



**ANNUAL  
GENERAL AND SPECIAL  
MEETING**

Notice of Annual General and Special Meeting of  
Shareholders

Management Information Circular

**Date:**

Friday, June 25, 2021

**Place:**

Suite 838 – 1100 Melville Street  
Vancouver, British Columbia

**Time:**

11:00 a.m. (Pacific time)

## CORPORATE DATA

### **Head Office**

Suite 838 – 1100 Melville Street  
Vancouver, British Columbia  
V6E 4A6

### **Directors and Officers**

R. Michael Jones, President, Chief Executive Officer & Director  
Frank Hallam, Chief Financial Officer & Secretary  
Sandy McVey, Chief Operating Officer  
Peter Palmedo, Director (Chairman)  
Pierre B. Lebel, Director  
Kevin Falcon, Director

### **Registrar and Transfer Agent**

Computershare Trust Company of Canada  
3<sup>rd</sup> Floor, 510 Burrard Street  
Vancouver, BC V6C 3B9

### **Legal Counsel**

Gowling WLG (Canada) LLP  
Suite 2300, 550 Burrard Street  
Vancouver, BC V6C 2B5

### **Auditor**

Deloitte LLP, Chartered Professional Accountants  
939 Granville Street,  
Vancouver, BC V6Z-1L3

### **Listing**

TSX Venture Exchange (the “Exchange” or “TSXV”)  
Symbol: WVM

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## NOTICE AND ACCESS NOTIFICATION

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

You are receiving this notification as West Vault Mining Inc. (the “**Company**”) has decided to use the notice and access model (“**Notice and Access**”) provided for under recent amendments to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* for the delivery of meeting materials to its shareholders for its annual general and special meeting of shareholders to be held on **Friday, June 25, 2021** (the “**Meeting**”). Under Notice and Access, instead of receiving printed copies of the Company’s management information circular (“**Information Circular**”), financial statements for the fiscal year ended December 31, 2020 and management’s discussion and analysis (collectively, the “**Meeting Materials**”), shareholders are receiving this notice with information on how they may access such Meeting Materials electronically. With this notice, shareholders will receive a proxy (in the case of registered shareholders) or a voting instruction form (in the case of non-registered shareholders), enabling them to vote at the Meeting. The Company has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs. This notice serves as a notice of meeting under section 169 of the *Business Corporations Act* (British Columbia).

#### **Meeting Date, Location and Purposes**

The Meeting will be held on Friday, June 25, 2021 (“**Meeting Date**”) at 11:00 a.m. (Pacific Time) at Suite 838, 1100 Melville Street, Vancouver, British Columbia, for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended December 31, 2020 (with comparative statements relating to the preceding fiscal period) together with the report of the auditors thereon;
2. to set the number of directors for the ensuing year at four (4);
3. to elect directors for the ensuing year;
4. to appoint the auditors for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider and if thought fit, pass an ordinary resolution providing the required annual approval of the Company’s rolling 10% stock option plan, as more particularly described in the accompanying Information Circular;
6. to consider and if thought fit, pass with or without variation, a special resolution to approve and authorize the adoption of new articles for the Company, as more particularly described in the accompanying Information Circular; and
7. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

**The Company urges shareholders to review the Information Circular before voting.**

## Accessing Meeting Materials Online

The Meeting Materials (and the financial statement request card) can be viewed online under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com), or the Company's website: [http://westvaultmining.com/investors/agm\\_2021/](http://westvaultmining.com/investors/agm_2021/).

Accompanying this notice are a form of proxy (the "**Proxy**") or voting information form ("**VIF**"), and a financial statement request form ("**Request Form**"). The Information Circular (which can be viewed online at the websites described above) provides additional information relating to the matters to be addressed at the Meeting and is incorporated by reference into this notice.

## Requesting Printed Meeting Materials

Any registered shareholder or Canadian NOBO (as defined in this Information Circular) who wishes to receive a paper copy of the Information Circular prior to the proxy deadline date should contact the Company at 1-866-899-5450. Any Canadian OBO (as defined in this Information Circular) or US beneficial holder who wishes to receive a paper copy of the Information Circular prior to the proxy deadline date should contact Broadridge Investor Communication Solutions, Canada at 1-877-907-7643. To receive the Information Circular in advance of the proxy deadline date, requests for printed copies must be received no later than 11:00 a.m. (Pacific time) on June 11, 2021.

To obtain additional information about the Notice and Access Provisions, or to obtain a paper copy of the Information Circular after the date of the Meeting, please contact Frank Hallam, the Corporate Secretary of the Company, at 1-866-899-5450.

## Stratification

The Company has determined that those registered and beneficial shareholders with existing instructions on their account to receive printed materials and those registered and beneficial shareholders with addresses outside of Canada and the United States will receive printed copies of the Meeting Materials with this notice.

## Voting Process

Registered Shareholders at the close of business on May 14, 2021 may vote in person at the Meeting or by proxy as follows:

*By telephone:* Call the toll-free number indicated on the proxy form and follow the instructions. If you choose to vote by telephone, you cannot appoint any person other than the officers named on the Proxy as your proxy holder.

*On the internet:* Go to the website indicated on the proxy form and follow the instructions on the screen. If you return your proxy via the internet, you can appoint another person, who need not be a shareholder, to represent you at the Meeting by inserting such person's name in the blank space provided in the Proxy. Complete your voting instructions and date and sign the Proxy. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting.

*By mail:* Complete the Proxy and return it in the envelope provided. If you return your Proxy by mail, you can appoint another person, who need not be a shareholder, to represent you at the Meeting by inserting such person's name in the blank space provided in the Proxy. Complete your voting instructions and date and sign the Proxy. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting.

In order to be valid and acted upon at the Meeting, the deadline for receiving duly completed and executed forms of proxy or submitting a proxy by telephone or over the internet is 11:00 a.m. (Pacific time) on Wednesday, June 23, 2021, (the "**Proxy Deadline**") or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting. **All proxies must be received by Computershare by the Proxy Deadline in order to be valid and any proxies received after the Proxy Deadline will not be accepted.**

Non-Registered Shareholders may vote or appoint a proxy using their VIF at least one business day in advance of the proxy deposit deadline noted on the form. You should carefully follow the instructions of your intermediary, including those regarding when and where the Proxy or VIF is to be delivered.

**For Any Questions**

Shareholders with questions about Notice and Access can contact the Company Toll-Free at 1-866-899-5450.

DATED at Vancouver, British Columbia, this 14<sup>th</sup> day of May, 2021.

**BY ORDER OF THE BOARD**

/s/ R. Michael Jones

R. Michael Jones

President, Chief Executive Officer & Director

# WEST VAULT MINING INC.

## MANAGEMENT INFORMATION CIRCULAR

*(containing information as at May 14, 2021 unless indicated otherwise)*

West Vault Mining Inc. is providing this management information circular (“**Information Circular**”) in connection with the management’s solicitation of proxies for use at the annual general and special meeting of the Company (and any adjournment thereof) to be held on Friday, June 25, 2021 (the “**Meeting**”) at the place and for the purposes set forth in the accompanying Notice of Meeting (the “**Notice of Meeting**”). Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included.

The solicitation of Proxies will be primarily by mail, but Proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of common shares in the authorized share structure of the Company (the “**Common Shares**”) held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. All costs of solicitation by management will be borne by the Company.

The Company has given notice of the Meeting in accordance with NI 54-101, pursuant to which it has sent the Notice of Meeting, form of proxy (the “**Proxy**”) and/or voting information form (“**VIF**”), and a financial statement request form (“**Request Form**”) but not the Information Circular, directly to its registered shareholders (“**Registered Shareholders**”) and its beneficial shareholders (“**Beneficial Shareholders**”).

The contents and the sending of this Information Circular have been approved by the directors of the Company.

## PART I VOTING INFORMATION

### APPOINTMENT OF PROXYHOLDER

The individuals named as proxyholder in the accompanying Proxy are the Chief Executive Officer and Chief Financial Officer, respectively, of the Company (collectively, Management’s designees). **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT THE SHAREHOLDER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF MANAGEMENT’S DESIGNEES NAMED IN THE ACCOMPANYING PROXY AND INSERTING THE DESIRED PERSON’S OR COMPANY’S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY. A proxy will not be valid unless the completed Proxy is received by Computershare Investor Services Inc. (“Computershare”), Proxy Dept., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 on or before 11:00 a.m. (Pacific time) on Wednesday, June 23, 2021 (the second business day before the date of the Meeting), being 48 hours (excluding Saturdays, Sundays and holidays) before the time set for holding the Meeting, or any adjournment thereof. Proxies delivered after that time will not be accepted.**

### REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney duly authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered office of the Company, at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5 (Attention: Daniel M. Allen) at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if

adjourned, any reconvening thereof, or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### INFORMATION FOR NON-REGISTERED SHAREHOLDERS

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the Common Shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their Common Shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only Registered Shareholders may vote at the Meeting.** If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in such shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS Inc. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the brokers’ clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the Proxy supplied to a Beneficial Shareholder by its broker is identical to the Proxy provided by the Company to the Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted.**

Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**” or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**” or “**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents.

This Information Circular and accompanying materials are being sent to Registered Shareholders and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf.

The Company has decided to take advantage of the provisions of NI 54-101 that permit it to deliver proxy-related materials directly to its NOBOs. By choosing to send these materials to you directly, the Company (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions.

As a result, if you are a NOBO of the Company, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found in the VIF. Computershare will tabulate the results of the VIFs received from the Company's NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

The Company has adopted the Notice and Access procedure described in NI 54-101 and National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") to distribute its proxy-related materials to the Registered and Beneficial Shareholders using notice and access.

The Company will not be paying for intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's intermediary assumes the costs of delivery.

The Company has determined that those Registered Shareholders and Beneficial Shareholders with existing instructions on their account to receive printed copies of the Meeting Materials and those with addresses outside of Canada and the United States will receive printed copies of the Meeting Materials with the Notice of Meeting

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their brokers, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Information Circular and the accompanying Proxy and Notice of Meeting are to Registered Shareholders unless specifically stated otherwise.

#### **VOTING OF PROXIES**

The Common Shares represented by a properly executed proxy in favour of persons designated as proxyholders in the enclosed Proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the shareholder appointing the proxyholder on any ballot that may be called for; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the Proxy, be voted in accordance with the specification made in such proxy.

**ON A POLL, SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.**

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxyholder thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly

brought before the Meeting, it is the intention of the persons designated by management as proxyholders in the enclosed Proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Authorized Share Structure: an unlimited number of Common Shares without par value

Issued and Outstanding: 58,090,242 Common Shares as at May 14, 2021 (the “Record Date”)

Only shareholders of record holding Common Shares at the close of business on the Record Date, who either personally attend the Meeting or who have completed and delivered a Proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders, or who is holding a valid Proxy on behalf of a shareholder who is not present at the Meeting, will have one vote, and on a poll every shareholder present in person or represented by a valid Proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share registered in that shareholder’s name on the list of shareholders, which is available for inspection during normal business hours at Computershare and will be available at the Meeting. **Shareholders represented by proxyholders are not entitled to vote on a show of hands.**

Effective July 2, 2020, the Common Shares were consolidated (the “Share Consolidation”) on the basis of one new Common Share for ten old Common Shares (1:10). Unless otherwise stated, all information in this Information Circular regarding the issued and outstanding Common Shares, options and weighted average number and per share information has been adjusted to reflect the Share Consolidation.

To the knowledge of the directors and executive officers of the Company, the following companies beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the voting securities of the Company:

Name	Number of Securities	Percentage
Sun Valley Gold LLC	26,822,740 Common Shares <sup>(1)</sup>	46.17%
Ruffer LLP	9,668,800 Common Shares <sup>(2)</sup>	16.64%

**Notes:**

- (1) Sun Valley Gold LLC exercises control and direction over these Common Shares, on behalf of Sun Valley Gold Masters Fund, Ltd., a client account over which Sun Valley Gold LLC has discretionary authority.
- (2) Ruffer LLP exercises control and direction over these Common Shares, on behalf of CF Ruffer Gold Fund and other managed accounts.

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

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors. Directors and executive officers may, however, be interested in the approval of the Company’s stock option plan (the “Stock Option Plan”), as detailed in “Business of the Meeting”.

## **PART II BUSINESS OF THE MEETING**

The Meeting will address the following matters:

1. Receiving the Company's audited consolidated financial statements for the year ended December 31, 2020, together with the auditor's report thereon.
2. Setting the number of directors that will serve until the next annual general meeting of shareholders at four (4).
3. Electing the directors who will serve until the next annual general meeting of shareholders.
4. Appointing the auditors that will serve until the next annual general meeting of shareholders and authorizing the board of directors of the Company (the "**Board**") to set their remuneration.
5. Considering and if thought fit, passing an ordinary resolution providing the required annual approval of the Stock Option Plan.
6. Considering and if thought fit, passing a special resolution, with or without variation, approving and authorizing the adoption of new articles for the Company, as more particularly described in the accompanying Information Circular.

