (3);
3. To elect directors for the ensuing year;
4. To appoint Davidson & Company LLP as auditors of the Corporation for the ensuing year and to authorize the directors to determine the remuneration to be paid to the auditors;
5. To consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the new stock option plan;
6. To consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested shareholders approving the creation of a new Control Person and a change of control of the Company; and
7. To transact such other business as may properly be put before the meeting;

The accompanying information circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this notice.

Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed proxy. A proxy will not be valid unless it is deposited by mail or by fax at the office of Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, ON M5J 2Y1 [Fax: Within North America: 1-866-249-7775, Outside North America: (416) 263-9524] not less than 48 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or an adjournment thereof. Only Shareholders of record on September 12, 2021 are entitled to receive notice of and vote at the Meeting.

DATED at Vancouver, British Columbia this 11th day of August, 2021.

BY ORDER OF THE BOARD OF DIRECTORS OF  
**WILDSKY RESOURCES INC.**

/s/ “**WENHONG JIN**”  
President and CEO

# MANAGEMENT INFORMATION CIRCULAR

as at August 11, 2021

## MANAGEMENT SOLICITATION OF PROXIES

This information circular (“**Information Circular**”) is provided in connection with the solicitation of proxies by the management of **Wildsky Resources Inc.** (the “**Corporation**”) for use at the Annual General and Special Meeting of the shareholders of the Corporation (the “**Meeting**”) to be held on September 14, **2021**, at Suite 890, 580 Hornby Street, Vancouver, British Columbia, Canada, at **10:00 a.m.** (Vancouver time) and at any adjournments thereof for the purposes set forth in the enclosed Notice of Annual General and Special Meeting (“**Notice of Meeting**”).

The solicitation of proxies will be primarily by mail. Proxies may also be solicited personally by directors, officers and regular employees of the Corporation. The cost of solicitation of proxies will be borne by the Corporation.

**You may opt to receive important shareholder information electronically, including Annual General Meeting materials, by visiting [www.investorcentre.com](http://www.investorcentre.com) and follow these steps:**

- **Click on “sign up for e-Delivery”**
- **Select the Corporation from the drop-down list**
- **Enter your Holder Account Number (found on your proxy form) and postal code (or last name if you reside outside of Canada)**
- **Click Submit**

## APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy (the “**Proxy**”) are officers of the Corporation. **A registered shareholder has the right to appoint a person (who need not be a shareholder) other than the persons named as the proxy of the shareholder and may exercise this right either by inserting that person’s name in the blank space provided in the Proxy and striking out the other names or by completing another proper form of proxy.** To be effective, Proxies must be deposited at the office of the Corporation’s registrar and transfer agent, Computershare Trust Company of Canada, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or adjournment thereof.

Proxies given by registered shareholders for use at the Meeting may be revoked at any time before their use. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by depositing an instrument in writing signed by the registered shareholder, or by the registered shareholder’s attorney duly authorized in writing, at the registered office of the Corporation, Suite 405-1328 West Pender Street, Vancouver, British Columbia, on or before the last business day preceding the day of the Meeting, or any adjournment thereof, or with the chair of the Meeting on the day of the Meeting, or any adjournment thereof.

## Voting and Discretion of Proxies

The common shares of the Corporation represented by the Proxies solicited by management of the Corporation pursuant to this Circular will be voted or withheld from voting in accordance with the directions contained therein. **If no directions are given, the common shares will be voted FOR the fixing of the number of directors at five, FOR the election of management’s nominees as directors of the Corporation, FOR the appointment of management’s nominee as auditors of the Corporation and authorizing the directors to fix their remuneration, FOR the amendment of the stock option plan and FOR the adoption of the new set of articles. The Proxy confers discretionary authority on the persons named therein in respect of amendments or variations to the matters referred to in the Notice and in respect of other matters that may properly come before the Meeting, or any adjournment thereof.**

As at the date of this Circular, management knows of no such amendments or variations or other matters that may properly come before the Meeting but, if any such amendments, variations or other matters are properly brought before the Meeting, the persons named in the Proxies will vote thereon in accordance with their best judgment.

## Non-Registered Holders

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as the Canadian Depository for Securities Limited, of which the Intermediary is a participant).

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as “NOBOs.” Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as “OBOs.” In accordance with applicable securities laws, the Corporation has elected to send the notice and access notification directly to the NOBOs, and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the notice and access notification to each OBO, unless the OBO has waived the right to receive them.

The Meeting Materials are being made available to both registered shareholders and Non-Registered Holders. If you are a Non-Registered Holder 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. In this event, by choosing to send the notice and access notification to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) making available the Meeting Materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation does not intend to pay for the Intermediary to deliver the notice and access notification or Meeting Materials to OBOs and, as a result, OBOs will not be sent paper copies of such notice and access notification or Meeting Materials unless their Intermediary assumes the costs. Intermediaries will frequently use service companies to forward the notice and access notification and/or Meeting Materials to the Non-Registered Holders. Generally, a Non-Registered Holder who has not waived the right to receive Meeting Materials 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 of shares beneficially owned by the Non-Registered Holder and must be completed, but not signed, by the Non-Registered Holder and deposited with Computershare Investor Services Inc.; or
- b) more typically, be given a voting instruction form 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 which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholder named in the form and insert the Non-Registered Holder’s name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.

## VOTING SHARES

The record date for the determination of shareholders entitled to receive notice of and vote at the Meeting has been fixed as August 9, 2021. Except as may be otherwise indicated herein and in the Notice, the affirmative vote of a majority of the votes cast at the Meeting is required for approval of each matter set forth in this Circular.

To the knowledge of the directors and senior officers of the Corporation, the only persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as at the date of this Information Circular are:

Shareholder Name And Address	Number of Shares Held	Percentage of Issued Shares
Zheng Zhou China	1,500,000	5.82%
SkyOcean Venture Investment Limited China	3,358,179 <sup>(1)</sup>	13.04%
Zijin Global Fund SPRD <sup>(2)</sup> Hong Kong	5,125,000	19.90%

**Note:**

1. Mr. Zheng Zhou, a former director of the Corporation, is the sole shareholder of both SkyOcean Venture Investment Limited (“**SkyOcean**”) and China Mineral Holdings Limited (“**CMH**”). CMH also holds 630,907 Common Shares of the Corporation, being 2.45% of the Corporation’s issued and outstanding Common Shares. Together, SkyOcean and CMH hold 3,358,179 Common Shares, being 13.04% of the Corporation’s issued and outstanding Common Shares. The above information was supplied to the Corporation by Computershare and by the shareholder.
2. Zijin Global Fund SPRD is managed by Gold Mountains Asset Management Co., Ltd.

**Common Shares**

The authorized capital of the Corporation consists of an unlimited number of common shares without par value. As at the date of this Circular 25,759,813 common shares are issued and outstanding.

Each common share of the Corporation carries the right to one vote, and all common shares may be voted at the Meeting.

**ELECTION OF DIRECTORS**

The directors of the Corporation are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are appointed.

Shareholder approval will be sought to fix the number of directors of the Corporation at three (3).

