



**ST. JAMES GOLD  
CORP.**

NOTICE OF ANNUAL GENERAL AND SPECIAL  
MEETING OF SHAREHOLDERS  
AND  
INFORMATION CIRCULAR

**January 15, 2021**



# ST. JAMES GOLD CORP.

Suite 810, 789 West Pender Street  
Vancouver, BC, V6C 1H2

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## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON TUESDAY FEBRUARY 16, 2021

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NOTICE IS HEREBY GIVEN that the **Annual General and Special Meeting** (the “**Meeting**”) of St. James Gold Corp. (the “**Company**”) will be held via telephone conference using the access information provided below on **Tuesday, February 16, 2021 at 1:00 p.m.** (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended September 30, 2019 and September 30, 2020, together with the auditor’s report thereon;
2. to fix number of directors at four (4);
3. to elect directors for the ensuing year;
4. to appoint Crowe MacKay LLP, as the Company’s auditor for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the auditor;
5. to consider and, if thought fit, ratify, confirm, and approve the Company’s 2021 Stock Option Plan, which is more particularly described in the attached Information Circular; and
6. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The accompanying management information circular (the “**Information Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice are (i) Forms of Proxy or Voting Instruction Form, and (ii) Financial Statement Request Form. Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

All shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board of Directors (the “**Board**”) requests that all shareholders who will not be attending the Meeting in person read, date and sign the accompanying proxy and deliver it to Endeavor Trust Corporation (“**Endeavor**”), located at 702 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, no later than 1:00 p.m. on February 11, 2021 or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting. Only shareholders of record at the close of business on January 11, 2021 will be entitled to vote at the Meeting. An information circular and a form of proxy accompany this notice. As always, the Company encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the Meeting by proxy.

If you are a non-registered Shareholder and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary

**DATED** at Vancouver, British Columbia, this 15th day of **January, 2021.**

BY ORDER OF THE BOARD OF DIRECTORS:

“George Drazenovic”  
GEORGE DRAZENOVIC  
President & Chief Executive Officer



# ST. JAMES GOLD CORP.

## INFORMATION CIRCULAR

The information contained in this Information Circular, unless otherwise indicated, is as of January 11, 2021.

This Information Circular is being mailed by the management of St. James Gold Corp. (the “Company” or “St. James”) to shareholders of record at the close of business on January 11, 2021, which is the date that has been fixed by the directors of the Company as the record date to determine the shareholders who are entitled to receive notice of the meeting. The Company is mailing this Information Circular in connection with the solicitation of proxies by and on behalf of the Company for use at its annual general and special meeting (the “**Meeting**”) of the shareholders that is to be held via teleconference on **Tuesday, February 16, 2021 at 1:00 p.m.** (Vancouver time). The solicitation of proxies will be primarily by mail. Certain employees or directors of the Company may also solicit proxies by telephone or in person. The cost of solicitation will be borne by the Company.

### Attending the Meeting via Telephone Conference

The Meeting will be held via telephone conference. In order to dial into the Meeting by telephone, shareholders will phone:

**Canada: +1 (844) 511-2074 (Toll Free)**

**Participant Access Code: 620 004 858**

The Company is not relying on the “Notice and Access” delivery procedures outlined in NI 54-101 to distribute copies of proxy-related materials in connection with the Meeting by posting them on a website.

Under the Company’s Articles, one or more persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote and the Meeting. If such a quorum is not present in person or by proxy, the Meeting will be rescheduled.

## PART 1 - VOTING

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### WHO CAN VOTE?

If you are a registered shareholder of the Company as at **January 11, 2021**, you are entitled to notice of and to attend at the Meeting and cast a vote for each share registered in your name on all resolutions put before the Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating such officer’s authority should be presented at the Meeting. If you are a registered shareholder but do not wish to, or cannot, attend the Meeting in person you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions (see “**Voting By Proxy**” below). If your shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer, financial institution or other intermediary) you should refer to the section entitled “**Non-registered Shareholders**” set out below.

It is important that your shares be represented at the Meeting regardless of the number of shares you hold. If you will not be attending the Meeting in person, we invite you to complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented.