### **RECEIVING THE CONSOLIDATED FINANCIAL STATEMENTS**

The Board has approved the consolidated financial statements of the Company and the auditor's report thereon for the financial year ended December 31, 2020, which will be presented at the Meeting. No approval or other action needs to be taken at the Meeting in respect of these documents.

### **NUMBER OF DIRECTORS**

The Board currently consists of four (4) directors and it is intended to determine the number of directors at four (4) and to elect four (4) directors for the ensuing year.

### **ELECTION OF DIRECTORS**

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as the Company's nominees and the persons proposed by Management as proxyholders in the accompanying Proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia) (the "**BCBCA**").

The following table and notes thereto sets out the name of each person proposed to be nominated by Management for election as a director (a "**Proposed Director**"), the province and country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company, and the number of Common Shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name, Position, Province and Country of Residence <sup>(1)</sup>	Principal Occupation During Past Five Years <sup>(1)</sup>	Director since	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly <sup>(2)</sup>
<b>R. Michael Jones</b> <sup>(3)</sup> President, Chief Executive Officer & Director British Columbia, Canada	President and Chief Executive Officer of the Company since 2010; President, Chief Executive Officer, co-founder and director of Platinum Group Metals Ltd. since 2000.	May 28, 2010	305,841 <sup>(6)</sup>
<b>Pierre Lebel</b> <sup>(3)(4)</sup> Director British Columbia, Canada	Chairman of Imperial Metals Corporation since 2003 and Director since December 2001.	May 28, 2010	24,300
<b>Kevin Falcon</b> <sup>(3)(4)</sup> Director British Columbia, Canada	Executive Vice President of Anthem Capital Corp. since May 2013.	June 13, 2013	29,833
<b>Peter F. Palmedo</b> <sup>(4)(5)</sup> Director Idaho, USA	President and Managing Member of Sun Valley Gold LLC since 2003.	June 18, 2019	26,822,740 <sup>(7)</sup>

**Notes:**

- (1) The information as to the residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective proposed directors individually.
- (2) The information as to Common Shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective proposed directors individually.
- (3) Member of the Audit Committee.
- (4) Member of the Compensation Committee.
- (5) Chairman (non executive) of the Board.
- (6) Of these Common Shares, 2,450 are held by 599143 B.C. Ltd, a company 50% owned by Mr. Jones and 50% owned by Mr. Jones' wife.
- (7) These Common Shares are controlled and directed by Sun Valley Gold LLC, of which Mr. Palmedo is President and Managing Member. The Common Shares are beneficially owned by Sun Valley Gold Master Fund, Ltd., a client account over which Sun Valley Gold LLC has discretionary authority. As of the date hereof, these Common Shares represent approximately 46.17% of the issued and outstanding Common Shares.

Except as disclosed below, none of the proposed directors (or any of their personal holding companies) of the Company:

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

that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (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, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

Mr. Jones was a director of Nextraction Energy Corp. (“**Nextraction**”) until May 14, 2020. Nextraction was previously subject to Cease Trade Orders (“**CTOs**”) issued by the Alberta Securities Commission (“**ASC**”) and the British Columbia Securities Commission (“**BCSC**”) in May 2015 for failure to file annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended December 2014. The CTOs were revoked by both the ASC and the BCSC in February 2020 following the filing of all required financial and continuous disclosure documents by Nextraction.

None of the proposed directors (or any of their personal holding companies) has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other 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.

#### **APPOINTMENT OF AUDITORS**

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the reappointment of Deloitte LLP, Chartered Professional Accountants, as auditors of the Company and to authorize the directors to fix their remuneration.

An ordinary resolution for the appointment of the auditors must be passed by a simple majority (>50%) of the votes cast at the Meeting by the shareholders entitled to vote who are represented in person or by Proxy at the Meeting.

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

The Stock Option Plan is a rolling maximum stock option plan providing for the number of Common Shares reserved for issuance under such plan to be equal to 10% of the Company's issued and outstanding share capital at the time of any stock option grant. In accordance with the policy of the Exchange, rolling stock option plans must receive shareholder approval annually. Accordingly, at the Meeting, shareholders will be asked to re-approve the Stock Option Plan.

The re-approval of the Stock Option Plan is intended to provide the Board with the ability to issue options to provide the employees, consultants, officers and directors of the Company with long-term equity-based performance incentives which are a key component of the Company's executive compensation strategy. The Company believes it is important to align the interests of management and employees with shareholder interests and to link performance compensation to enhancement of shareholder value. This is accomplished through the use of stock options whose value over time is dependent on market value.

Subject to its re-approval, the Stock Option Plan will continue to incorporate the following terms and conditions:

1. only eligible persons, being directors, senior officers or employees of, management company employees and consultants to, the Company or any of the Company's “affiliates” will be entitled to receive options under the Stock Option Plan;
2. the maximum number of Common Shares which may be issued pursuant to stock options granted under the Stock Option Plan is 10% (on a non-diluted basis) of the issued and outstanding Common

Shares at the time of the grant. Any increase in the issued and outstanding Common Shares will result in an increase to the 10% level in the available number of Common Shares issuable under the Stock Option Plan, and any options that are cancelled or expired unexercised will make new grants available under the Stock Option Plan;

3. the maximum aggregate number of Common Shares reserved for issuance pursuant to the Stock Option Plan or any other share compensation arrangement (pre-existing or otherwise) to insiders of the Company (“**Insiders**”), shall not exceed 10% of the Common Shares outstanding at any time unless the Company has obtained prior approval of the disinterested shareholders of the Company;
4. the aggregate number of Common Shares issued and options granted pursuant to the Stock Option Plan together with any other share compensation arrangement (pre-existing or otherwise) to Insiders within any 12-month period shall not exceed 10% of the Common Shares outstanding unless the Company has obtained prior approval of the disinterested shareholders of the Company;
5. the total number of Common Shares reserved for issuance pursuant to the Stock Option Plan or any other share compensation arrangement (pre-existing or otherwise) to any one individual within any twelve months period shall not exceed 5% of the Common Shares outstanding at any time unless the Company has obtained prior approval of the disinterested shareholders of the Company;
6. the maximum aggregate number of Common Shares reserved for issuance pursuant to the Stock Option Plan or any other share compensation arrangement (pre-existing or otherwise) to any one consultant during any 12-month period may not exceed 2% of the issued Common Shares;
7. the maximum aggregate number of Common Shares reserved for issuance pursuant to the Stock Option Plan or any other share compensation arrangement (pre-existing or otherwise) to optionees employed to provide investor relations activities during any 12-month period may not exceed, in aggregate, 2% of the issued Common Shares;
8. the exercise price of an option may not be less than market price, as defined, prevailing on the trading day immediately preceding the day on which the option is granted, less the applicable discount permitted by the Exchange and will not otherwise be less than \$0.05 per Common Share;
9. the option period for an Option shall be determined by the Board at the time the Option is granted and shall be exercisable up to ten (10) years from the date the Option is granted;
10. if an eligible optionee ceases to be a director, senior officer, employee, management company employee, or consultant of the Company (including optionees performing investor relations activities) for any reason, excluding death, after which time the option will expire within a reasonable period (not to exceed one year) following the date the optionee ceases to be in such role determined by the Board, in its discretion, not to exceed the original expiry date of such option;
11. the Stock Option Plan does not contain any mandated vesting provisions except as required by Exchange policies for persons providing investor relations services to the Company which must be subject to a twelve-month vesting schedule whereby no more than 25% of the options granted may be vested in any three-month period;
12. the options are non-assignable and non-transferable. The options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Stock Option Plan;
13. if an eligible optionee ceases to be an optionee due to death, the options held by such optionee will be exercisable until the earlier of the original expiry date of the Option and one year from the date of such death by such optionee’s legal heirs or representatives;
14. the exercise price and the number of the Common Shares which are subject to an option may be adjusted from time to time in the event of reclassifications, reorganizations or changes in the capital structure of the Company;

15. if the normal expiry date of any option falls within any blackout period or within ten (10) business days following the end of any blackout period, then the expiry date of such options shall, without any further action, be extended to the date that is ten (10) business days following the end of such blackout period;
16. the Company can demand the payment of cash (or sell Common Shares issued upon exercise of an option), as may be necessary to satisfy the Company's tax withholding obligations on behalf of any person exercising options;
17. on the occurrence of a takeover bid made for all or any of the issued and outstanding Common Shares, whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall be exercisable in full to enable the Common Shares subject to such Options to be issued and tendered to such bid; and
18. specific disinterested shareholder approval is required to reduce the exercise price of an option for an optionee who is an Insider, and on any extension of the option period beyond its original expiration date of any Options held by Insiders.

**"blackout period"** means the period of time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persona as designated by the Company, including any holder of an option.

The foregoing is only a summary of the salient features of the Stock Option Plan. A copy of the Stock Option Plan may be inspected at the offices of Gowling WLG (Canada) LLP, legal counsel to the Company, located at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, during normal business hours and at the Meeting. In addition, a copy of the Stock Option Plan will be mailed, free of charge, to any holder of Common Shares who requests a copy, in writing, from the Chief Financial Officer of the Company. Any such requests should be mailed to the Company, at its head office, to the attention of the Chief Financial Officer.

Accordingly, shareholders will be asked to pass an ordinary resolution, in substantially the following form, to re-approve the Stock Option Plan:

**"RESOLVED**, as an ordinary resolution, that:

1. the Stock Option Plan as described in the Information Circular dated May 14, 2021 be and is hereby approved, subject to the acceptance for filing thereof by the TSX Venture Exchange and the grant of options thereunder in accordance therewith, be approved;
2. the number of Common Shares reserved for issuance under the Stock Option Plan shall be no more than 10% of the Company's issued and outstanding share capital at the time of any stock option grant;
3. the Board of the Company be authorized to make any changes to the Stock Option Plan as may be required or permitted by the TSX Venture Exchange;
4. any director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing; and
5. notwithstanding that this resolution has been duly passed by the shareholders of the Company, the Stock Option Plan is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors."

**If named as proxy, Management's designees intend to vote the Common Shares represented by such Proxy at the Meeting FOR the approval of the Stock Option Plan, unless otherwise directed in the instrument of Proxy.**

#### **APPROVAL OF ADOPTION OF NEW ARTICLES FOR THE COMPANY**

From time to time, it is appropriate for a public corporation to review its form of Articles to ensure that they are up to date with the current legislation and standard practices with respect to the management and administration of a reporting issuer. The existing Articles of the Company (the "**Existing Articles**") were last amended on May 20, 2020 to reflect the Company's most recent name change; however, substantive changes have not been made to the Existing Articles following the incorporation of the Company on April 3, 2007. Accordingly, the Company is proposing to delete its existing Articles in their entirety and replace them with a new set of Articles (the "**New Articles**"). The New Articles will make the Company's Articles consistent with the current terminology and provisions of the **BCBCA**. A complete copy of the proposed New Articles is attached hereto as Schedule "C".

Most of the changes in the New Articles are minor in nature and will not affect shareholders or the day-to-day administration of the Company. The following contains a summary of the material differences between the Existing Articles and the New Articles but does not include changes made solely to comply with the BCBCA:

##### *Summary of Material Differences between Existing Articles and New Articles*

**Securities Transfer Act:** The Existing Articles were adopted prior to the coming into force of the *Securities Transfer Act* (British Columbia) (the "**STA**"), which establishes rules for the transfer of investment securities that reflect international practices and which facilitates the use of an electronic book-based shareholder registry system. The New Articles incorporate a number of nonsubstantive changes, including the use of the new terminology adopted under the STA, which changes are not discussed in detail herein. For full particulars, please refer to the proposed New Articles.

**Change to Quorum for Shareholders' Meetings:** The Existing Articles provide that the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 1/20 of the issued shares of the Company entitled to be voted at the meeting. To better align with more current corporate governance practices for the size of the Company, the New Articles provide that the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 10% of the issued shares of the Company entitled to be voted at the Meeting.

**Setting the Number of Directors:** The Existing Articles allow the number of directors to be set by an ordinary resolution of the shareholders. The New Articles provide that the number of directors can be set by a resolution of the directors.

**Reasonable Time Limit Added to Replacement of Share Certificates:** The Existing Articles do not address an applicable time limit for the replacement of lost, stolen or destroyed certificates. The New Articles provide that when a share certificate is lost, destroyed or wrongfully taken, a new share certificate will not be issued if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, destruction or wrongful taking of the share certificate.

**Alteration of Authorized Share Structure:** The Existing Articles do not specify the type of resolution required to alter the authorized share structure of the Company. The BCBCA provides that when a company's articles do not specify the type of resolution required to alter the authorized share structure, a special resolution is required. The New Articles require an ordinary resolution of shareholders to approve most alterations to the authorized share structure of the Company except for the approval of the subdivision or consolidation of unissued or fully paid and issued shares, which may be approved by a resolution of the Board.

**Casting Vote:** The Existing Articles do not allow for a tie breaking vote to be made by the chair of the shareholder’s meeting. The New Articles provide that in the case of an equality of votes, the chair of a meeting can cast a tie breaking vote.