In the absence of instructions to the contrary, the enclosed Proxy will be voted for the three (3) nominees listed herein.

THE MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT, PRIOR TO THE MEETING, ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY MANAGEMENT TO VOTE THE PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS.

Name, Country of Residence and Present Position with Corporation	Principal Occupation and, IF NOT at Present an ELECTED Director, Occupation During the Past Five Years	Period From Which Nominee Has Been Director	Number of Common Shares Beneficially Owned <sup>(2)</sup>
Wenhong Jin Director, CEO & President British Columbia, Canada	Mr. Jin has served as President of the Corporation since April 28, 2017 and Chief Executive Officer of the Corporation since December 19, 2017. Mr. Jin has held the offices of President and CEO of Huakan International Mining Inc. (a mining company incorporated in Canada focused on developing gold, silver, and non-ferrous mineral projects through the acquisition, exploration, and development of precious	NA	752,000

Name, Country of Residence and Present Position with Corporation	Principal Occupation and, IF NOT at Present an ELECTED Director, Occupation During the Past Five Years	Period From Which Nominee Has Been Director	Number of Common Shares Beneficially Owned <sup>(2)</sup>
	and base metal deposits) since April 2014. From November 2010 to April 2014, Mr. Jin held the positions of Chief Geologist and Vice-President of Huakan International. Mr. Jin obtained a Bachelors degree from Guilin University of Technology located in Guilin City, Guangxi Province, China, in 1992.		
Zonglin Zhang <sup>(1)(3)</sup> Director Shenzhen, China	Mr. Zhang has 15 years of experience in the exploration, evaluation and investment of mining companies. He has been the investment director of Gold Mountains Asset Management Limited since September 2013. Mr. Zhang previously served as a geologist and investment manager of Zijin Mining Group between 2001 and 2013. Mr. Zhang received a Master degree in Finance from the Beijing Normal University in 2008, and a Bachelor of Arts degree in geology from the China University of Geo-Science (Wuhan) in 2001.	Since December 19, 2017	Nil <sup>(3)</sup>
John Anderson <sup>(1)</sup> Director Vancouver, BC	Mr. Anderson has over 25 years of capital market experience specializing in the resource sector. He was a founder and Financier of many start up companies with experience on the TSX, NYSE, NASDAQ and London AIM and Swiss Stock Exchange. He was a founder of Deep 6 PLC, American Eagle Oil and Gas as well a founding general partner in Aquastone Capital LLC, a New York based gold fund. He is currently the Chairman and interim CEO of Triumph Gold Corp and CEO of Parallel Mining Corp. and Chairman of Fluidoil Corp.	Since February 5, 2020	Nil

<sup>(1)</sup> Member of the Audit Committee.

<sup>(2)</sup> Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at August 9, 2021, based upon information furnished to the Corporation by individual Directors. Unless otherwise indicated, such shares are held directly.

<sup>(3)</sup> Mr. Zhang is a trustee for Zijin Midas Exploration Fund LLC and Zijin Global Fund, Both of these funds participated in a private placement of the Corporation's securities in 2017.

### Corporate Cease Trade Orders or Bankruptcies

No proposed director:

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

while the proposed director was acting in the capacity as director, CEO or CFO of such company; or

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the 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
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## EXECUTIVE COMPENSATION

The following information is presented in accordance with National Instrument Form 51-102F6V ("**Statement of Executive Compensation**"), and sets forth compensation for each of Mr. Wenhong Jin (Chief Executive Officer) and Ms. Ke Feng Yuan (Chief Financial officer), and the most highly compensated executive officers as at November 30, 2020 whose total compensation was, individually, more than \$150,000 for the financial year (collectively the "Named Executive Officers" or "NEOs"), and for the directors of the Corporation.

### Summary Compensation Table

The compensation (excluding compensation securities) for the Named Executive Officers and directors for the Corporation's two most recently completed financial years is as set out below:

**Table of Compensation excluding Compensation Securities**

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Wenhong Jin <sup>(1)</sup> President, CEO and director	2020	96,000	Nil	Nil	Nil	Nil	96,000
	2019	96,000	Nil	Nil	Nil	Nil	96,000
Ke Feng Yuan CFO and Corporate Secretary	2020	72,000	Nil	Nil	Nil	Nil	72,000
	2019	72,000	Nil	Nil	Nil	Nil	72,000
Bernard Kahlert director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Zonglin Zhang <sup>(2)</sup> director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
John Anderson director <sup>(3)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Zheng Zhou	2020	Nil	Nil	Nil	Nil	Nil	Nil

former director <sup>(4)</sup>	2019	Nil	Nil	Nil	Nil	Nil	Nil
Mao Sun <sup>(5)</sup> former director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Mr. Jin was appointed President of the Corporation on April 28, 2017, and CEO of the Corporation on December 19, 2017.
- (2) Mr. Zonglin Zhang was appointed to the board of directors on December 19, 2017.
- (3) Mr. John Anderson was appointed to the board of directors on February 5, 2020.
- (4) Mr. Zheng Zhou resigned from the Corporation's board of directors on or about November 10, 2020.
- (5) Mr. Mao Sun was appointed to the board of directors on April 28, 2017. Mr. Sun resigned from the Corporation's board of directors on or about February 5, 2020.

### Stock Options and Other Compensation Securities

The following table sets forth information concerning all compensation securities granted or issued to each director and Named Executive Officer by the Corporation in the most recently completed financial year:

#### Compensation Securities

Name and position	Type of compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities, and % of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Wenhong Jin Director, President & CEO	Stock Options	nil	na	na	na	na	na
Ke Feng Yuan CFO & Corporate Secretary	Stock Options	nil	na	na	na	na	na
Bernard Kahlert Director	Stock Options	nil	na	na	na	na	na
Zonglin Zhang Director	Stock Options	nil	na	na	na	na	na
John Anderson <sup>(2)</sup> director	Stock Options	nil	na	na	na	na	na
Mao Sun <sup>(3)</sup> Former Director	Stock Options	nil	na	na	na	na	na
Zheng Zhou <sup>(4)</sup> Former Director	Stock Options	nil	na	na	na	na	na

- (1) Each stock option entitles the holder to one Common Share upon exercise or release. For further information, see "Stock Option Plans and Other Incentive Plans" below.
- (2) Mr. John Anderson was appointed to the board of directors on February 5, 2020.
- (3) Mr. Mao Sun resigned from the Corporation's board of directors on or about February 5, 2020.
- (4) Mr. Zheng Zhou resigned from the Corporation's board of directors on or about November 10, 2020.

### Oversight and Description of Director and Named Executive Officer Compensation

#### Compensation of Directors

Compensation of directors is determined by a recommendation of the President & CEO and approval of the board of directors. Non-executive directors received fees as outlined in the Summary Compensation



Table above. Long term incentives (stock options) are granted from time to time, based on an existing complement of long-term incentives, corporate performance and to be competitive with other companies of similar size and scope.