## VOTING BY PROXY

**If you do not come to the Meeting, you can still make your votes count by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy.**

In order to be valid, you must return the completed form of proxy to the Company's transfer agent, Endeavor Trust Corporation ("Endeavor"), located at 702 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time fixed for the Meeting or any adjournments thereof.

### *What Is A Proxy?*

A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. We have enclosed a form of proxy with this Information Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

### *Appointing a Proxyholder*

**You can choose any individual to be your proxyholder.** It is not necessary for the person whom you choose to be a shareholder. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder (the "**Management Proxyholders**"). Those persons are directors, officers or other authorized representatives of the Company.

### *Instructing Your Proxy*

You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares in accordance with the instructions you have given.

**If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your shares IN FAVOUR of each of the items of business being considered at the Meeting.**

For more information about these matters, see Part 3 - The Business of the Meeting. **The enclosed form of proxy gives the persons named on it the authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting.** At the time of printing this Information Circular, the management of the Company is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

### *Changing Your Mind*

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the Meeting and voting in person; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the Company at Suite 810, 789 West Pender Street, Vancouver, BC, V6C 1H2; or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 5:00 in the afternoon (Vancouver time) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the Meeting in person. **Only registered shareholders may revoke a proxy. If your shares are not registered in your own name and you wish to change your vote, you must arrange for your nominee to revoke your proxy on your behalf (see below under "Non-Registered Shareholders").**

## **NON-REGISTERED SHAREHOLDERS**

Only registered holders of common shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, common shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- (a) in the name of an Intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares. Intermediaries include banks, trust companies securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; OR
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS)) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “**NOBOs**”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “**OBOs**”.

Pursuant to National Instrument 54-101 (“**NI 54-101**”) of the Canadian Securities Administrators, the Company has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly or directly to the NOBOs and to the Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries that receive the proxy-related materials are required to forward the proxy-related materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the proxy-related materials to Non-Registered Holders.

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.

Generally, Non-Registered Holders who have not waived the right to receive proxy-related materials (including OBOs who have made the necessary arrangements with their Intermediary for the payment of delivery and receipt of such proxy-related materials) will be sent a voting instruction form which must be completed, signed and returned by the Non-Registered Holder in accordance with the Intermediary’s directions on the voting instruction form. In some cases, such Non-Registered Holders will instead be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. This form of proxy does not need to be signed by the Non-Registered Holder, but, to be used at the Meeting, needs to be properly completed and deposited with Endeavor Trust Corporation as described under “**Voting By Proxy**” above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form.

**Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including instructions regarding when and where the voting instruction form or Proxy form is to be delivered.**

## **PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

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The authorized capital of the Company consists of an unlimited number of common shares without par value. At the close of business on **January 11, 2021, 14,284,009** common shares were issued and outstanding. Each shareholder is entitled to one vote for each common share registered in his or her name at the close of business on **January 11, 2021** the date fixed by the Company’s directors as the record date for determining who is entitled to receive notice of and to vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, other than as set forth below, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to the outstanding common shares of the Company.

Name	Number of Common Shares Beneficially Owned	Percentage of Issued Share Capital
CDS&CO	4,661,454	32.634%

### **PART 3 - THE BUSINESS OF THE MEETING**

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#### **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the financial year ended September 30, 2019 and September 30, 2020 will be placed before you at the Meeting. They have been mailed to the shareholders who have requested they receive a copy of same together with the Notice of Meeting and this Information Circular.

#### **ELECTION OF DIRECTORS**

##### *Number of Directors*

Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he resigns or otherwise vacates office before that time. Under the Company's Articles and pursuant to the *British Columbia Business Corporations Act*, the number of directors may be set by ordinary resolution but shall not be fewer than three. The Company's four (4) current directors are being put forward by management of the Company for election at the Meeting for the ensuing year.