**Removal of Directors:** The Existing Articles provide that a director may be removed by a special resolution of 2/3 of votes cast. The BCBCA describes a special resolution as at least 2/3 and not more than 3/4 of the votes cast on the resolution. The New Articles specify that a director may be removed from his or her term of office by a resolution of not less than 3/4 of the votes cast on such resolution.

**Undelivered Notices:** Under the New Articles, if a notice, statement, report or other record is sent to a shareholder and returned because the shareholder cannot be located on two consecutive occasions, the Company will not be required to send any further records to the shareholder until the shareholder confirms their new address with the Company.

**Addition of Advance Notice Provisions:** The New Articles include provisions requiring advance notice of director nominees from shareholders (the “**Advance Notice Provisions**”). The purpose of the Advance Notice Provisions is to ensure that an orderly nomination process is observed, that shareholders are well-informed about the identity, intentions and credentials of director nominees and that shareholders vote in an informed manner after having been afforded reasonable time for appropriate deliberation. Among other things, the Advance Notice Provisions fix a deadline by which shareholders must provide notice to the Company of nominations for election to the Board. The notice must include all information that would be required to be disclosed, under applicable corporate and securities laws, in a dissident proxy circular in connection with the solicitations of proxies for the election of directors relating to the shareholder making the nominations (as if that shareholder were a dissident soliciting proxies) and each person that the shareholder proposes to nominate for election as a director. In addition, the notice must provide information as to the shareholdings of the shareholders making the nominations, confirmation that the proposed nominees meet the qualifications of directors and residency requirements imposed by corporate law, and confirmation as to whether each proposed nominee is independent for the purposes of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”). The deadline by which the notice must be delivered to the Company is set out in the table below.

Meeting Type	Nomination Deadline
Annual meeting of shareholders	Not less than 40 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “ <b>Notice Date</b> ”) on which the first public announcement of the date of the annual meeting was made, notice by the nominating shareholder may be made not later than the close of business on the 10 <sup>th</sup> day following the Notice Date.
Special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes)	Not later than the close of business on the 15 <sup>th</sup> day following the date on which the first public announcement of the date of the special meeting of shareholders was made.

The Advance Notice Provisions do not affect nominations made pursuant to shareholder proposals or the requisition of a meeting of shareholders, in each case made in accordance with the provisions of the BCBCA.

**Addition of a Record Date:** The New Articles include an explicit provision allowing directors to set a record date for the purposes of determining shareholder eligible to receive a dividend payment. The provision states that the record date must not precede the date on which the dividend is to be paid by more than

two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

At the Meeting, shareholders will be asked to pass the following special resolution to adopt the New Articles for the Company in replacement of the Existing Articles (the “**New Articles Resolution**”):

“**RESOLVED**, as a special resolution of the shareholders of the Company, that:

1. The existing Articles of the Company be terminated;
2. The form of Articles presented to the Meeting and attached hereto, be adopted as the Articles of the Company in substitution for, and to the exclusion of, the existing articles of the Company;
3. The board of directors of the Company be authorized, at any time in its absolute discretion, to determine whether or not to proceed with the foregoing resolutions, without further approval, ratification or confirmation by the shareholders of the Company; and
4. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver for and on behalf of the Company, under the corporate seal of the Company or otherwise, all such certificates, instruments, agreements, notices and other documents as in such person’s opinion may be necessary or desirable for the purpose of giving effect to the foregoing resolutions.”

The New Articles Resolution must be approved by at least 2/3 of the votes cast by the shareholders who, being entitled to do so, vote in person or by proxy at the Meeting in respect of the New Articles Resolution.

Management of the Company recommends that the shareholders vote in favour of the New Articles Resolution. If named as proxy, Management’s designees intend to vote the Common Shares represented by such Proxy at the Meeting FOR the approval of the New Articles Resolution, unless otherwise directed in the instrument of Proxy. A full draft of the proposed New Articles is attached as Schedule “C” to this Information Circular.

#### **Other Matters**

It is not known that any other matters will come before the Meeting other than as set forth above and in the Notice of Meeting accompanying this Information Circular, but if such should occur, Management’s designees intend to vote on them in accordance with their best judgement, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment thereof.

### **PART III STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this Information Circular, a Named Executive Officer (“**NEO**”) of the Company means each of the following individuals:

- (a) the chief executive officer (“**CEO**”) of the Company;
- (b) the chief financial officer (“**CFO**”) of the Company;
- (c) each of the Company’s three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at December 31, 2020 whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at December 31, 2020.

During the financial year ended December 31, 2020, the Company had three NEOs: R. Michael Jones, President and CEO; Frank Hallam, CFO and Corporate Secretary; and Sandy McVey, Chief Operating Officer (“COO”) of the Company.

## COMPENSATION DISCUSSION AND ANALYSIS

The Company does not generate operating cash flows and relies on equity financings to fund its exploration and corporate activities. Therefore, as the Company seeks to attract, retain and motivate highly skilled and experienced executive officers, it must at the same time consider current market and industry circumstances and the Company’s liquidity and ability to raise further capital.

The Compensation Discussion and Analysis that follows outlines the Company’s executive compensation components and philosophies, which at times during the early part of the year, was tempered by the Company’s desire to preserve capital in light of uncertain economic circumstances.

### Executive Compensation Philosophy and Objectives

The Company’s principal goal is to create value for its shareholders. The Company’s compensation philosophy reflects this goal, and is based on the following fundamental principles:

1. *Compensation programs align with shareholder interests* – the Company aligns the goals of executive officers with maximizing long term shareholder value;
2. *Performance sensitive* – compensation for executive officers should be linked to operating and market performance of the Company and fluctuate with the performance; and
3. *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest caliber.

The Company does not have a formal compensation program with set benchmarks nor has the Compensation Committee of the Company’s Board formally considered the implications of the risks associated with the Company’s compensation policies and practices. However, given the Company’s size and nature of compensation provided to its executives in the last financial year, the Board does not view any significant risk that would be likely to have a material adverse effect on the Company. The Company does have an informal program designed to encourage, compensate and reward employees on the basis of individual and corporate performance, including but not limited to the price of the Common Shares of the Company, both in the short and the long term, and to align the interests of executive officers with the interest of the Company’s shareholders. This alignment of interests is achieved by making long term equity-based incentives through the granting of stock options, a significant component of executive compensation (on the assumption that the performance of the Company’s Common Share price over the long term is an important indicator of long-term performance).

The objectives of the compensation program in compensating the active NEOs are derived from the above-mentioned compensation philosophy and are as follows: to attract, motivate and retain highly skilled and experienced executive officers; to align the interests of executive officers with shareholders’ interests and with the execution of the Company business strategy; and, to tie compensation directly to those measurements and rewards based on achieving and exceeding performance expectations.

The Company has not placed a restriction on the purchase by its NEOs or other employees of financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or employee. To the Company’s knowledge, none of the NEOs have purchased any such financial instruments.

## **Competitive Compensation**

The Company is dependent on individuals with specialized skills and knowledge related to the exploration for and development of mineral prospects, corporate finance and management. Therefore, the Company seeks to attract, retain and motivate highly skilled and experienced executive officers by providing competitive compensation. The Compensation Committee reviews data related to compensation levels and programs of various companies that are similar in size to the Company and operate within the mining exploration and development industry, prior to making its recommendations to the Board. The Compensation Committee also relies on the experience of its members as officers and/or directors of other companies in similar lines of business as the Company in assessing compensation levels. The purpose of this process is to: (1) understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics; (2) identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and (3) establish as a basis for developing salary adjustments and short term and long term incentive awards for the Compensation Committee's approval and recommendation to the Board.

## **Elements of Executive Compensation**

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. For the financial year ended December 31, 2020, the three basic components of executive officer compensation were: (1) base salary; (2) annual incentives (cash bonus); and (3) option based awards (long-term compensation).

Base salary comprises the portion of executive compensation that is fixed, whereas annual incentives and option based compensation represent compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance expectations; (ii) market performance of the Company's Common Shares; and, (iii) the Company's liquidity and ability to raise further capital in the prevailing economic environment.

No specific formulae have been developed to assign a specific weighting to each of these components. Instead, the Compensation Committee reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role and responsibilities within the Company. The focus is on remaining competitive in the market with respect to "total compensation" as opposed to within any one component of executive compensation.

The Compensation Committee reviews on an annual basis the cash compensation, performance and overall compensation package of each active NEO. It then submits to the Board recommendations with respect to base salary adjustments, bonuses and participation in option based compensation arrangements for each executive officer.

Base salary is targeted to be competitive in the market place in order to attract and retain qualified individuals to the Company and then typically serves as the foundation for determining annual and long term incentive plan amounts. The actual amount of annual incentive is decided based on individual performance and the discretion of the Compensation Committee. Long term compensation is targeted to be competitive in the market place, but is positioned in such a way as to have significant pay at risk and dependent upon the long term success of the Company.

In the case of the CEO and CFO they are compensated in accordance with a part time role as salary or management fees and are provided bonus compensation for specific performance on successful transactions or financings.

## **Base Salary**

The Compensation Committee and the Board approve the salary ranges for the active NEOs. Base salaries are set with the goal of being competitive with corporations of a comparable size and at the same stage of development, thereby enabling the Company to compete for and retain executive officers critical to

the Company's long term success. In determining the base salary of an executive officer, the Compensation Committee places equal weight on the following criteria: (1) the particular responsibilities related to the position; (2) salaries paid by comparable businesses; (3) the experience level of the executive officer; and (4) his or her overall performance or expected performance (in the case of a newly hired executive officer).

The Compensation Committee makes an assessment of these criteria, and using this information together with budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all executive officer and employee compensation levels. To date, comparative data for the Company's peer group has been accumulated internally, without the use of any external independent consultants or compensation specialists. The Compensation Committee has had access to other public company data through available information and other public company boards where the members serve.

During the financial year ending December 31, 2020, approximately: \$66,000 (2019 – \$66,000) was paid as a base management fee to the Company's President and CEO; a base salary was paid to the Company's CFO of \$76,400 (2019 – \$69,353 ); and a base salary of \$195,000 (2019 – \$195,000) was paid to the Company's COO. Employee salaries are based on fair market value and individual performance assessed by management. Incentives and options are considered separately from base salary.

#### ***Annual Incentives (Cash Bonus)***

Executive officers are eligible for an annual discretionary bonus, payable in cash. The Board approves such annual incentives and the Board relies heavily on the recommendations of the Compensation Committee in granting them. The Compensation Committee assesses each active NEO's performance and his or her respective contribution to the Company's success, and after taking into account the financial and operating performance of the Company, makes a recommendation to the Board. Competitive levels of base salary, comparisons and option based awards are considered when setting incentives. Overall compensation is considered as a whole including annual incentives.

In the financial year ended December 31, 2020 the Company's President and CEO was paid or accrued a cash bonus of \$20,000 (2019 – \$nil); the Company's CFO was paid or accrued a cash bonus of \$20,000 (2019 – \$nil); and the Company's COO was paid a cash bonus of \$10,000 (2019 - \$1,000).

#### ***Compensation Governance***

The Compensation Committee is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Company's executive officers. The Compensation Committee ensures that total compensation paid to all executive officers is fair and reasonable and is consistent with the Company's compensation philosophy.

The Company's Compensation Committee is comprised of Pierre Lebel, Kevin Falcon and Peter Palmedo. Messrs. Lebel and Falcon are independent directors of the Company.

The Compensation Committee has expertise which is relevant to their responsibilities in executive compensation, as in, among other things, evaluating overall compensation policies, plans and practices, as well as setting compensation for executive officers; overseeing and administering equity compensation plans; and establishing employment, retention and severance arrangements for executive officers. The members of the Compensation Committee are also board members of other publicly listed mining companies and are knowledgeable about the market compensation levels and policy requirements to ensure the Company has appropriate compensation policies in place.

Skills and experience that enable the Compensation Committee to make decisions on the suitability of the Company's compensation policies and practice include:

Pierre Lebel: Mr. Lebel is Chairman, a director of Imperial Metals Corporation, a director and audit committee member of HomeEquity Bank and a director of the Business Council of British Columbia and Lions Gate Hospital Foundation.

Kevin Falcon: Mr. Falcon is Executive Vice President of Anthem Capital Corp. Mr. Falcon was Deputy Premier and Minister of Finance of British Columbia from March 2011 to September 2012.

Peter Palmedo: Mr. Palmedo is President and Managing Member of Sun Valley Gold LLC, a major shareholder of the Company.

The Compensation Committee believes that it is important to award incentive stock options as part of an overall compensation package. Encouraging its executive officers and employees to become shareholders of the Company is, in the Compensation Committee's view, the best way to align their interests with those of the Company's shareholders.

### **Option-Based Awards**

Equity participation is accomplished through the Company's current Stock Option Plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term, to enable the Company to attract and retain individuals with experience and ability, and to reward individuals for current performance and expected future performance. Internal experience of the Compensation Committee and Board is used with respect to option levels and comparisons are made to similar companies at the same stage of development in the mining industry.