### ***Compensation of Named Executive Officers***

The Corporation's compensation philosophy for Named Executive Officers follows three underlying principles:

- (a) to provide compensation packages that encourage and motivate performance;
- (b) to be competitive with other companies of similar size and scope of operations so as to attract and retain talented executives; and
- (c) to align the interests of its executive officers with the long-term interests of the Corporation and its shareholders through stock related programs.

When determining compensation policies and individual compensation levels for the Corporation's executive officers, the Corporation takes into consideration a variety of factors including management's understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities; each executive officer's individual performance during the fiscal year; each executive officer's experience, skills and level of responsibility; the executive's historical compensation and performance within the Corporation; and existing market standards within the mining industry. Management presents its recommendations to the Board of Directors.

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

#### **Compensation Mix**

In keeping with the Corporation's philosophy to link executive compensation to corporate performance and to motivate executives to achieve exceptional levels of performance, the Corporation has adopted a model that includes both base salary and "at-risk" compensation comprised of participation in the Corporation's Long Term Incentive Plan (stock options), as described below.

#### **Base Salary**

Mr. Wenhong Jin was appointed Chief Executive Officer on December 19, 2017. He was elected to the board of directors of the Company at the Company's Annual and Special Meeting on June 20, 2019. Mr. Jin's base salary was \$8,000 per month starting May 1, 2017. Mr. Jin entered into a new consulting agreement with the Company effective January 1, 2021. Pursuant to the new consulting agreement, Mr. Jin's consulting fees were increased to \$10,000 per month.

Mr. Jin's consulting agreement contains provisions concerning termination in the face of a change of control of the Company. If Mr. Jin's consulting agreement is terminated within twelve (12) months of a change of control of the Company, the Company shall be liable to pay Mr. Jin an amount equal to eighteen (18) months of his consulting fee (plus applicable taxes).

Ms. Ke Feng Yuan, the Corporation's Chief Financial Officer, received a base salary of \$6,000 per month commencing May 1, 2017. Ke Feng (Andrea) Yuan was appointed the Corporation's Chief Financial Officer and Corporate Secretary on May 1, 2017.

Ms. Yuan's consulting agreement contains provisions concerning termination in the face of a change of control of the Company. If Ms. Yuan's consulting agreement is terminated within twelve (12) months of a change of control of the Company, the Company shall be liable to pay Ms. Yuan an amount equal to eighteen (18) months of her consulting fee (plus applicable taxes).

For the purposes of the consulting agreements between the Company and Mr. Jin and Ms. Yuan, a "change of control" of the Company means means a transaction or series of transactions which results in:

- (a) a person, or persons acting jointly and in concert pursuant to an agreement among them, holds more than 50% of the voting shares of the Corporation and, as a result, holds the right to elect a majority of the members of the board of directors of the Corporation;
- (b) any merger or consolidation of the Corporation with, or sale of all or substantially all of the Corporation's assets or business to, another person (other than an affiliate of the Corporation);

- (c) there is a sale of ownership of 50% or more of the voting securities of the Corporation to another person (other than to an affiliate or subsidiary of the Corporation);
- (d) a change in the composition of the board of directors of the Corporation effected over a period of 12 consecutive months or less (the "**Period**") such that two-thirds of the board ceases to be comprised of individuals who either:
  - (i) have been board members continuously since the beginning of the Period; or
  - (ii) have, at general meeting of the shareholders of the Corporation duly called in accordance with the Articles of the Corporation, been elected or nominated for election as Board members as part of the management slate during the Period;
- (e) a complete liquidation or dissolution of the Corporation;
- (f) any similar transaction or combination of the foregoing which would have substantially the same effect as any of the foregoing.

Directors are also eligible to receive a rate for consulting services when requested by the Corporation to provide services not normally considered to be within the scope of Directors' duties. The Board considers that this is appropriate for the Corporation's current stage of development. Base salaries are reviewed annually to ensure they reflect each respective executive's performance and experience in fulfilling his or her role and to ensure executive retention.

#### Long Term Incentive Plan (Stock Options)

Long term incentives are performance-based grants of stock options. The awards are intended to align executive interests with those of shareholders by tying compensation to share performance and to assist in retention through vesting provisions. Grants of stock options are based on:

- (a) the executive's performance;
- (b) the executive's level of responsibility within the Corporation;
- (c) the number and exercise price of options previously issued to the executive; and
- (d) the overall aggregate total compensation package provided to the executive.

The value of any long-term options allocated is determined using the Black-Scholes model.

Management makes recommendations to the Compensation Committee and the Board concerning the Corporation's Long-Term Incentive Plan based on the above criteria. Options are typically granted on an annual basis in connection with the review of executives' compensation packages. Options may also be granted to executives upon hire or promotion and as special recognition for extraordinary performance.

Stock compensation awards are also granted, at the discretion of the Board, to existing directors, employees, and consultants based on award levels in the past and Corporation performance, in compliance with applicable securities law, stock exchange, and other regulatory requirements. Share compensation grants may also be issued, at the discretion of the Board, throughout the year, to attract new directors, officers, employees or consultants. The Corporation's Board of Directors considers previous grants of options and the overall number of options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience, and level of commitment of the director, officer, employee, or consultant in determining the level of incentive stock option compensation.

#### **Benefits and Perquisites**

The Corporation's NEOs do not receive any benefits or perquisites. For additional details, see "Description of the Long-Term Incentive Plan" above.

#### **Pension Plan Benefits**

The Corporation does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

## INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

As at November 30, 2020, there was no indebtedness outstanding with any current or former Director, executive officer or employee of the Corporation or its subsidiaries which is owing to the Corporation or its subsidiaries, or which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

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

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

in relation to a securities purchase program or other program.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as stated herein, no informed person, director, executive officer, nominee for director, any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation, nor any associate or affiliate of such persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transactions or any proposed transactions which has materially affected or would materially affect the Corporation.

## APPOINTMENT AND REMUNERATION OF AUDITOR

Davidson & Company LLP, Chartered Professional Accountants (“**Davidson**”) was appointed to act as auditor for the Corporation on May 26, 2017 and was re-appointed at the Corporation’s Annual General Meeting of its shareholders held on September 15, 2020.

Management of the Corporation proposes to nominate Davidson & Company LLP, Chartered Professional Accountants, of Vancouver, British Columbia as auditors of the Corporation to hold office until the next Annual General Meeting of Shareholders, at a remuneration to be fixed by the directors. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of Davidson as the auditors of the Corporation to hold office for the ensuing year and to authorize the directors to fix their remuneration.

## AUDIT COMMITTEE

Pursuant to Section 224(l) of the *Business Corporations Act* (British Columbia), the policies of the TSX Venture Exchange (the “**TSX-V**”) and Multilateral Instrument 52-110 (“**MI 52-110**”) *Audit Committees*, the Corporation is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation. MI 52-110 requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

The Audit Committee held an annual meeting in the fiscal year ending November 30, 2016. It intends to hold annual meetings going forward. The Audit Committee reviews the interim and annual financial statements on a quarterly basis and discusses these statements with the Corporation’s auditor as necessary. In addition, all financial statements are recommended by the Audit Committee to the Board for approval.