**The Company's management recommends that the shareholders vote in favour of the resolution setting the number of directors at four (4). Unless you give other instructions, the Management Proxyholders intend to vote FOR the resolution setting the number of directors at four (4).**

##### *Nominees for Election*

The following are the nominees proposed for election as directors of the Company together with the number of common shares, stock options and common share purchase warrants that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each nominee. Each of the nominees has agreed to stand for election and management of the Company is not aware of any intention of any of them not to do so. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated at the Meeting for election and, in that event, the persons designated in the form of proxy will vote in their discretion for a substitute nominee.

The Company's articles include an advance notice requirement for nominations by shareholders in certain circumstances. The advance notice requirement fixes a deadline by which holders of record of common shares must submit director nominations to the Secretary of the Company prior to any annual meeting of shareholders (or any special meeting of shareholders if one of the purposes for which the special meeting is called is the election of one or more directors) and sets forth the specific information that a nominating shareholder must include in the written notice to the Secretary of the Company for a nomination to be valid. A copy of the Company's articles which includes the advance notice policy may be obtained under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Name and place of residence	Principal occupation	Director since	Number of shares	Number of Convertible Securities
<b>George Drazenovic</b> <sup>(1)(2)</sup> Vancouver, B.C. <i>President, Chief Executive Officer and Director</i>	CFO, accountant and corporate development consultant for various public and private companies. Since March 27, 2018, Mr. Drazenovic has been the Chief Financial Officer and a director of the Oakley Ventures, Inc. a Company listed on the Canadian Securities Exchange.	September 2, 2020	Nil	248,065 stock options
<b>Jessika Angarita</b> <sup>(1)(2)</sup> Ontario, Canada <i>Director</i>	Co-Founder of PACTA Relations; experience in the capital markets, public relations and business development. Worked in various roles in a number of Canada-based natural resource companies listed in the Toronto Stock Exchange.	Sept 10, 2019	Nil	98,065 stock options

<p><b>Nicolas Lin Kuan Liang</b><sup>(1)(2)</sup> British Columbia, Canada <i>Director</i></p>	<p>Mr. Lin Kuan Liang Nicolas is an experienced Corporate Finance Executive with particular expertise in the field of US ECM transactions on the NASDAQ markets. Mr. Lin has advised and participated in a number of such transactions, often on behalf of Chinese and other Asian clients. Mr. Lin has also previously served as Legal and Admin Director of Moxian Inc. a NASDAQ listed entity.</p> <p>Mr. Lin has a vast experience in public companies directorships with experiences from Hawkeye Systems, Inc, Technovative Group, Inc. and Moxian, Inc, where he served as executive director. From 2012 to 2017, Mr. Lin was a Manager at 8i Capital Limited, where he was involved in advising businesses to list in the United States and London, fund-raising and restructuring work. Mr. Lin's previous roles include a wide range of finance and legal positions namely at Chance Investment Inc., primarily advising Chinese businesses and the Rebel Group, Inc. where Mr. Lin has served as a director since 2013.</p> <p>From December 2010 to December 2012, Mr. Lin served as a Legal Associate with FM Holdings Limited where he was actively involved in its' restructuring and debt-financing.</p> <p>Mr. Lin graduated from Queen Mary, University of London with LLB in Law in June 2010.</p>	<p>Oct 25, 2019</p>	<p>Nil</p>	<p>198,065 stock options</p>
<p><b>Ning Wu</b> Shanghai, China <i>Director</i></p>	<p>Mr. Wu is the general manager and founder of Shanghai Shouye Biotech Co. Ltd. a Company formed in 2011. From 2008 to 2011, Mr. Wu was an independent researcher; he is also an inventor and patent holder of various Chinese herbal medication, equipment and processes.</p>	<p>Oct 31, 2018</p>	<p>400,000<sup>(3)</sup></p>	<p>400,000<sup>(3)</sup> warrants</p>

**NOTES:**

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Hong Kong Shouye Biotechnology Limited owns 400,000 shares and 400,000 warrants of the Company, which entitles the holder thereof to acquire one common share of the Company at a price of \$0.25 per Warrant for a period of two (2) years. Mr. Wu holds 100% of the shares of Hong Kong Shouye Biotechnology Limited.