The Compensation Committee considers stock option grants when reviewing executive officer compensation packages as a whole. Stock options granted to NEOs during the most recently completed financial year are disclosed below under the heading "Summary Compensation Table".

The Board reviews the adequacy and form of compensation and compares it to other companies of similar size and stage of development. There is no minimum share ownership requirement of directors. Directors' compensation is in the form of stock options and the payment of directors' fees. The Company's Compensation Committee reviews and recommends to the Board for approval the general compensation philosophy and guidelines for all directors and executive officers, including the CEO. This includes incentive plan design and other remuneration.

The Company's Stock Option Plan provides for the grant of stock options to directors, executive officers and key employees and consultants of the Company and its subsidiaries for the purpose of advancing the interests of the Company and its shareholders through the motivation, attraction and retention of these individuals. It is generally recognized that stock option plans aid in attracting, retaining and encouraging these individuals due to the opportunity offered to them to acquire a proprietary interest in the Company.

The Compensation Committee determines the ranges of stock option grants for each level of executive officer, the key employees to whom it recommends that grants be made, and the terms and conditions of the options forming part of such grants, and makes recommendations to the Board accordingly. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of the position and contribution to the Company. The existing number and terms of the outstanding options are taken into account when granting new options. The exercise price, which can be no less than the market price (as defined in the Corporate Finance Manual of the Exchange), the term, up to a maximum of 10 years, and vesting provisions, if any, will be determined by the directors of the Company.

The number of stock options which may be issued under the Stock Option Plan in the aggregate and in respect of any financial year is limited under the terms of the Stock Option Plan and cannot be increased without shareholder approval. Details of the Company's Stock Option Plan are provided below. The Stock Option Plan contains adjustment provisions pursuant to which the exercise price of an option and/or the number of securities underlying an option may be adjusted in the event of certain capital changes of the Company including, without limitation, share consolidations, stock splits, dividends and corporate

reorganizations. The adjustment provisions are meant to ensure that the rights associated with the option are neither enhanced nor prejudiced as a result of the capital change. There was no repricing of stock options under the Stock Option Plan due to the Share Consolidation or otherwise during the most recently completed financial year.

### Summary Compensation Table

The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Company for the three most recently completed financial years ending December 31, 2020, December 31, 2019 and December 31, 2018 in respect of the NEOs of the Company. For the information concerning compensation related to previous years, please refer to the Company's previous Management Proxy Circulars available at [www.sedar.com](http://www.sedar.com):

Name and principal position	Year <sup>(1)</sup>	Salary <sup>(2)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(3)</sup> (\$)	Non-equity incentive plan compensation			All other compensation <sup>(2) (6)</sup> (\$)	Total compensation (\$) <sup>(2)</sup>
					Annual incentive plans <sup>(2) (4)</sup> (\$)	Long-term incentive plans <sup>(5)</sup> (\$)	Pension value <sup>(5)</sup> (\$)		
R. Michael Jones, President & CEO	2020	Nil	Nil	374,910	45,250	Nil	Nil	66,000	486,160
	2019	Nil	Nil	Nil	27,750	Nil	Nil	66,000	93,750
	2018	Nil	Nil	51,530	25,250	Nil	Nil	62,000	138,780
Frank R. Hallam, CFO	2020	76,400	Nil	321,351	20,000	Nil	Nil	Nil	417,751
	2019	69,353	Nil	Nil	9,047	Nil	Nil	Nil	78,400
	2018	53,000	Nil	44,659	20,000	Nil	Nil	Nil	117,759
Sandy McVey, COO	2020	195,000	Nil	187,455	10,000	Nil	Nil	Nil	392,455
	2019	195,000	Nil	Nil	1,000	Nil	Nil	Nil	196,000
	2018	195,000	Nil	22,329	Nil	Nil	Nil	Nil	217,329

#### Notes:

- (1) Financial years ended December 31.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.
- (3) Figures represent the grant date fair value of the options. The Company used the Black Scholes option pricing model for calculating such fair value with the following weighted average assumptions in 2020: expected life 5 years (2018 5 years); risk-free interest rate of 0.30% (2018 - 2.08%); expected volatility 101% (2018 - 67%); expected dividends of Nil (2018 - Nil). Expected volatility is based on the trading history of the Company. No options were granted, vesting or vested in fiscal 2019.
- (4) The Company has no formal annual incentive plan or long term incentive plan for any of its executive officers, including its NEOs, but may award discretionary bonus payments from time to time.
- (5) The Company has no pension, retirement or deferred compensation plans, including defined contribution plans.
- (6) Representing management fees earned for the CEO and in all other instances bonus only.

### Incentive Plan Awards

#### Outstanding Option-Based Awards

The following table sets forth for the NEOs, the incentive stock options (option-based awards), pursuant to the Stock Option Plan, outstanding as at December 31, 2020. These incentive stock options vested at the time of grant. The Company did not grant any Share-based Awards.

Option-based Awards				Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	
R. Michael Jones	65,000	\$1.00	April 12, 2021	31,200
	75,000	\$1.11	January 4, 2022	27,750
	150,000	\$0.60	April 12, 2023	132,000
	350,000	\$1.50	August 20, 2025	Nil
Frank R. Hallam	55,000	\$1.00	April 12, 2021	26,400
	60,000	\$1.11	January 4, 2022	22,200
	130,000	\$0.60	April 12, 2023	114,400
	300,000	\$1.50	August 20, 2025	Nil
Sandy McVey	30,000	\$1.00	April 12, 2021	14,400
	30,000	\$1.11	January 4, 2022	11,100
	65,000	\$0.60	April 12, 2023	57,200
	175,000	\$1.50	August 20, 2025	Nil

**Note:**

(1) This amount is calculated as the difference between the closing price (\$1.48) of the securities on December 31, 2020 and the exercise price of the option. If the market price is below the exercise price the value is \$Nil.

**Value Vested or Earning During The Year**

The following table sets forth for the NEOs, the value vested during the financial year ended on December 31, 2020 for options awarded under the Stock Option Plan, as well as the value earned under non-equity incentive plans for the same period:

Name	Option-based awards- Value <sup>(1)</sup> vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
R. Michael Jones	Nil	N/A	\$20,000
Frank R. Hallam	Nil	N/A	\$20,000
Sandy McVey	Nil	N/A	\$10,000

**Note:**

(1) Value vested during the year is calculated by subtracting the market price of the Company's Common Shares on the date of vesting from the exercise price of the option. All options were fully vested on the date of grant, at which time the market price of the Company's Common Shares was more than the exercise price of the options and therefore the value was \$Nil.

**Termination and Change of Control Benefits**

The Company has not entered into any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in the NEO's responsibilities, except as listed below:

- The Company entered into an employment agreement in February 2013 with Sandy McVey, the Company's COO (the "McVey Agreement").

- The Company entered into a management services agreement in July 2014, as amended November 4, 2016 and March 14, 2018, with R. Michael Jones, the Company's CEO & President (collectively, the "**Jones Agreement**").
- The Company entered into an executive employment agreement in July 2014, as amended March 14, 2018, with Frank Hallam, the Company's CFO & Corporate Secretary (the "**Hallam Agreement**").

For the purposes of the McVey Agreement, "**Change of Control**" is defined as the acquisition, directly or indirectly, by any person or group of persons acting in concert (as such terms are defined in the *Securities Act* (British Columbia)), of Common Shares which, when added to all other Common Shares at the time held directly or indirectly by such person or persons acting in concert, totals for the first time of more than 50% of the then outstanding Common Shares.

For the purposes of the Jones Agreement and the Hallam Agreement, "**Change Of Control**" is defined as: (a) the acquisition, beneficially, directly or indirectly, by any person or group of persons acting jointly or in concert, within the meaning of Multilateral Instrument 62-104, Takeover Bids and Issuer Bids (or any successor instrument thereto), of common shares of the Company which, when added to all other common shares of the Company at the time held beneficially, directly or indirectly by such person or persons acting jointly or in concert, totals for the first time more than 50% of the then outstanding Common Shares of the Company; or (b) the removal by extraordinary resolution of the shareholders of the Company, of more than 51% of the then incumbent directors of the Company, or the election of a majority of directors to the Board who were not nominees of the incumbent Board at the time immediately preceding such election; or (c) the consummation of a sale of all or substantially all of the assets of the Company, or the consummation of a reorganization, merger or other transaction which has substantially the same effect; or (d) a merger, consolidation, plan of arrangement or reorganization of the Company that results in the beneficial, direct or indirect transfer of more than 50% of the total voting power of the resulting entity's outstanding securities to a person, or group of persons acting jointly and in concert, who are different from the person that have, beneficially, directly or indirectly, more than 50% of the total voting power prior to such transaction.

For the purposes of the McVey Agreement, "**Good Cause**" is defined as: (a) the assignment by the Company of any substantial new duties inconsistent with the employee's positions, duties, responsibilities and status immediately prior to such change; (b) a material reduction in the employee's responsibilities; (c) a reduction by the Company in the employee's annual salary; or (d) the failure by the Company to continue in effect, or a material change in the terms of the employee's participation in the benefits under any incentive or benefit plan in which the employee is participating, the effect of which would be to materially reduce the total value in the employee's benefits or any reduction by the Company of the number of paid vacation days to which the employee is entitled.

For the purposes of the Jones Agreement and the Hallam Agreement, "**Good Cause**" is defined as: (a) upon the material breach of any material term of the Agreement by the Company if such breach or default has not been remedied to the reasonable satisfaction of Mr. Jones or Mr. Hallam within 30 days after written notice of the breach or default has been delivered by Mr. Jones or Mr. Hallam to the Company; (b) a material reduction in Mr. Jones' or Mr. Hallam's responsibilities, title or reporting, except as a result of Mr. Jones' or Mr. Hallam's disability; (c) any reduction by the Company in Mr. Jones' or Mr. Hallam's annual fee or salary; or (d) relocation of Mr. Jones' or Mr. Hallam's principal office location more than 25 kilometres.

For the purposes of the McVey Agreement, the Jones Agreement and the Hallam Agreement, the last day of employment is defined as the "**Termination Date**".

Pursuant to the McVey Agreement, Mr. McVey agreed to perform those services normally or usually associated with the position of COO. The McVey Agreement is for an indefinite term but may be terminated: (a) by the Company, without cause, by notice in writing stating the last day of employment; and (b) by Mr. McVey, by resignation, upon three weeks' notice to the Company for Good Cause, upon

which the Company shall provide Mr. McVey with the following: (i) the full amount of the instalments falling due to Mr. McVey in respect of his salary through to the Termination Date, the amount of any accrued unpaid vacation pay to the Termination Date, all expenses reimbursable pursuant to the McVey Agreement and any other compensation actually accrued and then payable which has not yet been paid; (ii) a lump sum payment equal to six months of Mr. McVey's annual salary, exclusive of any benefits, bonuses, and other amounts; (iii) continuing Mr. McVey's stock options until the earlier of their normal expiry and one month from the Termination Date; (iv) a bonus, if the event giving rise to the bonus occurs within two months of the date of the notice of termination; and (v) continuing Mr. McVey's benefits then in effect, other than disability insurance, until the earlier of six months from the Termination Date or Mr. McVey obtaining similar benefits through other employment (the Company shall pay Mr. McVey an amount equal to twelve months of the then prevailing premiums for his long-term disability insurance).

The Company may at any time terminate the McVey Agreement for any just cause that would in law permit the Company to terminate the McVey Agreement without notice, or if at any time the Exchange (or such other stock exchange on which the Common Shares may then be listed) determines that Mr. McVey is unacceptable or unable to serve as an officer of the Company. In such event, Mr. McVey shall not be entitled to any compensation or notice, but shall be entitled to receive the full amount of the instalments falling due in respect of Mr. McVey's annual salary through to the effective date of termination. Mr. McVey's stock options shall terminate at the time of notice of termination for cause.

Upon the completion of a Change of Control of the Company, the employment of Mr. McVey shall immediately terminate on that date and on the fifth business day following the Termination Date, the Company shall provide Mr. McVey with the following compensation: (i) the full amount of the instalments falling due to Mr. McVey in respect of his salary through to the Termination Date, the amount of any accrued unpaid vacation pay to the Termination Date, all expenses reimbursable pursuant to the McVey Agreement and any other compensation actually accrued and then payable which has not yet been paid; (ii) a lump sum payment equal to twelve months of Mr. McVey's annual salary, exclusive of any benefits, bonuses, and other amounts; (iii) at Mr. McVey's option and subject to the terms and conditions of the Company's then outstanding stock option plan: (a) a cash amount equal to the aggregate spread between the exercise price of all such options which are in the money on the Termination Date, whether or not they are fully exercisable, and the average of the closing prices of the Common Shares on the Exchange (or such other stock exchange on which the Common Shares are then listed) for 30 days preceding the Termination Date; or (b) continuing Mr. McVey's stock options until the earlier of their normal expiry; and (iv) continuing Mr. McVey's benefits then in effect, other than disability insurance, until the earlier of twelve months from the Termination Date or Mr. McVey obtaining similar benefits through other employment (the Company shall pay Mr. McVey an amount equal to twelve months of the then prevailing premiums for his long-term disability insurance).