### The Audit Committee’s Charter

The full text of the Audit Committee Charter is attached as Schedule “A” to this Information Circular.

## Composition of the Audit Committee

The following are members of the Audit Committee as at November 30, 2020:

	Independent <sup>(1)</sup>	Financially Literate <sup>(1)</sup>
Bernard Kahlert	Y	Y
John Anderson	Y	Y
Zonglin Zhang	Y	Y

(1) As defined by Multilateral Instrument 52-110 (“MI 52-110”)

The Corporation is relying on the exemption provided under Section 6.1 of MI 52-110.

### Relevant Education and Experience

Each audit committee member has gained financial literacy through their years of experience serving as directors of several mining and mineral exploration companies as financial industry executives, and serving on numerous other audit committees. In these positions, each member would be responsible for receiving financial information relating to their company and obtaining an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of the Corporation and its operating results. Each member has significant understanding of the mineral exploration business which the Corporation engages in and has an appreciation for the relevant accounting principles for that business.

**Bernard Kahlert** is a Professional Engineer with strong background in geological and financial management. Mr. Kahlert is currently President of B.H. Kahlert & Associates Ltd., a private consulting company. Mr. Kahlert has been overseeing exploration programs for various senior and junior resources companies for over forty years as the roles of Exploration Manager and Vice-President Exploration. His key responsibilities in these positions are operational control and financial management of the exploration programs. Mr. Kahlert has also been a director of a number of junior exploration companies for the past 20 years and directly involved in numerous equity financings for these companies. In addition, he has been involved in merger and acquisition due diligence of mining companies from small to large-size. Mr. Kahlert holds a Bachelor of Science in Geology from the University of British Columbia.

**John Anderson** has extensive experience in public companies. Mr. Anderson has over 25 years of capital market experience specializing in the resource sector. He was a founder and Financier of many start up companies with experience on the TSX, NYSE, NASDAQ and London AIM and Swiss Stock Exchange. He was a founder of Deep 6 PLC, American Eagle Oil and Gas as well a founding general partner in Aquastone Capital LLC, a New York based gold fund. He is currently the Chairman and interim CEO of Triumph Gold Corp and CEO of Parallel Mining Corp. and Chairman of Fluidoil Corp.

**Zonglin Zhang** received a Masters degree in Finance from Beijing Normal University in 2008, and a Bachelors of Arts degree in geology from China University of Geo-Science (Wuhan) in 2001. Mr. Zhang has 15 years of experience in the exploration, evaluation and investment of mining companies. He has been the investment director of Gold Mountains Asset Management Limited since September 2013.

### Audit Committee Oversight

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

### Reliance on Certain Exemptions

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

### Pre-Approval Policies and Procedures

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

## External Auditor Service Fees (By Category)

The table below sets out all fees billed by the Corporation's external auditor in each of the last two fiscal years. In the table "Audit Fees" are fees billed by the Corporation's external auditor for services provided in auditing the Corporation's financial statements for the fiscal year. "Audit-Related Fees" are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements. "Tax Fees" are fees billed by the Corporation's external auditors for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the external auditor for products and services not included in the foregoing categories:

Financial Year Ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
November 30, 2020	24,799	Nil	Nil	Nil
November 30, 2019	24,244	Nil	Nil	Nil

Exemption in Section 6.1

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

## STATEMENT OF CORPORATE GOVERNANCE

### General

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

This section describes the Corporation's approach to corporate governance.

### Board of Directors

As of the date of this Circular, the Board consisted of four (4) directors: Wenhong Jin, Bernard Kahlert, John Anderson and Zonglin Zhang.

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 facilitates its independent supervision over management by holding periodic board meetings to discuss the operations of the Corporation. The Board is responsible for determining whether or not each director is an independent director. To do this, the Board analyzes all the relationships of the directors with the Corporation and its subsidiaries. None of the independent directors is engaged in the day-to-day operations of the Corporation or is a party to any material on-going contracts with the Corporation. More information about each director can be found above in this Information Circular under Election of Directors.

The current independent members of the Board are Bernard Kahlert, Zonglin Zhang and John Anderson. Following the Meeting, the independent members of the Board are Zonglin Zhang and John Anderson.

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

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>	<b>Name of Exchange</b>
Wenhong (Wilson) Jin	<i>Transcontinental Gold Corp.</i> <i>Cassiar Gold Corp.</i> <i>Parallel Mining Corp.</i>	<i>TSXV</i> <i>TSXV</i> <i>TSXV</i>
Bernard Kahlert <sup>(1)</sup>	<i>Commander Resources Ltd.</i> <i>Adamera Minerals Corp.</i>	<i>TSXV</i> <i>TSXV</i>
John Anderson	<i>Parent Capital Corp.</i> FluidOil Limited Parallel Mining Corp. Phenom Resources Corp. Mexican Gold Corp Intercontinental Gold and Metals Ltd Triumph Gold Corp	<i>TSXV</i> <i>TSXV</i> <i>TSXV</i> <i>TSXV</i> <i>TSXV</i> <i>TSXV</i> <i>TSXV</i>

**Notes:**

(1) Mr. Kahlert is not standing for election to the Company's board of directors at the Meeting.

**Stewardship of the Corporation**

The Board performs its functions through quarterly and special meetings and has delegated certain of its responsibilities to those committees described below. In addition, the Board has established policies and procedures that limit the ability of management to carry out certain specific activities without the prior approval of the Board.

The Board, through its audit committee, has the responsibility of identifying the principal risks of the Corporation's business. It has worked with management to implement policies to identify the risks and to establish systems and procedures to ensure that these risks are monitored. In particular, fixed price contracts are an important element of the Corporation's business and, in entering into such contracts; the Corporation assumes certain risks in relation to its ability to deliver projects profitably. To reduce such risks, the Corporation has a management team (comprised of Vice-President Exploration and two senior managers) to review project bids, contract negotiations and ongoing project performance.

The Board has, together with the Chief Executive Officer, developed a written position description for the Chief Executive Officer. As well, the Board meets at least quarterly with the Management Committee to review and approve the Management Committee's quarterly and annual objectives.

The Board delegates responsibility for the integrity of internal controls and management information systems to the audit committee. The Corporation's external auditors report directly to the audit committee. In its regular meetings with the external auditors, the audit committee discusses, among other things, the Corporation's financial statements and the adequacy and effectiveness of the Corporation's internal controls and management information systems.

**Orientation and Continuing Education**

The Corporation does not provide a formal orientation and education program for new directors; however, any new directors will be given the opportunity to familiarize themselves with the Corporation, the current directors and members of management. Directors are also encouraged and given the opportunity for continuing education.

**Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an

interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

The objectives of the Disclosure Policy are to disclose information in a timely, consistent and appropriate manner; to protect and prevent the improper use or disclosure of material information and Corporation information; and to broadly disseminate material information in accordance with all applicable securities law requirements.