## **APPOINTMENT OF THE AUDITOR**

At the Meeting, Crowe MacKay LLP will be recommended by management and the Board of Directors for appointment as auditor of the Company at a remuneration to be fixed by the directors. See Part 5 – Audit Committee – External Auditor Service Fees.

The Company's management recommends that the shareholders vote in favour of the appointment of Crowe MacKay LLP, as the Company's auditor for the ensuing year and grant the Board of Directors the authority to determine the remuneration to be paid to the auditor. **Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the appointment of Crowe MacKay LLP to act as the Company's auditor until the close of its next annual general meeting and also intend to vote FOR the proposed resolution to authorize the Board of Directors to fix the remuneration to be paid to the auditor.**

## **APPROVAL OF 2021 STOCK OPTION PLAN**

At the Meeting, shareholders will be asked to consider and, if thought advisable, to pass, by way of an ordinary resolution, approval of the 2021 Stock Option Plan (the "**2021 Option Plan**"). A copy of the 2021 Option Plan is attached as Schedule "A" to this Information Circular.

### ***Background***

The Board of Directors of the Company has, by resolution, adopted the 2021 Option Plan to replace the existing Stock Option Incentive Plan (the "**Existing Plan**") and proposes to implement it upon receipt of approval of the 2021 Option Plan by the shareholders and the TSX Venture Exchange (the "**Exchange**"). Upon the 2021 Option Plan receiving shareholder and Exchange approval, it will be implemented and all future options granted will be governed by the 2021 Option Plan.

### ***Summary of the 2021 Plan***

The directors of the Company adopted the 2021 Option Plan on January 14, 2021. The purpose of the 2021 Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire Company Shares in, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. The 2021 Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance is 10% of the number of the Company Shares issued and outstanding from time to time. When determining the 10%, any options remaining outstanding from the 2018 Plan will be subtracted. The Company's board of directors, which have full and final authority with respect to the granting of all options thereunder, administers the 2021 Option Plan.

Options may be granted under the 2021 Option Plan to such service providers of the Company and its affiliates, if any, as the board of directors may from time to time designate. The exercise price of option grants will be determined by the Board of Directors, and will not be less than the closing market price of the Company Shares on the Exchange less allowable discounts at the time of grant. The 2021 Option Plan provides that the number of Company Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Company Shares, if the individual is a director or officer, or 2% of the issued Company Shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All options granted under the 2021 Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows:

- (i) immediately in the event of dismissal with cause;
- (ii) 90 days from date of termination other than for cause; or
- (iii) one year from the date of death or disability. Options granted under the 2021 Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

As of the date of this Information Circular, the Company was eligible to grant up to 1,924,790 options. There are presently 1,437,746 options outstanding.

## Options Granted

As of the date of this Information Circular, the Company has reserved 622,647 Company Shares under stock options granted to the Company's directors and officers as follows:

Optionee	Number of Common Shares Reserved Under Option	Exercise Price Per Common Share	Expiry Date
George Drazenovic Director, CEO, President	98,065	\$0.36	December 8, 2022
	150,000	\$0.41	December 17, 2022
Nicolas Lin Kuan Liang, Director	98,065	\$0.36	December 8, 2022
	100,000	\$0.41	December 17, 2022
Jessika Angarita Director	98,065	\$0.36	December 8, 2022
Logan Anderson Corporate Secretary	39,226	\$0.36	December 8, 2022
Zijian Wu CFO	39,226	\$0.36	December 8, 2022

### *Approval Requirements*

At the Meeting, the Shareholders will be asked to approve, with or without variation, the following ordinary resolution approving the Company's 2021 Option Plan.

#### **RESOLVED THAT:**

1. the 2021 Stock Option Plan (the "2021 Option Plan") of the Company attached as Schedule "A" to the management information circular of the Company dated January 14, 2021 is hereby ratified, confirmed and approved;
2. any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to do all things and to execute and deliver all documents and instruments as may be necessary or advisable to give effect to the true intent of these resolutions; and
3. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered to amend the form of the 2021 Option Plan in order to satisfy the requirements or requests of any regulatory authority without requiring further approval of the shareholders of the Company or 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.