The following table shows estimated incremental payments triggered pursuant to termination of employment of a NEO in accordance with the termination provisions described above:

NEO	Termination Without Cause Provision Value <sup>(1)(2)(3)</sup>	Termination on Takeover of Control Provision Value <sup>(1)(2)(3)</sup>	Resignation for Good Cause Provision Value <sup>(1)(2)(3)(4)</sup>
Sandy McVey	\$97,500	\$195,000	\$97,500

**Notes:**

- (1) The termination values assume that the triggering event took place on the last business day of the Company's financial year-end December 31, 2020.
- (2) Value of earned/unused vacation and amounts owing for expense reimbursement are not included as they are not considered as incremental payments made in connection with termination of employment.
- (3) The accelerated option-based award value on the last business day of the Company's year-end December 31, 2020 was \$82,700.
- (4) The McVey Agreement may also be terminated by Mr. McVey upon three weeks' written notice, in which event Mr. McVey shall not be entitled to a severance payment but shall be entitled to receive the full

amount of the instalments falling due in respect of his annual salary through to the date Mr. McVey leaves his position, plus the amount, if any, of any expenses reimbursable, and the amount, if any, of any other compensation actually accrued and then payable to Mr. McVey which has not been paid.

Pursuant to the Jones Agreement, Mr. Jones agreed to perform those services normally or usually associated with the position of CEO & President. The Jones Agreement is for an indefinite term but may be terminated: (a) by the Company, without cause, by notice in writing stating the last day of employment; and (b) by Mr. Jones, by resignation, upon two weeks' notice to the Company for Good Cause (as defined below), upon which the Company shall provide Mr. Jones with the following: (i) the final wages; (ii) an additional lump sum amount equivalent to the number of months of Mr. Jones' then monthly fee times 24 months; and (iii) continuing Mr. Jones' benefits then in effect, other than disability insurance, until the earlier of the end of the 24 month period or Mr. Jones obtaining similar benefits through other employment.

The Company may at any time terminate the Jones Agreement for any just cause that would in law permit the Company to terminate the Jones Agreement without notice, or if at any time the Exchange (or such other stock exchange on which the Common Shares may then be listed) determines that Mr. Jones is unacceptable or unable to serve as an officer of the Company. In such event, Mr. Jones shall not be entitled to any compensation or notice, but shall be entitled to receive the full amount of the instalments falling due in respect of Mr. Jones' annual salary through to the effective date of termination. Mr. Jones' stock options shall terminate at the time of notice of termination for cause.

In the event of a Change of Control of the Company, Mr. Jones shall have a special right to resign on one month's written notice, which notice must be delivered no sooner than 90 days and no later than 180 days following the Change Of Control. In such event, Mr. Jones shall be entitled to receive a Change Of Control severance payment. Also, if within 12 months after a Change Of Control Mr. Jones elects to resign for Good Cause, or if the Company terminates Mr. Jones employment without just cause, then in either instance Mr. Jones will be entitled to receive the Change of Control severance payment.

Upon the completion of a Change Of Control of the Company, the employment of Mr. Jones shall immediately terminate on that date and on the seventh business day following the Termination Date, the Company shall provide Mr. Jones with the following compensation: (i) the final fees; (ii) an additional lump sum amount equivalent to 60 months of Mr. Jones' then monthly fee; (iii) an additional lump sum equal to the product of the most recent annual bonus paid to Mr. Jones prior to the Termination Date multiplied by the number of completed months in the current bonus year through to the Termination Date divided by 12; (iv) an additional lump sum equal to the product of the most recent annual amount paid as a bonus to Mr. Jones in respect of the year preceding the Termination Date multiplied by five; and (v) continuing Mr. Jones' benefits then in effect, other than disability insurance, until the earlier of the end of the 60 month period or Mr. Jones obtaining similar benefits through other employment.

The following table shows estimated incremental payments triggered pursuant to termination of employment of a NEO in accordance with the termination provisions described above:

NEO	Termination Without Cause Provision Value <sup>(1)(2)(3)</sup>	Termination on Change of Control Provision Value <sup>(1)(2)(3)</sup>	Resignation for Good Cause Provision Value <sup>(1)(2)(3)(4)</sup>
R. Michael Jones	\$182,500	\$556,250	\$182,500

**Notes:**

- (1) The termination values assume that the triggering event took place on the last business day of the Company's financial year-end December 31, 2020.
- (2) Value of earned/unused vacation and amounts owing for expense reimbursement are not included as they are not considered as incremental payments made in connection with termination of employment.
- (3) The accelerated option-based award value on the last business day of the Company's financial year-end December 31, 2020 was \$190,950.
- (4) The Jones Agreement may also be terminated by Mr. Jones upon two weeks' written notice, in which event Mr. Jones shall not be entitled to a severance payment but shall be entitled to receive the full amount of

the instalments falling due in respect of his annual salary through to the date Mr. Jones leaves his position, plus the amount, if any, of any expenses reimbursable, and the amount, if any, of any other compensation actually accrued and then payable to Mr. Jones which has not been paid.

Pursuant to the Hallam Agreement, Mr. Hallam agreed to perform those services normally or usually associated with the position of CFO. The Hallam Agreement is for an indefinite term but may be terminated: (a) by the Company, without cause, by notice in writing stating the last day of employment; and (b) by Mr. Hallam, by resignation, upon two weeks' notice to the Company for Good Cause, upon which the Company shall provide Mr. Hallam with the following: (i) the final wages; (ii) an additional lump sum amount equivalent to twenty four months of Mr. Hallam's annual salary rate; and (iii) continuing Mr. Hallam's benefits then in effect, other than disability insurance, until the earlier of the end of the 24 month period or Mr. Hallam obtaining similar benefits through other employment.

The Company may at any time terminate the Hallam Agreement for any just cause that would in law permit the Company to terminate the Hallam Agreement without notice, or if at any time the Exchange (or such other stock exchange on which the Common Shares may then be listed) determines that Mr. Hallam is unacceptable or unable to serve as an officer of the Company. In such event, Mr. Hallam shall not be entitled to any compensation or notice, but shall be entitled to receive the full amount of the instalments falling due in respect of Mr. Hallam's annual salary through to the effective date of termination. Mr. Hallam's stock options shall terminate at the time of notice of termination for cause.

In the event of a Change of Control of the Company, Mr. Hallam shall have a special right to resign on one month's written notice, which notice must be delivered no sooner than 90 days and no later than 180 days following the Change of Control. In such event, Mr. Hallam shall be entitled to receive a Change of Control severance payment. Also, if within 12 months after a Change of Control Mr. Hallam elects to resign for Good Cause, or if the Company terminates Mr. Hallam's employment without just cause, then in either instance Mr. Hallam will be entitled to receive the Change of Control severance payment.

Upon the completion of a Change of Control of the Company, the employment of Mr. Hallam shall immediately terminate on that date and on the seventh business day following the Termination Date, the Company shall provide Mr. Hallam with the following compensation: (i) the final wages; (ii) an additional lump sum amount equivalent to five years of Mr. Hallam's then Annual Salary; (iii) an additional lump sum equal to the product of the most recent annual bonus paid to Mr. Hallam prior to the Termination Date multiplied by the number of completed months in the current bonus year through to the Termination Date divided by 12; (iv) an additional lump sum equal to the product of the most recent annual amount paid as a bonus to Mr. Hallam in respect of the year preceding the Termination Date multiplied by five; and (v) continuing Mr. Hallam's benefits then in effect, other than disability insurance, until the earlier of the end of the five year period or Mr. Hallam obtaining similar benefits through other employment.

The following table shows estimated incremental payments triggered pursuant to termination of employment of a NEO in accordance with the termination provisions described above:

NEO	Termination Without Cause Provision Value <sup>(1)(2)(3)</sup>	Termination on Change of Control Provision Value <sup>(1)(2)(3)</sup>	Resignation for Good Cause Provision Value <sup>(1)(2)(3)(4)</sup>
Frank Hallam	\$152,800	\$482,000	\$152,800

**Notes:**

- (1) The termination values assume that the triggering event took place on the last business day of the Company's financial year-end December 31, 2020.
- (2) Value of earned/unused vacation and amounts owing for expense reimbursement are not included as they are not considered as incremental payments made in connection with termination of employment.
- (3) The accelerated option-based award value on the last business day of the Company's financial year-end December 31, 2020 was \$163,000.
- (4) The Hallam Agreement may also be terminated by Mr. Hallam upon two weeks' written notice, in which event Mr. Hallam shall not be entitled to a severance payment but shall be entitled to receive the full amount of the instalments falling due in respect of his annual salary through to the date Mr. Hallam leaves

his position, plus the amount, if any, of any expenses reimbursable, and the amount, if any, of any other compensation actually accrued and then payable to Mr. Hallam which has not been paid.

### Pension Plan Benefits

The Company does not have a pension plan or provide any benefits following or in connection with retirement.

## PART IV COMPENSATION OF DIRECTORS

Director's fees for non-NEOs were recommended by the Compensation Committee based on a review of prevailing market conditions and a comparison to peer group companies with similar lines of business, market capitalization and public stock exchange listings and subsequently approved by the Board.

Activity	Compensation
Membership on Board of Directors <sup>(1)</sup>	\$15,000
Preparation and attendance at Board Meetings <sup>(2)</sup>	\$1,000
Preparation and attendance of Chair at Board Meetings	\$1,250
Preparation and attendance at Audit Committee Meetings	\$1,000
Preparation and attendance of Chair at Audit Committee Meetings	\$1,250
Preparation and attendance at Compensation Committee Meetings	\$1,000
Preparation and attendance of Chair at Compensation Committee Meetings	\$1,250

**Notes:**

- (1) \$15,000 per annum.
- (2) \$1,000 per meeting as well as for the remainder of the committee work.

### Director Compensation Table

The following table describes director compensation for non-NEO directors for the Company's most recently completed financial year ended December 31, 2020. The NEO directors received no compensation for their role as directors of the Company.

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive			Total (\$)
				plan compensation (\$)	Pension value (\$)	All other compensation (\$)	
Pierre Lebel	24,000 <sup>(2)</sup>	Nil	171,387	Nil	Nil	Nil	195,387
Kevin Falcon	25,000 <sup>(3)</sup>	Nil	171,387	Nil	Nil	Nil	196,387
Peter Palmedo	20,000	Nil	171,387	Nil	Nil	Nil	191,387

**Notes:**

- (1) The Company used the Black Scholes option pricing model for calculating such fair value. See "Summary Compensation Table".
- (2) Fees earned include \$15,000 in annual fees.
- (3) Fees earned include \$15,000 in annual fees and \$1,000 in fees for serving as the Chair of the Audit Committee.

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors other than the unissued treasury Common Shares that may be issued upon the exercise of the directors' Stock Options. There has been no other

arrangement pursuant to which directors were compensated by the Company in their capacity as directors except as disclosed herein or disclosed in the Company financial statements and management discussion and analysis.

### Incentive Plan Awards

#### Outstanding Option-Based Awards

The following table sets out for each director non-NEO director all awards outstanding held as of the most recently completed financial year. As at December 31, 2020, these option-based awards have vested.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Pierre Lebel	40,000	\$1.00	April 12, 2021	19,200	N/A	N/A	N/A
	40,000	\$1.10	January 4, 2022	15,200	N/A	N/A	N/A
	75,000	\$0.60	April 12, 2023	66,000	N/A	N/A	N/A
	160,000	\$1.50	August 20, 2025	Nil	N/A	N/A	N/A
Kevin Falcon	40,000	\$1.00	April 12, 21	19,200	N/A	N/A	N/A
	40,000	\$1.10	January 4, 2022	15,200	N/A	N/A	N/A
	75,000	\$0.60	April 12, 2023	66,000	N/A	N/A	N/A
	160,000	\$1.50	August 20, 2025	Nil	N/A	N/A	N/A
Peter Palmedo	160,000	\$1.50	August 20, 2025	Nil	N/A	N/A	N/A

**Note:**

(1) Value is calculated based on the difference between the exercise price of the option and the closing price of the Company's Common Shares (\$1.48) on the Exchange on December 31, 2020. If the market price is below the exercise price the value is \$Nil.

#### Value Vested or Earned During the Year

The following table sets out for each non-NEO director the value of all incentive plan awards vested during the year ended December 31, 2020.

Name	Option-based awards - Value vested during the year <sup>(1)</sup> (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Pierre Lebel	Nil	Nil	Nil
Kevin Falcon	Nil	Nil	Nil
Peter Palmedo	Nil	Nil	Nil

**Note:**

(1) Value vested during the year is calculated by subtracting the market price of the Company's Common Shares on the date the option vested (being the closing price of the Company's Common Shares on the Exchange on the last trading day prior to the vesting date) from the exercise price of the option. All options are fully

vested on the grant dates thereof.