The objectives of the Securities Trading Policy are to establish a policy that directors, officers, insiders and employees of the Corporation will follow in connection with the purchase or sale of the Corporation's securities. The Securities Trading Policy is also intended to raise the awareness of the trading and confidentiality obligations of directors, officers, insiders and employees.

The purpose of the Whistleblower Policy is to establish procedures for receipt, recording and treatment of complaints and concerns regarding accounting activities, internal controls or auditing matters and the confidential submission by employees of any concerns in these areas.

### **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: these functions are currently performed by the Board as a whole. However, if there is a change in the number or composition of directors required by the Corporation, this policy will be reviewed.

#### *Other Board Committees*

Aside from the Audit Committee, the Corporation has no other Board committees.

#### *Assessments*

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

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

### **1. Approval of 2021 Stock Option Plan**

The proposed stock option plan (the "2021 Option Plan") was prepared in accordance with current policies of the TSX Venture Exchange (the "TSX-V"). The 2021 Option Plan is set out in Schedule B to this Information Circular. A copy of the 2021 Option Plan is available upon request by any shareholder of the Corporation at no charge, or may be reviewed at the Corporation's registered office during normal business hours until the date of the Meeting.

The 2021 Option Plan is a "rolling" stock option plan which sets the number of options available for grant by the Corporation at an amount equal to up to a maximum of 10% of the Corporation's issued and outstanding common shares from time to time, less any common shares reserved for issuance under other share compensation arrangements. Under TSX-V policies, the 2021 Option Plan must be approved by the Corporation's shareholders on an annual basis. Therefore, shareholders are being asked to approve the 2021 Option Plan at the Meeting.

Pursuant to the 2021 Option Plan: (i) the maximum number of common shares reserved for issuance under the 2021 Option Plan and any other share compensation arrangement in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding common shares at the date of the grant; (ii) the maximum number of common shares reserved for issuance under the 2021 Option Plan and any other share compensation arrangement in any 12 month period to any consultant may not exceed 2% of the issued and outstanding common shares at the date of the grant; and (iii) the maximum number of common shares reserved for issuance under the 2021 Option Plan and any other share compensation arrangement in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of common shares at the date of the grant.

In addition, unless the Corporation has received disinterested shareholder approval to do so: (i) the aggregate number of common shares reserved for issuance to insiders under the 2021 Option Plan and any other share compensation arrangement shall not exceed 10% of the outstanding common shares

at the time of the grant; and (ii) the aggregate number of common shares reserved for issuance to insiders in any 12 month period under the 2021 Option Plan and any other share compensation arrangement shall not exceed 10% of the outstanding common shares at the time of the grant.

Subject to minimum exercise price of \$0.05 per common share, the exercise price per common share for an option shall be not less than the "Discounted Market Price" as calculated pursuant to the TSX-V policies, or such other minimum price as may be required by the TSX-V. If options are granted within 90 days of a distribution by the Corporation by prospectus, the exercise price per common share for such options shall not be less than the greater of the minimum exercise price calculated pursuant to the above and the price per common share paid by the public investors for common shares acquired pursuant to such distribution.

Every option granted under the 2021 Option Plan shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant.

Subject to the 2021 Option Plan and otherwise in compliance with the policies of the TSX-V, the Board shall determine the manner in which an option shall vest and become exercisable. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than one-quarter (1/4) of such options vesting in any three month period.

According to the 2021 Option Plan, if a director, officer, employee or consultant (each, a "**Participant**") is terminated for cause, then each option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the expiry date and the date which is 30 days after such termination for cause. If a Participant is prevented, by order or similar decision of the British Columbia Securities Commission or other regulatory authority having jurisdiction over the Corporation or its affairs, from holding an option, then each option held by such Participant shall terminate and shall therefore cease to be exercisable upon the making of such order or similar decision. If a Participant dies prior to otherwise ceasing to be an eligible person, each option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the expiry date and the date which is twelve months after the date of the Participant's death. If a Participant ceases to be an eligible person other than in the circumstances set out in the 2021 Option Plan, each option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the expiry date and the date which is 90 days after such terminating event, always provided that the Board may allow for each option held by such Participant to terminate and cease to be exercisable on such later date following the Participant ceasing to be an eligible person as the Board in its discretion may determine is reasonable.

For greater certainty, if a Participant dies, each option held by such Participant shall be exercisable by the legal representative of such Participant until such option terminates and therefore ceases to be exercisable pursuant to the terms of the 2021 Option Plan. If any portion of an option is not vested at the time a Participant ceases, for any reason whatsoever, to be an eligible person, such unvested portion of the option may not be thereafter exercised by the Participant or its legal representative, as the case may be, always provided that the Board may, in its discretion, thereafter permit the Participant or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the option that would have vested prior to the time such option otherwise terminates and therefore ceases to be exercisable pursuant to the terms of the 2021 Option Plan. For greater certainty, and without limitation, this provision will apply regardless of whether the Participant ceases to be an eligible person voluntarily or involuntarily, was dismissed with or without cause, and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a notice of termination for a period which would otherwise have permitted a greater portion of an option to vest.

In accordance with good corporate governance practices and as recommended by National Policy 51-201 *Disclosure Standards*, the Corporation may impose black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods from time to time when deemed necessary by management and the board of directors. In order to ensure that optionees are not prejudiced by the imposition of such black-out periods, the **2021 Option Plan** includes a provision (the "**Black-Out Provisions**") to the effect that any outstanding stock options with an expiry date that falls during a management imposed black-out period or within five days thereafter will be automatically extended to a date that is ten trading days following the end of the black-out period.

The 2021 Option Plan provides that if a change of control (as defined therein) occurs, or if the Corporation is subject to a take-over bid, all shares subject to stock options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder. The Board of Directors



of the Corporation may also accelerate the expiry date of outstanding stock options in connection with a take-over bid. The 2021 Option Plan permits the Corporation to make such arrangements as it shall deem appropriate for the exercise of outstanding options or continuance of outstanding options in the event of a change of control.

The 2021 Option Plan contains adjustment provisions with respect to outstanding options in cases of share reorganizations, special distributions and other corporation reorganizations including an arrangement or other transaction under which the business or assets of the Corporation become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Corporation's shareholders, or the exchange with the Corporation's shareholders, of securities of the Corporation or securities of another company.

The 2021 Option Plan provides that where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Corporation other than for cause, then all vested options held by such optionee will expire at the earlier of (i) the expiry date of such options and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases to be an eligible person under the 2021 Option Plan provided that the Board of Directors of the Corporation may, in certain circumstances, extend the expiry date to a later date within a reasonable period in accordance with TSX-V policies.

The 2021 Option Plan contains a provision that, if pursuant to the operation of certain of the plan's adjustment provisions, in respect of options granted under the Option Plan (the "**Subject Options**"), an optionee receives options to purchase securities of another company (the "**New Company**"), such new options shall expire on the earlier of: (i) the expiry date of the Subject Options; (ii) if the optionee does not become an eligible person in respect of the New Company, the date that the Subject Options expire pursuant to the applicable provisions of the 2021 Option Plan relating to expiration of options in cases of death, disability or termination of employment discussed in the preceding paragraph above (the "Termination Provisions"); (iii) if the optionee becomes an eligible person in respect of the New Company, the date that such new options expire pursuant to the terms of the New Company's stock option plan that correspond to the Termination Provisions; and (iv) the date that is one year after the optionee ceases to be an eligible person in respect of the New Company or such shorter period as determined by the board.