Following approval of the 2021 Option Plan, further shareholder approval will not be required for option grants made under the 2021 Option Plan, except as required by the policies of the Exchange. Should the 2021 Option Plan not receive approval by the Company's shareholders at the Meeting, the previous plan will remain in place.

### ***Recommendation***

Management and the Board of Directors of the Company believe the 2021 Option Plan will enable the Company to better align the interests of its directors, management, employees and consultants with those of its shareholders and reduce the cash compensation the Company would otherwise have to pay. The Company's management and the Board of Directors recommend that shareholders vote FOR the resolution approving implementation of the 2021 Option Plan. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the resolution to

## **PART 4 – EXECUTIVE COMPENSATION**

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### **GENERAL**

For the purpose of this Statement of Executive Compensation:

“**Company**” means St. James Gold Corp.;

“**Compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**External Management Company**” includes a subsidiary, affiliate or associate of the external management company;

“**NEO**” or “**Named Executive Officer**” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

### **DIRECTOR AND NEO COMPENSATION**

#### ***Director and NEO compensation, excluding options and compensation securities***

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary.

Table of compensation excluding compensation securities							
Name and position	Year Ended Sept 30	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>George Drazenovic</b> <sup>(1)</sup> <i>President, CEO &amp; Director</i>	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
<b>Wu Zijian</b> <sup>(2)</sup> <i>CFO</i>	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
<b>Logan Anderon</b> <sup>(3)</sup> <i>Corporate Secretary</i>	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
<b>Eugene Beukman</b> <sup>(4)</sup> <i>Former President, Former CEO &amp; Former Director</i>	2020 2019	105,000 \$160,750	Nil Nil	Nil Nil	Nil Nil	Nil \$12,000	\$105,000 \$172,750
<b>Sheng Wang</b> <sup>(5)</sup> <i>CFO &amp; Former Director</i>	2020 2019	\$35,000 \$60,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil \$60,000
<b>Ming Jiao</b> <sup>(6)</sup> <i>Former Director</i>	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
<b>Ning Wu</b> <sup>(7)</sup> <i>Director</i>	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
<b>Jessika Angarita</b> <sup>(8)</sup> <i>Director</i>	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
<b>Nicolas Lin Kuan Liang</b> <sup>(9)</sup> <i>Director</i>	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
<b>James Miller-Tait</b> <sup>(10)</sup> <i>Former Director</i>	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Notes:

- (1) George Drazenovic was appointed President, CEO, Corporate Secretary and a Director on September 9, 2020. Mr. Drazenovic resigned as Corporate Secretary on November 30, 2020.
- (2) Wu Zijian was appointed CFO on July 31, 2020.
- (3) Logan B. Anderson was appointed Corporate Secretary on November 30, 2020.
- (4) Eugene Beukman was appointed President effective March 1, 1996 and CEO effective October 25, 1996. Mr. Beukman resigned as President, CEO and Director on September 2, 2020.
- (5) Sheng Wang was appointed CFO on August 14, 2015 and a director on August 21, 2015. Mr. Wang resigned as director on October 25, 2019. Mr. Wang resigned as CFO on July 31, 2020.
- (6) Ming Jiao was appointed a director on March 17, 2017 and resigned on September 17, 2020.
- (7) Ning Wu was appointed a director on October 31, 2018.
- (8) Jessika Angarita was appointed a director on September 10, 2019.
- (9) Nicholas Lin Kuan Liang was appointed director on October 25, 2019.
- (10) James Miller-Tait was appointed a director on January 18, 2007 and resigned on September 10, 2019.

### ***External Management Companies***

Pender Street Corporate Consulting Ltd. (“**PSCC**”) is a private company wholly-owned by Eugene Beukman, former President, former CEO and a former director of the Company. Pursuant to an agreement dated for reference January 1, 2018, amended October 1, 2018, the Company entered into a management agreement (the “**Management Contract**”). On April 3, 2019, PSCC assigned the Management Contract to Partum Advisory Services Corp. (“**Partum**”) of Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

Eugene Beukman is the Executive Chairman of Partum. Partum provided management, accounting and administrative services to the Company in accordance with the terms of the Management Contract for a monthly fee of \$5,000 for corporate management, \$5,000 for accounting services and \$1,000 per month for rent plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company. Partum was also entitled to charge a 15% administration fee on all disbursements actually paid by it to a maximum of \$200 per disbursement, and to charge interest of 2% on all disbursements not reimbursed within thirty (30) days.