## PART V AUDIT COMMITTEE

Under NI 52-110, venture issuers must include in its management information circular the disclosure required by Form 52-110F2 *Disclosure by Venture Issuers* with respect to their audit committee, including the text of the audit committee's charter, the composition of the audit committee and the fees paid to the external auditor. This information is set out in the attached Schedule "A" to this Information Circular.

## PART VI CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* requires reporting issuers to disclose the corporate governance practices, on an annual basis, that they have adopted. The Company's approach to corporate governance is provided in Schedule "B".

## PART VII OTHER INFORMATION

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's last completed financial year or as of the Record Date was any director, executive officer, employee, proposed nominee for election as a director of the Company, nor any associate of any such director, executive officer or proposed nominee of the Company, or any former director, executive officer or employee of the Company or any of its subsidiaries, indebted to the Company or any of its subsidiaries, or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance to directors, officers, employees and consultants in effect as of the end of the Company's most recently completed fiscal year end:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by securityholders <sup>(1)</sup>	2,877,500	\$1.20	2,921,463
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	2,877,500		2,921,463

**Note:**

(1) On May 27, 2011, the Company adopted the Stock Option Plan, being a rolling incentive stock option plan

which provides that the Board may grant up to ten percent (10%) of the total number of Common Shares issued and outstanding at the date of the stock option grant.

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

Other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, nor any shareholder beneficially owning, directly or indirectly, Common Shares, or exercising control or direction over Common Shares, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding Common Shares nor an associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, in any transaction since January 1, 2020 (being the commencement of the Company's last completed financial year) or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

#### **MANAGEMENT CONTRACTS**

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

#### **OTHER BUSINESS**

Management of the Company knows of no matters to come before the meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the meeting, it is the intention of the persons named in the Proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

#### **ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on the Company's profile on SEDAR website located at [www.sedar.com](http://www.sedar.com). The Company's financial information is provided in the Company's audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the website noted above. Shareholders of the Company may request copies of the Company's financial statements and related management discussion and analysis by contacting the Company at West Vault Mining Inc., at Suite 838, 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6, Attention R. Michael Jones, President; or by telephone: 604-685-8311.

## SCHEDULE "A"

### AUDIT COMMITTEE DISCLOSURE

#### Composition of the Audit Committee

As of the date of this Information Circular, the following are the members of the Company's Audit Committee:

Member	Independent <sup>(1)(2)</sup>	Financially Literate <sup>(3)</sup>
Kevin Falcon (Chair)	Yes	Yes
Pierre Lebel	Yes	Yes
R. Michael Jones	No	Yes

**Notes:**

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) The Audit Committee holds regular quarterly meetings and other meetings as required, at which time the independent members meet in-camera without the non-independent member and the members of management. The independent members also meet in-camera on an *ad hoc* basis.
- (3) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

#### Relevant Education and Experience

The following is a summary of the Audit Committee members' education and experience which is relevant to the performance of their responsibilities as an Audit Committee member:

Member	Education/Experience
Kevin Falcon (Chairman)	Mr. Falcon received a Bachelor of Arts from Simon Fraser University and completed the Real Estate Mortgage and Licensing program from the Faculty of Commerce at the University of British Columbia. He has served as the Minister of Finance and Deputy Premier of British Columbia from March 2011 to September 2012 and has held other portfolio positions within the provincial government since 2001. His extensive outreach to world capital markets following the global economic downturn, coupled with his introduction of a fiscally responsible budget, resulted in the re-affirmation of BC's Triple A credit rating. As one of BC's longest serving Ministers of Transportation, he oversaw the largest capital investment program in BC history, including the Sea to Sky highway, Canada Line rapid transit project, Kicking Horse and Port Mann bridges, to name a few. Currently, he is the Executive Vice President of Anthem Capital Corporation.
Pierre Lebel	Mr. Lebel graduated from the University of Western Ontario with an LLB and from McMaster University with a Masters of Business Administration. Mr. Lebel has been the Chair of Imperial Metals Corporation since January 2003 and was President from 1986-2003. He is currently serving as a director of Imperial Metals Corporation, a director and audit committee member of HomeEquity Bank and a director of Business Council of British Columbia and of Lions Gate Hospital Foundation
R. Michael Jones	Mr. Jones holds a B.A.Sc. in geological engineering from the University of Toronto and served on the Securities Policy Advisory Committee of the BCSC for six years. He

Member	Education/Experience
	<p>has over 30 years of experience as a professional geological engineer and has been instrumental in raising of over \$1 billion for exploration, mining development and production. He founded Glimmer Resources Inc. which discovered the Glimmer Gold mine in Ontario, now Black Fox. During six-years as President of Cathedral Gold Corp., Mr. Jones ran a producing gold mining company. He was instrumental in a feasibility study and financing for a \$1 billion mining project during two years as Vice President with Aber Resources. Mr. Jones is President, Chief Executive Officer and a director of Platinum Group Metals Ltd., a co-founder and former director of MAG Silver Corp. and co-founder and former director of West Timmins Mining which was purchased in 2009 by Lake Shore Gold Corp.</p>

## Audit Committee Charter

The text of the Audit Committee's Charter is as follows:

### ***General***

The Board of Directors of the Corporation (the "**Board**") has established an Audit Committee (the "**Committee**") to assist the Board in fulfilling its oversight responsibilities. The Committee will review and oversee the financial reporting and accounting process of the Corporation, the system of internal control and management of financial risks, the external audit process, and the Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the independent auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Corporation's business, operations and risks.

The Corporation's independent auditor is ultimately accountable to the shareholders. The Board and Committee, as representatives of the Corporation's shareholders, have the ultimate authority and responsibility to evaluate the independent auditor, to nominate annually the independent auditor to be proposed for shareholder approval, to determine appropriate compensation for the independent auditor, and where appropriate, to replace the independent auditor. In the course of fulfilling its specific responsibilities hereunder, the Committee must maintain free and open communication between the Corporation's independent auditors, Board and Corporation management. The responsibilities of a member of the Committee are in addition to such member's duties as a member of the Board.

### ***Members***

The Board will in each year appoint a minimum of three (3) directors as members of the Committee. The majority of the members of the Committee shall be non-management directors and shall be independent within the meaning of all applicable Canadian securities laws and the rules of the TSXV, unless otherwise exempt from such requirements.

None of the members of the Committee may have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three years.

All members of the Committee shall be able to read and understand fundamental financial statements and must be financially literate within the meaning of all applicable Canadian securities laws or become financially literate within a reasonable period of time following his or her appointment. Additionally, at least one member of the Committee shall be financially sophisticated and shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, which

may include being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities.

### ***Duties***

The Committee will have the following duties:

- Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review any legal matters which could significantly impact the financial statements as reported on by the Corporation's counsel and engage outside independent counsel and other advisors whenever as deemed necessary by the Committee to carry out its duties.
- Review the Corporation's annual and quarterly financial statements, including Management's Discussion and Analysis with respect thereto, and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the independent auditors and determine whether they are complete and consistent with the information known to Committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with International Financial Reporting Standards.
- Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- Review audit issues related to the Corporation's material associated and affiliated companies that may have a significant impact on the Corporation's equity investment.
- Meet with management and the independent auditors to review the annual financial statements and the results of the audit.
- Evaluate the fairness of the interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:
  - actual financial results for the interim period varied significantly from budgeted or projected results;
  - International Financial Reporting Standards have been consistently applied;
  - there are any actual or proposed changes in accounting or financial reporting practices; or
  - there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- Review the independent auditor's proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- Recommend to the Board an independent auditor to be nominated for appointment by the Corporation's shareholders. Subject to the appointment of the Corporation's independent auditor by the Corporation's shareholders, the Committee will be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit,

review or attest services for the Corporation, including the resolution of disagreements between management and the independent auditor regarding financial reporting. The Corporation's independent auditor shall report directly to the Committee.

- Review with the Corporation's management, on a regular basis, the performance of the independent auditors, the terms of the independent auditor's engagement, accountability and experience.
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the independent auditor.
- Consider at least annually the independence of the independent auditors, including reviewing the range of services provided in the context of all consulting services obtained by the Corporation, including:
  - insuring receipt from the independent auditor of a formal written statement delineating all relationships between the independent auditor and the Company, consistent with the Independence Standards Board Standard No. 1 and related Canadian regulatory body standards;
  - considering and discussing with the independent auditor any relationships or services, including non-audit services, that may impact the objectivity and independence of the independent auditor; and
  - as necessary, taking, or recommending that the Board take, appropriate action to oversee the independence of the independent auditor.
- Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure contained in the Corporation's financial statements, Management's Discussion and Analysis and annual and interim earnings press releases; and periodically assess the adequacy of those procedures.
- Review any significant disagreement among management and the independent auditors in connection with the preparation of the financial statements.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former independent auditors of the Corporation.
- Establish a procedure for:
  - (1) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
  - (2) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- Meet separately with the independent auditors to discuss any matters that the committee or auditors believe should be discussed privately in the absence of management.
- Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the independent auditors.
- Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- Review and oversee all related party transactions.
- Perform other functions as requested by the Board.

- If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
- Review and re-assess annually the adequacy of this Charter and recommend updates to this charter; receive approval of changes from the Board.
- With regard to the Corporation's internal control procedures, the Committee is responsible to:
  - (1) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those related to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (2) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (3) review any unresolved issues between management and the independent auditors that could affect the financial reporting or internal controls of the Corporation; and
  - (4) periodically review the effectiveness of the Corporation's internal controls over financial reporting and the extent to which recommendations made by the internal audit staff or by the independent auditors have been implemented.

### ***Chair***

The Committee will in each year appoint the Chair of the Committee from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will not have a casting vote.

### ***Meetings***

The Committee will meet at least once for every calendar quarter. Special meetings shall be convened as required. Notices calling meetings shall be sent to all members of the Committee, all Board members and the independent auditor. The independent auditor of the Corporation must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Committee. At the request of the independent auditor, the Committee must convene a meeting of the Committee to consider any matter that the independent auditor believes should be brought to the attention of the Board or shareholders of the Corporation.

The Committee may invite such other persons (e.g. without limitation, the President or Chief Financial Officer) to its meetings, as it deems appropriate.

### ***Quorum***

A majority of members of the Committee, present in person, by teleconferencing, or by videoconferencing, or by any combination of the foregoing, will constitute a quorum.

### ***Removal and Vacancy***

A member may resign from the Committee, and may also be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to be a director of the Corporation. The Board will fill vacancies in the Committee by appointment from among the directors in accordance with Section 2 of this Charter. Subject to quorum requirements if a vacancy exists on the Committee, the remaining members will exercise all of the Committee's powers.

### **Authority**

The Committee may:

- engage independent counsel and other advisors as it determines necessary to carry out its duties;
- set and pay the compensation for any advisors employed by the Committee; and
- communicate directly with the internal and independent auditors.

The Committee may also, within the scope of its responsibilities, seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, and to ensure the attendance of the Corporation's officers at meetings as appropriate.

### **Secretary and Minutes**

The Chair of the Committee will appoint a member of the Committee or other person to act as Secretary of the Committee for purposes of a meeting of the Committee. The minutes of the Committee meetings shall be in writing and duly entered into the books of the Corporation and will be circulated to all members of the Board.

### **Funding**

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of (a) compensation to any registered public accounting firm engaged for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; (b) compensation to any advisers employed by the Committee; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate to carry out its duties."

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

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

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

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

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

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

<b>Financial Year</b>				
<b>Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
2020	\$55,000	Nil	\$37,125	Nil
2019	\$55,000	Nil	\$27,818	Nil

**Notes:**

(1) The aggregate audit fees billed.

- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "Audit Fees".
- (3) Fees billed for preparation of the Company's corporate tax return.
- (4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

**Exemption**

The Company is relying upon the exemption in section 6.1 of the National Instrument 52-110 *Audit Committees*, which exempts venture issuers (as defined therein) from the requirements of Part 5 (*Reporting Obligations*) of that instrument."