#### Shareholder Approval Being Sought

As of the date hereof, 25,759,813 common shares of the Corporation are issued and outstanding. As of such date, the number of common shares issuable upon exercise of options that may be granted under the Option Plan is 2,575,981 or 10% of such number. As of the date hereof, the Corporation had 1,650,000 options outstanding under the 2021 Option Plan (representing approximately 64% of the issued and outstanding common shares).

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution, in the form set out below (the "**2021 Option Plan Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, approving the continuation of the 2021 Option Plan.

The Board and management recommend the approval of the 2021 Option Plan Resolution.

To be effective, the 2021 Option Plan Resolution must be approved by not less than a majority of the votes cast by the holders of common shares present in person, or represented by proxy, at the Meeting. **Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the common shares represented by such form of proxy, properly executed, FOR the 2021 Option Plan Resolution.**

The text of the Option Plan Resolution to be submitted to shareholders at the Meeting is set forth below:

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

1. *Subject to regulatory approval, the 2021 Option Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Corporation and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, be and is hereby ratified, confirmed and approved; and*
2. *Any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of, and on behalf of, the Corporation, to execute or cause to be executed, and to deliver*

*or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such director or officer be necessary or desirable to carry out the intent of the foregoing resolution.”*

Shareholder approval of the 2021 Option Plan is required by the terms of the 2021 Option Plan and the policies of the TSX-V.

## **2. 2020 Debenture Conversion and Creation of a new Control Person**

### *Details of the 2019 Private Placement*

On April 26, 2019, the Company announced that it intended to complete a private placement of convertible debentures (the “**2019 Debentures**”) of the Company at a price of \$1000 per 2019 Debenture for total proceeds of \$302,000 (the “**2019 Private Placement**”). Each Debenture had the following terms and conditions attached:

1. Term: twelve (12) months from the date of issuance of the 2019 Debentures, subject to an option on the part of the holders thereof to extend the maturity to twenty-four (24) months from the date of issuance of the 2019 Debentures.
2. Interest Rate: the 2019 Debentures shall bear a simple interest of ten percent (10%) per annum, accrued monthly, and payable at maturity.
3. Security: The 2019 Debentures shall be unsecured.
4. Conversion: The debentureholder may, at any time and from time to time up to maturity, elect to convert the outstanding 2019 Debentures and any interest accrued and unpaid thereon into common shares in the capital of the Company (the “**Conversion Shares**”) at a price of \$0.10 per Conversion Share.

The Company closed the 2019 Private Placement on May 21, 2019.

In the 2019 Private Placement, Zijin Global Fund SPRD (“**Zijin**”) subscribed for two hundred fifty (250) 2019 Debentures. Zijin is an investment fund managed by Gold Mountains Asset Management Co., Ltd. (“**Gold Mountains**”). Gold Mountains is a management company incorporated in Hong Kong and has an office at Unit 7503A, 75/F, ICC, 1 Austin Road West, Kowloon, Hong Kong. Upon due conversion of all of its 2019 Debentures, Zijin would have 2,500,000 common shares in the capital of the Company. Pursuant to the terms of the subscription agreement entered into between Gold Mountains, on behalf of Zijin, and the Company, Gold Mountains was contractually prohibited from converting any 2019 Debentures that would cause Zijin to become a new Control Person of the Company until such time as the Company’s Shareholders passed a resolution approving Gold Mountains as a new Control Person of the Company.

### *Details of the 2020 Private Placement*

On March 10, 2020, the Company announced that it intended to complete a private placement of convertible debentures (the “**2020 Debentures**”) of the Company at a price of \$1000 per 2020 Debenture for total proceeds of \$200,000 (the “**2020 Private Placement**”). Each 2020 Debenture had the following terms and conditions attached:

1. Term: twelve (12) months from the date of issuance of the 2020 Debentures, subject to an option on the part of the holders thereof to extend the maturity to twenty-four (24) months from the date of issuance of the 2020 Debentures.
2. Interest Rate: the 2020 Debentures shall bear a simple interest of ten percent (10%) per annum, accrued monthly, and payable at maturity.
3. Security: The 2020 Debentures shall be unsecured.
4. Conversion: The debentureholder may, at any time and from time to time up to maturity, elect to convert the outstanding 2020 Debentures and any interest accrued and unpaid thereon into common shares in the capital of the Company (the “**Conversion Shares**”) at a price of \$0.10 per Conversion Share.

On April 25, 2020, the Company closed the 2020 Private Placement and Zijin purchased all of the 2020 Debentures offered in the 2020 Private Placement. Pursuant to the terms of the subscription agreement entered into between Gold Mountains, on behalf of Zijin, and the Company, Gold Mountains was contractually prohibited from converting any 2020 Debentures that would cause Zijin to become a new Control Person of the Company until such time as the Company's Shareholders passed a resolution approving Gold Mountains as a new Control Person of the Company.

In May 2020, Gold Mountains elected to extend the maturity of the 2019 Debentures for an additional twelve (12) months to May 21, 2021. On or about May 20, 2021, Gold Mountains elected to convert 240 Debentures that Zijin had acquired in the 2019 Private Placement. As a result of the conversion, Zijin held 2,400,000 common shares (a 9.32% interest in the Company's shares).

In April 2021, Gold Mountains elected to extend the maturity of the 2020 Debentures for an additional twelve (12) months to April 25, 2022.

Gold Mountains wishes to convert all of the 2020 Debentures held by Zijin into common shares in the capital of the Company. Upon due conversion of the 2020 Debentures, Zijin will hold 7,125,000 common shares (25.67%) in the capital of the Company, and Gold Mountains (because it exercises management and decision-making control over Zijin), will become a new Control Person of the Company since Gold Mountains will, through its control of Zijin, hold a sufficient number of voting shares of the Company to materially affect control of the Company.

The Company will experience a change of control as that term is defined by the policies of the TSX Venture Exchange (the "**Exchange**").

As defined in the policies of the Exchange,

"Control Person means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an Issuer so as to affect materially the control of that Issuer, or that holds more than 20% of the outstanding Voting Shares of an Issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the Issuer."

The Exchange requires that disinterested Shareholder approval be obtained pursuant to section 1.12(a) of Policy 4.1 of the TSX Venture Exchange Corporate Manual. Accordingly, Shareholders at the Meeting, other than Gold Mountains and Zijin and its associates and its affiliates (who, to the knowledge of the Company do not own any common shares as at the date of this Information Circular), will be asked to pass an ordinary resolution (the "**2020 Debenture Conversion Resolution**"), on a disinterested shareholder basis, the text of which will be in substantially the form as follows:

***"BE IT RESOLVED** as an ordinary resolution that the issuance by the Company of 2,000,000 common shares of the Company to ZIJIN GLOBAL FUND SPRD by way of conversion of the 2020 Debentures and the resulting creation of GOLD MOUNTAINS ASSET MANAGEMENT CO., LTD., because of its management and decision-making control over Zijin Global Fund SPRD, as a new Control Person and the resulting change of control of the Company be and is hereby authorized and approved."*

In order for the foregoing 2020 Debenture Conversion Resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting, excluding any shares held by Gold Mountains and Zijin and their associates and affiliates.