During the most recently completed financial year, the Company paid or accrued \$140,000 in management and accounting fees.

### ***Stock Options and Other Compensation Securities***

The Company did not grant and/or issue compensation securities to directors or NEOs during the financial year ended September 30, 2020:

#### ***Exercise of Compensation Securities by Directors and NEOs***

There were no compensation securities exercised by a director or NEO during the financial year ended September 30, 2020.

### ***Stock Option Plans and Other Incentive Plans***

The Board of Directors of the Company adopted a stock option plan that has an effective date of December 17, 2018 (the “**2018 Plan**”). The 2018 Plan reserves 1,924,790 common shares which represented 20% of the Company’s issued and outstanding common shares at the time the 2018 Plan was adopted after giving effect to the 1 for 5 share consolidation. The 2018 Plan was approved by Disinterested Shareholders (defined in the 2018 Plan) of the Company on October 31, 2018, and by the TSX Venture Exchange (the “**Exchange**”) on December 17, 2018.

The 2018 Plan is administered by the Board of Directors and enables the Company and provides for grants of options to directors, executive officers, employees of and consultants to the Company at the discretion of the Board. The term of any options granted under the 2018 Plan is fixed by the Board of Directors and may not exceed ten (10) years. The exercise price of options granted under the 2018 Plan will be determined by the Board of Directors, but the exercise price must not be less than the lowest price permitted by the Exchange. Any options granted pursuant to the 2018 Plan will terminate at the end of the period of time (to be determined in each instance by the Board of Directors at the time of grant, such period of time to not be in excess of one year after the option holder ceasing to act as a director, executive officer, employee or consultant of the Company or any of its affiliates, unless such cessation is on account of death, disability or termination of employment with cause). If such cessation is on account of disability or death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately. The 2018 Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Company’s shares. The directors of the Company may, at its discretion at the time of any grant, impose a schedule over which period of time the option will vest and become exercisable by the optionee.

Subject to the approval of any stock exchange on which the Company’s securities are listed, the Board may terminate, suspend or amend the terms of the 2018 Plan, provided that the Board may not do any of the following without obtaining, within twelve (12) months either before or after the Board’s adoption of a resolution authorizing such action, shareholder approval, and, where required, Disinterested Shareholder approval, or by the written consent of the holders of a majority of the outstanding securities of the Company entitled to vote:

1. increase the aggregate number of common shares which may be issued under the 2018 Plan;
2. materially modify the requirements as to the eligibility for participation in the 2018 Plan which would have the potential of broadening or increasing Insider participation;

3. add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the 2018 Plan;
4. add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the 2018 Plan reserve; and
5. materially increase the benefits accruing to participants under the 2018 Plan.

However, the Board may amend the terms of the 2018 Plan to comply with the requirements of any applicable regulatory authority without obtaining shareholder approval, including:

1. amendments to the 2018 Plan of a housekeeping nature;
2. a change to the vesting provisions of a security or the 2018 Plan; and
3. a change to the termination provisions of a security or the 2018 Plan which does not entail an extension beyond the original expiry date.

At the Meeting, the Company will be asking for Shareholder approval of the Company's 2021 Option Plan. See Part 3 – The Business of the Meeting – Approval of 2021 Stock Option Incentive Plan.

#### ***Employment, consulting and management agreements***

Except as disclosed above under “External Management Companies”, the Company does not have any employment, consulting or management agreements or arrangements with any of the Company's current NEOs or directors.

#### ***Oversight and description of director and named executive officer compensation***

The primary goal of the Company's executive compensation program is to attract and retain the key executives necessary for the Company's long-term success, to encourage executives to further the development of the Company and its operations, and to motivate top quality and experienced executives. The key elements of the executive compensation program are: (i) base salary; (ii) potential annual incentive award; and (iii) incentive stock options. The directors are of the view that all elements of the total program should be considered, rather than any single element.