**SCHEDULE "B"**

**CORPORATE GOVERNANCE PRACTICES**

The following table addresses the disclosure requirements set out in Form 58-101F2 *Corporate Governance Disclosure*:

<b>Corporate Governance Disclosure Requirement</b>	<b>The Company's Approach</b>
<p><b>1. BOARD OF DIRECTORS</b></p> <p>Disclose how the board of directors facilitates the exercise of independent supervision over management, including:</p> <p>(a) identity of directors who are independent.</p> <p>(b) identity of directors who are not independent and describe the basis for that determination.</p>	<p>The Board acts in accordance with the <i>Business Corporations Act</i> (British Columbia); the Company's Notice of Articles and Articles; and other applicable laws and Company policies.</p> <p>The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results.</p> <p>(a) Directors Pierre Lebel and Kevin Falcon have been determined to be independent as defined in section 1.4 of National Instrument 52-110 <i>Audit Committees</i>, as they have no "material relationship" with the Company. A "material relationship" is a relationship which could, in view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgement. Certain types of relationships are by their nature considered to be material relationships.</p> <p>(b) Director R. Michael Jones, the Company's CEO and President has been determined to be non-independent as he has a material relationship with the Company by virtue of his senior executive positions with the Company. Director Peter Palmedo has been determined to be non-independent as he has a material relationship with the Company by virtue of his senior executive position with Sun Valley Gold LLC, which exercises control and direction over Sun Valley Gold Masters Fund, Ltd., a major shareholder of the Company.</p>
<p><b>2. DIRECTORSHIPS</b></p> <p>If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent)</p>	<p>The following directors hold directorships in other reporting issuers as listed:</p>

Corporate Governance Disclosure Requirement	The Company's Approach						
<p>in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<table border="1"> <thead> <tr> <th data-bbox="803 254 1031 296">Director</th> <th data-bbox="1031 254 1463 296">Issuer</th> </tr> </thead> <tbody> <tr> <td data-bbox="803 296 1031 369">R. Michael Jones</td> <td data-bbox="1031 296 1463 369">Platinum Group Metals Ltd. (TSX and NYSE American)</td> </tr> <tr> <td data-bbox="803 369 1031 464">Pierre Lebel</td> <td data-bbox="1031 369 1463 464">Imperial Metals Corporation (TSX)</td> </tr> </tbody> </table>	Director	Issuer	R. Michael Jones	Platinum Group Metals Ltd. (TSX and NYSE American)	Pierre Lebel	Imperial Metals Corporation (TSX)
Director	Issuer						
R. Michael Jones	Platinum Group Metals Ltd. (TSX and NYSE American)						
Pierre Lebel	Imperial Metals Corporation (TSX)						
<p><b>3. ORIENTATION AND CONTINUING EDUCATION</b></p> <p>(a) Briefly describe what measures the board takes to orient new directors.</p> <p>(b) Briefly describe any measures the board takes to provide continuing education for directors.</p>	<p>(a) The Company does not have a formal orientation and education program for new directors. However, new directors are provided with relevant materials with respect to the Company as well as being oriented on relevant corporate issues by the CEO. The board reviews and approves the orientation process for new directors.</p> <p>(b) The board currently does not provide continuing education for its directors. By using a board composed of experienced professionals with a wide range of financial, legal, exploration and mining expertise, the Company ensures that the board operates effectively and efficiently. The board reviews, approves and plans for the ongoing development of existing board members including the provision of continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Company's business remains current.</p>						
<p><b>4. ETHICAL BUSINESS CONDUCT</b></p> <p>Disclose what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.</p>	<p>The board has adopted a written Code of Business Conduct and Ethics (also referred to as the "<b>Code</b>") for the directors, officers and employees of the Company. The Code is filed on the Company's website at <a href="http://www.westvaultmining.com">www.westvaultmining.com</a> under Corporate Responsibility.</p> <p>The Company's board monitors compliance with the Code. Frank Hallam, CFO, has been appointed as the Corporation Ethics Officer to ensure adherence to the Code and to report to the board.</p>						

Corporate Governance Disclosure Requirement	The Company's Approach
	<p>To date, the Company has not been required to file a material change report relating to a departure from the Code.</p> <p>The board has also adopted a Whistleblower Policy for the confidential or anonymous submission of, and the receipt, retention and treatment of, complaints regarding health, safety, environmental, accounting, internal accounting controls, auditing matters and all other general matters.</p> <p>The Whistleblower Policy is reviewed by the Board on an annual basis and it is posted on the Company's website at <a href="http://www.westvaultmining.com">www.westvaultmining.com</a> under Corporate Responsibility.</p>
<p><b>5. NOMINATION OF DIRECTORS</b></p> <p>Disclose what steps, if any, are taken to identify new candidates for board nomination, including:</p> <p>(a) who identifies new candidates, and</p>	<p>(a) All of the Company's directors are involved in the search for new directors. A new director should have direct experience in the mining business and significant public company experience. The nominee must not have a significant conflicting public company association.</p>
<p>(b) the process of identifying new candidates.</p>	<p>(b) The board is responsible for making recommendations on the long-term plan for the composition of the board that takes into consideration the current strengths, skills and experience on the board and the strategic direction of the Company. The plan includes: (i) the desired qualifications, demographics, skills and experience for potential directors; (ii) an interview process for potential candidates for board membership; and (iii) a list of future candidates for board membership after taking into account the competencies and skills that the board as a whole should possess, the competencies and skills that the existing directors possess, the competencies and skills of the proposed nominee and the amount of time and resources the proposed nominee can devote as a member of the board. In addition, the board is also responsible for making</p>

Corporate Governance Disclosure Requirement	The Company's Approach
	recommendations annually regarding potential nominees for election as members of the board.
<p><b>6. COMPENSATION</b></p> <p>Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:</p> <p>(a) who determines compensation, and</p> <p>(b) the process of determining compensation.</p>	<p>The board reviews the adequacy and form of compensation and compares it to other companies of similar size and stage of development. There is no minimum share ownership requirement of directors. Directors' compensation is in the form of stock options and the payment of directors' fees. The Company's Compensation Committee reviews and recommends to the board for approval the general compensation philosophy and guidelines for all directors and executive officers, including the CEO. This includes incentive plan design and other remuneration.</p>
<p><b>7. OTHER BOARD COMMITTEES</b></p> <p>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Company has no additional committees.</p>
<p><b>8. ASSESSMENTS</b></p> <p>Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.</p>	<p>The board is responsible for establishing appropriate processes for the regular evaluation of the effectiveness of the board and its members and its committees and their charters. It is also responsible for reviewing: (i) the performance of individual directors, the board as a whole, and committees of the board; (ii) the performance evaluation of the Chair of each board committee; and (iii) regularly, the performance evaluation of the CEO, including performance against corporate objectives.</p> <p>The board has established an appropriate process for the regular evaluation of the board, its committees and the directors and will conduct regular assessments in accordance with its mandate.</p> <p>The Audit Committee, as part of their annual review, assessed the effectiveness of the board and its independence. The Audit Committee assessed the adequacy of the information provided, the regular nature of the communication between the board and management and reviewed whether management was following the mandated strategic direction as set</p>

Corporate Governance Disclosure Requirement	The Company's Approach
	<p>out in the board's direction and management milestones.</p> <p>In addition, the board assessed the CEO's effectiveness in attaining the Company's corporate objectives, budgets and milestones.</p> <p>Management and directors communicate with shareholders on an ongoing basis, and shareholders are regularly consulted on the effectiveness of board members and senior staff.</p>

**SCHEDULE "C"**

**NEW ARTICLES**

**WEST VAULT MINING INC.**  
(the “Company”)

The Company has as its articles the following articles.

*Incorporation number: BC0787371*

**WEST VAULT MINING INC.**  
(the “Company”)

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## 1. Interpretation

### 1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) “**appropriate person**” has the meaning assigned in the *Securities Transfer Act*;
- (2) “**board of directors**”, “**directors**” and “**board**” mean the directors or sole director of the Company for the time being;
- (3) “**Business Corporations Act**” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) “**Interpretation Act**” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (5) “**legal personal representative**” means the personal or other legal representative of a shareholder;
- (6) “**protected purchaser**” has the meaning assigned in the *Securities Transfer Act*;
- (7) “**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (8) “**seal**” means the seal of the Company, if any;
- (9) “**securities legislation**” means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; “**Canadian securities legislation**” means the securities legislation in any province or territory of Canada and includes the *Securities Act* (British Columbia); and “**U.S. securities legislation**” means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934; and
- (10) “**Securities Transfer Act**” means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

### 1.2 *Business Corporations Act* and *Interpretation Act* Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency

between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

## **2. Shares and Share Certificates**

### **2.1 Authorized Share Structure**

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company, which includes an unlimited number of common shares without par value.

### **2.2 Form of Share Certificate**

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

### **2.3 Shareholder Entitled to Certificate or Acknowledgment**

Unless the shares of which the shareholder is the registered owner are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

### **2.4 Delivery by Mail**

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

### **2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

### **2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate**

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

- (1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (2) provides the Company with an indemnity bond sufficient in the Company's judgment to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (3) satisfies any other reasonable requirements imposed by the directors.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

## **2.7 Recovery of New Share Certificate**

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights on the indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

## **2.8 Splitting Share Certificates**

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

## **2.9 Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

## **2.10 Recognition of Trusts**

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

### **3. Issue of Shares**

#### **3.1 Directors Authorized**

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

#### **3.2 Commissions and Discounts**

The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

#### **3.3 Brokerage**

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

#### **3.4 Conditions of Issue**

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
  - (a) past services performed for the Company;
  - (b) property;
  - (c) money; and
- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

#### **3.5 Share Purchase Warrants and Rights**

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

## **4. Share Registers**

### **4.1 Central Securities Register**

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

### **4.2 Closing Register**

The Company must not at any time close its central securities register.

## **5. Share Transfers**

### **5.1 Registering Transfers**

Subject to the *Business Corporations Act*, a transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

- (1) in the case of a share certificate that has been issued by the Company in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (2) in the case of a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate that has been issued by the Company in respect of the share to be transferred, a written instrument of transfer that directs that the transfer of the shares be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (3) in the case of a share that is an uncertificated share, a written instrument of transfer that directs that the transfer of the share be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
- (4) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser.

## **5.2 Form of Instrument of Transfer**

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors or the transfer agent for the class or series of shares to be transferred.

## **5.3 Transferor Remains Shareholder**

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

## **5.4 Signing of Instrument of Transfer**

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

## **5.5 Enquiry as to Title Not Required**

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

## **5.6 Transfer Fee**

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

## **6. Transmission of Shares**

### **6.1 Legal Personal Representative Recognized on Death**

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate

or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

## **6.2 Rights of Legal Personal Representative**

The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of s. 87 of the *Securities Transfer Act* has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

## **7. Purchase of Shares**

### **7.1 Company Authorized to Purchase Shares**

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms specified in such resolution.

### **7.2 Purchase When Insolvent**

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

### **7.3 Sale and Voting of Purchased Shares**

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

## **8. Borrowing Powers**

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;

- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

## **9. Alterations**

### **9.1 Alteration of Authorized Share Structure**

Subject to Article 9.2, the *Business Corporations Act*, the Company may:

- (1) by ordinary resolution:
  - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
  - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
  - (c) if the Company is authorized to issue shares of a class of shares with par value:
    - (i) decrease the par value of those shares; or
    - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
  - (d) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value.
  - (e) alter the identifying name of any of its shares; or
  - (f) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;
- (2) by resolution of the directors, subdivide or consolidate all or any of its unissued, or fully paid issued, shares.

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly.

## **9.2 Special Rights and Restrictions**

Subject to the *Business Corporations Act*, the Company may by ordinary resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

## **9.3 Change of Name**

The Company may by ordinary resolution or a resolution of the directors authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

## **9.4 Other Alterations**

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

## **10. Meetings of Shareholders**

### **10.1 Annual General Meetings**

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

### **10.2 Resolution Instead of Annual General Meeting**

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

### **10.3 Calling of Meetings of Shareholders**

The directors may, whenever they think fit, call a meeting of shareholders.

### **10.4 Location of Meetings of Shareholders**

Subject to the *Business Corporations Act*, a meeting of shareholders may be held in or outside of British Columbia as determined by a resolution of the directors.

## **10.5 Notice for Meetings of Shareholders**

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

## **10.6 Record Date for Notice**

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the date immediately preceding the date of the meeting.

## **10.7 Record Date for Voting**

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the date immediately preceding the date of the meeting.

## **10.8 Failure to Give Notice and Waiver of Notice**

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

## **10.9 Notice of Special Business at Meetings of Shareholders**

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (1) state the general nature of the special business; and

- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
- (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
  - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

## **11. Proceedings at Meetings of Shareholders**

### **11.1 Special Business**

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
  - (a) business relating to the conduct of or voting at the meeting;
  - (b) consideration of any financial statements of the Company presented to the meeting;
  - (c) consideration of any reports of the directors or auditor;
  - (d) the setting or changing of the number of directors;
  - (e) the election or appointment of directors;
  - (f) the appointment of an auditor;
  - (g) the setting of the remuneration of an auditor;
  - (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
  - (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

### **11.2 Special Majority**

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds (2/3) of the votes cast on the resolution.

### **11.3 Quorum**

Subject to the special rights and restrictions attached to the shares of any class or series of shares, and Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 10% of the issued shares entitled to be voted at the meeting.

### **11.4 One Shareholder May Constitute Quorum**

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (1) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (2) that shareholder, present in person or by proxy, may constitute the meeting.

### **11.5 Other Persons May Attend**

In addition to those person who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

### **11.6 Requirement of Quorum**

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

### **11.7 Lack of Quorum**

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

### **11.8 Lack of Quorum at Succeeding Meeting**

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

## **11.9 Chair**

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any;
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any; or
- (3) a vice-president, if any.