On any ballot that may be called for at the Meeting, the persons named in the enclosed form of proxy, if named as proxy, intend to vote such proxy for the approval of the 2020 Debenture Conversion Resolution unless a Shareholder has specified in its proxy that its Common Shares are to be voted against the approval of the 2020 Debenture Conversion Resolution. If no choice is specified by a Shareholder to vote either for or against the approval of the 2020 Debenture Conversion Resolution, the persons whose names are printed in the enclosed form of proxy intend to vote for the approval of the 2020 Debenture Conversion Resolution.

#### *Directors' Approval and Recommendation*

The Board of Directors, Zonglin Zhang (investment director of Gold Mountains) abstaining, approved the submission of the 2020 Debenture Conversion Resolution to the Shareholders for approval. The Board

of Directors of the Company, where all of the Board members, other than Zonglin Zhang, are deemed to be independent directors for the purposes of this transaction in that none of them have or have had any current or prior connection to Gold Mountains or Zijin, unanimously determined that the 2020 Debenture Conversion Resolution is in the best interests of the Company and the Shareholders and recommends to Shareholders that they vote in favour of approval of the 2020 Debenture Conversion Resolution.

*Related Party Transaction*

Neither the Company nor, to the knowledge of the Company after reasonable inquiry, Gold Mountains or Zijin has knowledge of any material information concerning the Company or its securities that has not been generally disclosed.

Zijin will acquire the securities of the Company for investment purposes. Gold Mountains reserves the right to acquire further securities of the Company, for Zijin and/or any other fund that it manages and makes investment decisions for, depending on market conditions and other relevant factors.

**ADDITIONAL INFORMATION**

Additional information concerning the Corporation can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Financial information relating to the Corporation is provided in the Corporation's audited financial statements and the management discussion and analysis ("**MD&A**") for the year ended November 30, 2020. Shareholders may download the financial statements and MD&A from SEDAR ([www.sedar.com](http://www.sedar.com)) or contact the Corporation directly to request copies of the financial statements and MD&A by: (i) mail to Suite 890, 580 Hornby Street, Vancouver, BC V6C 3B6 or (ii) fax to (604) 642-6577, or e-mail [andrea@blackdragonfinancial.com](mailto:andrea@blackdragonfinancial.com). Additional financial information concerning the Corporation may be obtained by any shareholder free of charge by contacting the Corporation at (778) 889-4966.

DATED at Vancouver, British Columbia this 11<sup>th</sup> day of August, 2021.

**BY ORDER OF THE BOARD**

*/s/ "Wenhong Jin"*  
President & CEO

**Schedule "A"**  
**to Information Circular of Wildsky Resources Inc.**

**AUDIT COMMITTEE CHARTER**

**1. Mandate**

The audit committee will assist the board of directors (the "**Board**") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the company's business, operations and risks.

**2. Composition**

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

*2.1 Independence*

A majority of the members of the audit committee must not be officers, employees or control persons of the Corporation.

*2.2 Expertise of Committee Members*

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

**3. Meetings**

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Corporation's Chief Financial Officer and external auditors in separate executive sessions.

**4. Roles and Responsibilities**

The audit committee shall fulfill the following roles and discharge the following responsibilities:

*4.1 External Audit*

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

(a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;

(b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;

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(c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;

(d) review and recommend to the Board the compensation to be paid to the external auditors; and

(e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

#### 4.2 *Internal Control*

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall:

(a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and

(b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

#### 4.3 *Financial Reporting*

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

##### *General*

(a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and

(b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

##### *Annual Financial Statements*

(a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;

(b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and

(c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

##### *Interim Financial Statements*

(a) review and approve the interim financial statements prior to their release to the public; and

(b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

##### *Release of Financial Information*

(a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

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#### 4.4

#### *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

##### *Delegation of Authority*

(a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

##### *De-Minimis Non-Audit Services*

(a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:

(i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or

(ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

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

(a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

(i) the pre-approval policies and procedures are detailed as to the particular service;

(ii) the audit committee is informed of each non-audit service; and

(iii) the procedures do not include delegation of the audit committee's responsibilities to management.

#### 4.5

#### *Other Responsibilities*

The audit committee shall:

(a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;

(b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;

(c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;

(d) review the policies and procedures in effect for considering officers' expenses and perquisites;

(e) perform other oversight functions as requested by the Board; and

(f) review and update this Charter and receive approval of changes to this Charter from the Board.

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4.6 *Reporting Responsibilities*

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

**5. Resources and Authority of the Audit Committee**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

**6. Guidance – Roles & Responsibilities**

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfillment of their roles and responsibilities on the committee:

6.1 *Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 *Financial Reporting*

*General*

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Corporation's adoption of them.

*Annual Financial Statements*

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;
- (b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;



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(c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;

(d) consider management's handling of proposed audit adjustments identified by the external auditors; and

(e) ensure that the external auditors communicate all required matters to the committee.

#### *Interim Financial Statements*

(a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;

(b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and

(c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:

(i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;

(ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the company's operations and financing practices;

(iii) generally accepted accounting principles have been consistently applied;

(iv) there are any actual or proposed changes in accounting or financial reporting practices;

(v) there are any significant or unusual events or transactions; (vi) the Corporation's financial and operating controls are functioning effectively;

(vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and

(viii) the interim financial statements contain adequate and appropriate disclosures.

### 6.3 *Compliance with Laws and Regulations*

(a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";

(b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

### 6.4 *Other Responsibilities*

(a) review, with the company's counsel, any legal matters that could have a significant impact on the company's financial statements.

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**APPENDIX 1 to Schedule A  
To Audit Committee Charter**

**Meaning of “Independence”**

- (1) A member of the audit committee is independent if the member has no direct or indirect material relationship with the Corporation.
- (2) For the purposes of subsection (1), a material relationship means a relationship which could, in the view of the Corporation’s board of directors, reasonably interfere with the exercise of a member’s independent judgement.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with the Corporation:
  - (a) an individual who is, or has been, an employee or executive officer of the Corporation, unless the prescribed period has elapsed since the end of the service or employment;
  - (b) an individual whose immediate family member is, or has been, an executive officer of the Corporation, unless the prescribed period has elapsed since the end of the service or employment;
  - (c) an individual who is, or has been, an affiliated entity of, a partner of, or employed by, a current or former internal or external auditor of the Corporation, unless the prescribed period has elapsed since the person's relationship with the internal or external auditor, or the auditing relationship, has ended;
  - (d) an individual whose immediate family member is, or has been, an affiliated entity of, a partner of, or employed in a professional capacity by, a current or former internal or external auditor of the Corporation, unless the prescribed period has elapsed since the person's relationship with the internal or external auditor, or the auditing relationship, has ended;
  - (e) an individual who is, or has been, or whose immediate family member is or has been, an executive officer of an entity if any of the Corporation's current executive officers serve on the entity's compensation committee, unless the prescribed period has elapsed since the end of the service or employment;
  - (f) an individual who
    - (i) has a relationship with the Corporation pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation or any subsidiary entity of the Corporation, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
    - (ii) receives, or whose immediate family member receives, more than \$75,000 per year in direct compensation from the Corporation, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee, unless the prescribed period has elapsed since he or she ceased to receive more than \$75,000 per year in such compensation.
  - (g) an individual who is an affiliated entity of the Corporation or any of its subsidiary entities.