## **11.10 Selection of Alternate Chair**

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

## **11.11 Adjournments**

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

## **11.12 Notice of Adjourned Meeting**

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

## **11.13 Decisions by Show of Hands or Poll**

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

## **11.14 Declaration of Result**

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

### **11.15 Motion Need Not be Seconded**

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

### **11.16 Casting Vote**

In the case of an equality of votes, the chair of a meeting of shareholders, on a show of hands and on a poll, has a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

### **11.17 Manner of Taking Poll**

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
  - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
  - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

### **11.18 Demand for Poll on Adjournment**

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

### **11.19 Chair Must Resolve Dispute**

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

### **11.20 Casting of Votes**

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

### **11.21 No Demand for Poll on Election of Chair**

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

### **11.22 Demand for Poll Not to Prevent Continuance of Meeting**

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

### **11.23 Retention of Ballots and Proxies**

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

### **11.24 Meetings by Telephone or Other Communications Medium**

A shareholder or proxy holder who is entitled to participate in a meeting of shareholders may do so in person, or by telephone or other communications medium, if all shareholders and proxy holders participating in the meeting are able to communicate with each other; provided, however, that nothing in this Article 11.24 shall obligate the Company to take any action or provide any facility to permit or facilitate the use of any communications medium at a meeting of shareholders. If one or more shareholders or proxy holders participate in a meeting of shareholders in a manner contemplated by this Article 11.24:

- (1) each such shareholder or proxy holder shall be deemed to be present at the meeting; and
- (2) the meeting shall be deemed to be held at the location specified in the notice of the meeting.

## **12. Votes of Shareholders**

### **12.1 Number of Votes by Shareholder or by Shares**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

### **12.2 Votes of Persons in Representative Capacity**

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

### **12.3 Votes by Joint Holders**

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

### **12.4 Legal Personal Representatives as Joint Shareholders**

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

### **12.5 Representative of a Corporate Shareholder**

If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must:
  - (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
  - (b) be provided, at the meeting or any adjourned meeting, to the chair of the meeting or adjourned meeting or to a person designated by the chair of the meeting or adjourned meeting;
- (2) if a representative is appointed under this Article 12.5:
  - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
  - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

## **12.6 When Proxy Holder Need Not Be Shareholder**

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;
- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or
- (4) the Company is a public company, or is a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of these Articles or to which the Statutory Reporting Company Provisions apply.

## **12.7 Proxy Provisions Do Not Apply to All Companies**

If and for so long as the Company is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, Articles 12.8 to 12.15 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company or any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

## **12.8 Appointment of Proxy Holders**

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

## **12.9 Alternate Proxy Holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

## **12.10 Deposit of Proxy**

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

- (2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

### 12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

### 12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

*[name of company]*  
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder): \_\_\_\_\_

Signed *[month, day, year]*

\_\_\_\_\_  
*[Signature of shareholder]*

\_\_\_\_\_  
*[Name of shareholder—printed]*

### 12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (1) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

- (2) provided, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been taken.

#### **12.14 Revocation of Proxy Must Be Signed**

An instrument referred to in Article 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

#### **12.15 Chair May Determine Validity of Proxy**

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at such meeting and any such determination made in good faith shall be final, conclusive and binding upon such meeting.

#### **12.16 Production of Evidence of Authority to Vote**

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

### **13. Directors**

#### **13.1 Number of Directors**

The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (1) if the Company is a public company, the greater of three and the most recently set of:
  - (a) the number of directors set by resolution of the directors; and
  - (b) the number of directors set under Article 14.4;
- (2) if the Company is or becomes a company which is not a public company, the most recently set of:
  - (a) the number of directors set by ordinary resolution (whether or not previous notice was given); and
  - (b) the number of directors set under Article 14.4.

### **13.2 Change in Number of Directors**

If the number of directors is set under Articles 13.11.1(1)(a) or 13.1(2)(a) 1.1(2)(a), subject to Article 14.1:

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, subject to Article 14.8, or the shareholders may elect or appoint, directors to fill those vacancies.

### **13.3 Directors' Acts Valid Despite Vacancy**

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

### **13.4 Qualifications of Directors**

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

### **13.5 Remuneration of Directors**

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time by resolution determine or, at the option of the directors, as may be fixed by ordinary resolution. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

### **13.6 Reimbursement of Expenses of Directors**

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

### **13.7 Special Remuneration for Directors**

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

### **13.8 Gratuity, Pension or Allowance on Retirement of Director**

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make

contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

#### **14. Election and Removal of Directors**

##### **14.1 Election at Annual General Meeting**

- (1) At each annual general meeting of the Company all the directors whose term of office expire at such annual general meeting shall cease to hold office immediately before the election of directors at such annual general meeting and the shareholders entitled to vote thereat shall elect to the board of directors, directors as otherwise permitted by any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and all regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation as set out below. A retiring director shall be eligible for re-election;
- (2) Each director may be elected for a term of office of one or more years of office as may be specified by ordinary resolution at the time he is elected. In the absence of any such ordinary resolution, a director's term of office shall be one year of office. No director shall be elected for a term of office exceeding five years of office. The shareholders may, by resolution of not less than 3/4 of the votes cast on the resolution vary the term of office of any director; and
- (3) A director elected or appointed to fill a vacancy shall be elected or appointed for a term expiring immediately before the election of directors at the annual general meeting of the Company when the term of the director whose position he is filling would expire.

##### **14.2 Consent to be a Director**

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

##### **14.3 Failure to Elect or Appoint Directors**

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) the date on which his or her successor is elected or appointed; and
- (4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

#### **14.4 Places of Retiring Directors Not Filled**

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

#### **14.5 Directors May Fill Casual Vacancies**

Any casual vacancy occurring in the board of directors may be filled by the directors.

#### **14.6 Remaining Directors' Power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

#### **14.7 Shareholders May Fill Vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, and the directors do not act to appoint additional directors pursuant to Article 14.6, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

#### **14.8 Additional Directors**

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

#### **14.9 Ceasing to be a Director**

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.10 or 14.11.

#### **14.10 Removal of Director by Shareholders**

The shareholders may remove any director before the expiration of his or her term of office by a resolution of not less than 3/4 of the votes cast on such resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

#### **14.11 Removal of Director by Directors**

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

#### **14.12 Nomination of Directors**

- (1) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors of the Company may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
  - (a) by or at the direction of the board, including pursuant to a notice of meeting;
  - (b) by or at the direction or request of one or more shareholders pursuant to a "proposal" made in accordance with Division 7 of Part 5 of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with section 167 of the *Business Corporations Act*; or
  - (c) by any person (a "**Nominating Shareholder**"): (i) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 14.12 and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth below in this Article 14.12.

- (2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph (3) below) and in proper written form (in accordance with paragraph (4) below) to the Corporate Secretary of the Company at the head office of the Company.
- (3) To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made:
  - (a) in the case of an annual meeting of shareholders, not less than 40 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10<sup>th</sup> day following the Notice Date; and
  - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The adjournment or postponement of a meeting of shareholders shall result in the commencement of a new time period for the giving of a Nominating Shareholder's notice in respect of such meeting, which time periods shall be as set out in (a) or (b) above, and which shall be determined based on the date of the adjourned or postponed meeting or the announcement thereof.

- (4) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth:
  - (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the present principal occupation, business or employment of the person within the preceding 5 years, as well as the name and principal business of any company in which such employment is carried on; (iii) the citizenship of such person; (iv) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (v) confirmation that the person meets the qualifications of directors set out in the *Business Corporations Act*; and (vi) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and
  - (b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that

would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below).

- (5) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12; provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the *Business Corporations Act* or the discretion of the chair. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (6) For purposes of this Article 14.12:
  - (a) **"Applicable Securities Laws"** means the applicable securities legislation of each province and territory of Canada in which the Company is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada; and
  - (b) **"public announcement"** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).
- (7) Notwithstanding any other provision of this Article 14.12, notice given to the Corporate Secretary of the Company pursuant to this Article 14.12 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the head office of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.
- (8) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 14.12.

## **15. Powers and Duties of Directors**

### **15.1 Powers of Management**

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to

exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

## **15.2 Appointment of Attorney of Company**

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

## **15.3 Remuneration of Auditor**

The directors may set the remuneration of the auditor of the Company.

## **16. Interests of Directors and Officers**

### **16.1 Obligation to Account for Profits**

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

### **16.2 Restrictions on Voting by Reason of Interest**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

### **16.3 Interested Director Counted in Quorum**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

### **16.4 Disclosure of Conflict of Interest or Property**

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

## **16.5 Director Holding Other Office in the Company**

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

## **16.6 No Disqualification**

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

## **16.7 Professional Services by Director or Officer**

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

## **16.8 Director or Officer in Other Corporations**

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

## **17. Proceedings of Directors**

### **17.1 Meetings of Directors**

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

### **17.2 Voting at Meetings**

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

### **17.3 Chair of Meetings**

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board, the president, if any, if the president is a director;  
or

- (3) any other director chosen by the directors if:
- (a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
  - (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
  - (c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

#### **17.4 Meetings by Telephone or Other Communications Medium**

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

#### **17.5 Calling of Meetings**

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

#### **17.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1, or as provided in Article 17.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone.

#### **17.7 When Notice Not Required**

It is not necessary to give notice of a meeting of the directors to a director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed;
- (2) the director has waived notice of the meeting; or
- (3) the director is not, at the time, in the province of British Columbia.

### **17.8 Meeting Valid Despite Failure to Give Notice**

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director, does not invalidate any proceedings at that meeting.

### **17.9 Waiver of Notice of Meetings**

Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

### **17.10 Quorum**

The quorum necessary for the transaction of the business of the directors may be set by the directors and:

- (1) if not so set, is deemed to be set at a majority of the directors then in office; or
- (2) if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

### **17.11 Validity of Acts Where Appointment Defective**

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

### **17.12 Consent Resolutions in Writing**

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consent to it in writing.

A consent in writing under this Article may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and

all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

## **18. Executive and Other Committees**

### **18.1 Appointment and Powers of Executive Committee**

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (1) the power to fill vacancies in the board of directors;
- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

### **18.2 Appointment and Powers of Other Committees**

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
  - (a) the power to fill vacancies in the board of directors;
  - (b) the power to remove a director;
  - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
  - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

### **18.3 Obligations of Committees**

Any committee appointed under Articles 18.1 or 18.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times as the directors may require.

## **18.4 Powers of Board**

The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

## **18.5 Committee Meetings**

Subject to Article 18.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 18.1 or 18.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

## **19. Officers**

### **19.1 Directors May Appoint Officers**

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

### **19.2 Functions, Duties and Powers of Officers**

The directors may, for each officer:

- (1) determine the functions and duties of the officer;
- (2) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit (except for those powers referred to in paragraphs 18.1(1)18.1(3) of Article 18.1); and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

### 19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

### 19.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

## 20. Indemnification

### 20.1 Definitions

In this Article 20:

- (1) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) “**eligible proceeding**” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director of the Company (an “**eligible party**”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director of the Company:
  - (a) is or may be joined as a party; or
  - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) “**expenses**” has the meaning set out in the *Business Corporations Act*.

### 20.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director or former director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

### 20.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

## **20.4 Non-Compliance with *Business Corporations Act***

The failure of a director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

## **20.5 Company May Purchase Insurance**

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, officer, employee or agent of the Company;
- (2) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, officer, employee or agent or person who holds or held such equivalent position.

## **21. Dividends**

### **21.1 Payment of Dividends Subject to Special Rights**

The provisions of this Article 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

### **21.2 Declaration of Dividends**

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

### **21.3 No Notice Required**

The directors need not give notice to any shareholder of any declaration under Article 21.2.

### **21.4 Record Date**

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

### **21.5 Manner of Paying Dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

## **21.6 Settlement of Difficulties**

If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

## **21.7 When Dividend Payable**

Any dividend may be made payable on such date as is fixed by the directors.

## **21.8 Dividends to be Paid in Accordance with Number of Shares**

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

## **21.9 Receipt by Joint Shareholders**

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

## **21.10 Dividend Bears No Interest**

No dividend bears interest against the Company.

## **21.11 Fractional Dividends**

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

## **21.12 Payment of Dividends**

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

## **21.13 Capitalization of Retained Earnings or Surplus**

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as

fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus or any part of the retained earnings or surplus so capitalized or any part thereof.

## **22. Documents, Records and Reports**

### **22.1 Recording of Financial Affairs**

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

### **22.2 Inspection of Accounting Records**

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

## **23. Notices**

### **23.1 Method of Giving Notice**

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
  - (a) for a record mailed to a shareholder, the shareholder's registered address;
  - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
  - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
  - (a) for a record delivered to a shareholder, the shareholder's registered address;
  - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (c) in any other case, the delivery address of the intended recipient;
- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;

- (5) physical delivery to the intended recipient; or
- (6) as otherwise permitted by any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and all regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation.

### **23.2 Deemed Receipt of Mailing**

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (3) emailed to a person to the email address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was emailed on the day it was emailed.

### **23.3 Certificate of Sending**

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was addressed as required by Article 23.1, prepaid and mailed or otherwise sent as permitted by Article 23.1 is conclusive evidence of that fact.

### **23.4 Notice to Joint Shareholders**

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

### **23.5 Notice to Trustees**

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
  - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
  - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

### **23.6 Undelivered Notices**

If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 23.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

## **24. Seal**

### **24.1 Who May Attest Seal**

Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

### **24.2 Sealing Copies**

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

### **24.3 Mechanical Reproduction of Seal**

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.