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- (4) For the purposes of subsection (3), the prescribed period is the shorter of
    - (a) the period commencing on March 30, 2004 and ending immediately prior to the determination required by subsection (3); and
    - (b) the three year period ending immediately prior to the determination required by subsection (3).
  - (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with an internal or external auditor if the compensation is not contingent in any way on continued service.
  - (6) For the purposes of clause (3)(f), compensatory fees and direct compensation do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation if the compensation is not contingent in any way on continued service.
  - (7) For the purposes of subclause 3(f)(i), the indirect acceptance by a person of any consulting, advisory or other compensatory fee includes acceptance of a fee by
    - (a) a person's spouse, minor child or stepchild, or a child or stepchild who shares the person's home; or
    - (b) an entity in which such person is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Corporation or any subsidiary entity of the Corporation.
  - (8) Despite subsection (3), a person will not be considered to have a material relationship with the Corporation solely because he or she
    - (a) has previously acted as an interim chief executive officer of the Corporation, or
    - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or any board committee, other than on a full-time basis.

### **Meaning of “Financial Literacy”**

An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

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**Schedule “B”  
to the Information Circular of Wildsky Resources Inc.**

**2020 STOCK OPTION PLAN**

**1. Purpose**

The purpose of the Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

**2. Definitions and Interpretation**

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) **“Board of Directors”** means the Board of Directors of the Corporation;
- (b) **“Common Shares”** means common shares in the capital of the Corporation and any shares or units of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified;
- (c) **“Corporation”** means Wildsky Resources Inc. and any successor company and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or as a duly empowered committee appointed by the Board of Directors;
- (d) **“Discounted Market Price”** means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (e) **“Exchange”** means the TSX Venture Exchange or any other stock exchange on which the Common Shares are listed;
- (f) **“Exchange Policies”** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange.
- (g) **“Insider”** has the meaning ascribed thereto in Exchange Policies;
- (h) **“Option”** means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;
- (i) **“Option Agreement”** means an agreement whereby the Corporation grants to an Optionee an Option.
- (j) **“Option Period”** means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is presently ten (10) years from the date the Option is granted based on the Corporation being a Tier 2 Issuer under Exchange Policies.
- (k) **“Optionee”** means a person who is a director, officer, employee, consultant or other personnel of the Corporation or a subsidiary of the Corporation; a company wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan; and
- (l) **“Plan”** shall mean the Corporation’s incentive stock option plan as embodied herein and as from time to time amended.

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

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3. **Administration**

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to the Compensation Committee, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

4. **Eligibility**

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation and the Employee shall each represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionees.

5. **Participation**

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Optionee any right with respect to continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time employee of or a consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

6. **Common Shares Subject to Options**

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at any time, and such aggregate number of Common Shares shall increase or decrease as the number of issued and outstanding Common Shares changes. The Options granted under the Plan together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in the grant to any one (1) Optionee within a twelve month period, of a number of Options exceeding 5% of the issued and outstanding Common Shares or result at any time in the grant to all Insiders, within a 12 month period, of a number of Options exceeding 10% of the issued and outstanding Common Shares.

Subject to Exchange Policies, the aggregate number of Common Shares reserved for issuance to any one (1) Optionee under Options granted in any 12 month period shall not exceed 5% of the issued and outstanding Common Shares determined at the date of grant (or 2% of the issued and outstanding Common Shares in the case of a Consultant or 2% of the issued and outstanding Common Shares in the aggregate to all persons who conduct Investor Relations Activities (as such terms are defined in Exchange Policies)).

Options issued to Consultants or Employees performing Investor Relations Activities shall vest in stages over 12 months with no more than one-quarter of the Options vesting in any three month period.

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Appropriate adjustments shall be made as set forth in Section 14 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

7. **Option Agreement**

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the “**Stock Option Agreement**”). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

8. **Option Period and Exercise Price**

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the “**Expiry Date**”), subject to earlier termination as provided in Section 10 and 11 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

9. **Exercise of Options**

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 10 and 11 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised, accompanied by cash payment, certified cheques or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised.

The Corporation or any subsidiary of the Corporation may take such steps as are considered necessary or appropriate for the withholding and/or remittance of any taxes which the Corporation or any subsidiary of the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold and/or remit in connection with any Option or Option exercise including, without limiting the generality of the foregoing, the withholding and/or remitting of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option until such time as the Optionee has paid to the Corporation or any subsidiary of the Corporation (in addition to the exercise price payable for the exercise of Options) the amount which the Corporation or subsidiary of the Corporation reasonably determines is required to be withheld and/or remitted with respect to such taxes.

10. **Ceasing to be a Director, Officer, Employee or Consultant**

If an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death or termination for cause, the Optionee may, but only within ninety (90) days after the Optionee's ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of the Plan.

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### Termination for Cause

If the Optionee ceases to be an eligible person as a result of "termination for cause" of such Optionee by the Corporation or its subsidiary (or in the case of an Optionee who is a Management Company Employee or Consultant, by the Optionee's employer), as that term is interpreted by the courts of the jurisdiction in which the Optionee is employed or engaged, any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

### Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Corporation's retirement policy then in force, or due to his or her termination by the Corporation other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person. Notwithstanding the foregoing, the Board of Directors of the Corporation may, in its sole discretion if it determines such is in the best interests of the Corporation, extend the Expiry Date of the Option of an Optionee to a later date within a reasonable period in accordance with Exchange Policy 4.4 (Section 2.8(i)).

#### 11. Death of Optionee

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

- (a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and
- (b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

#### 12. Optionee's Rights Not Transferable

No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

#### 13. Takeover or Change of Control

The Corporation shall have the power, in the event of:

- (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other company or of such company into the Corporation, or
- (b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

#### 14. Anti-Dilution of the Option

In the event of:

- (a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time

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of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;

- (b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change;
- (c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other company (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another company, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

15. **Costs**

The Corporation shall pay all costs of administering the Plan.

16. **Termination and Amendment**

- (a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.
- (b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 16(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.
- (c) The Plan and any amendments thereto shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

17. **Applicable Law**

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.



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18. **Prior Plans**

The Plan shall entirely replace and supersede prior stock option plans, if any, enacted by the Corporation.

19. **Effective Date**

This plan shall become effective as of and from, and the effective date of the Plan shall be the date of receipt of all necessary shareholder and regulatory approvals.