The Compensation Committee is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the CEO, or such person acting in capacity of CEO of the Company, the directors and management, and for reviewing the recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position.

The Compensation Committee consists of George Drazenovic, Nicolas Lin Kuan Liang and Jessika Angarita. The Compensation Committee periodically reviews the compensation paid to directors, officers, and management based on such factors as: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general.

Long-term incentive in the form of options to purchase common shares of the Company are intended to align the interests of the Company's directors and its executive officers with those of its shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value, and to reduce the cash compensation the Company would otherwise have to pay. The Company's Stock Option plan is administered by the Compensation Committee and the board of directors. In establishing the number of the incentive stock options to be granted to the NEOs, reference is made to the number of stock options granted to officers of other publicly traded companies that, similar to the Company, are involved in the mining industry, as well as those of other publicly traded Canadian companies of a comparable size to that of the Company in respect of assets. The Compensation Committee also considers previous grants of options and the overall number of options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of incentive stock option compensation.

In general, the Company will provide a specific benefit or perquisite only when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. The limited perquisites the Company provides its executives may include a parking allowance or a fee for each board or Audit Committee meeting attended, to assist with their out-of-pocket costs, such benefits and perquisites as set out, respectively, in the “Table of compensation excluding compensation securities” above.

### *Pension disclosure*

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

## **PART 5 - AUDIT COMMITTEE**

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### **AUDIT COMMITTEE CHARTER**

The text of the Company's Audit Committee Charter is attached as **Schedule "B"** to this Information Circular.

### **COMPOSITION OF AUDIT COMMITTEE**

George Drazenovic, Nicolas Lin Kuan Liang and Jessika Angarita are members of the Company's Audit Committee. At present, two of the Audit Committee members, Jessika Angarita and Nicolas Lin Kuan Liang are considered "independent" as that term is defined in applicable securities legislation. George Drazenovic is not considered independent by virtue of his being the President and Chief Executive Officer of the Company. See Part 7 - Other Information – Management Contracts.

All of the Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

### **RELEVANT EDUCATION AND EXPERIENCE**

All of the Audit Committee members are senior-level businesspersons with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour. In addition, each of the members of the Audit Committee have knowledge of the role of an audit committee in the realm of reporting companies from their years of experience as directors of public companies other than the Company. See Part 6 - Corporate Governance – Directorships in Other Public Companies.

*George Drazenovic:* Mr. Drazenovic is an entrepreneur who has incubated start-up ventures in a variety of sectors, including alternative energy, pharmaceuticals, technology and natural resources. A Chief Financial Officer ("CFO"), director and consultant for several junior publicly-traded resource companies, he brings business development, planning and securities regulatory experience on the Canadian and U.S. Exchanges. Early in his career, Mr. Drazenovic was employed at a leading utility responsible for evaluating, structuring and promoting wind, wave and battery technology opportunities, and led a biopharmaceutical start-up as its first employee, raising several million dollars for early stage trials, whereas today it trades at a market capitalization of nearly \$100 m. In recent years, he has raised tens of millions of dollars in early stage financing and has facilitated the acquisition of in excess of 100,000 acres of mineral leases in the Clayton Valley, Paradox Basin, Idaho Cobalt Belt and Carlin Trend.

*Nicolas Lin Kuan Liang:* Mr. Lin is an experienced Corporate Finance Executive with particular expertise in the field of U.S. ECM transactions on the NASDAQ markets. Mr. Lin has advised and participated in a number of such transactions, often on behalf of Chinese and other Asian clients. Mr. Lin has also previously served as Legal and Admin Director of Moxian Inc. a NASDAQ listed entity. Mr. Lin has a vast experience in public companies' directorships, and he was also a Manager at 8i Capital Limited, where he was involved in advising businesses to list in the United States and London, fund-raising and restructuring work. Mr. Lin graduated from Queen Mary, University of London with LLB in Law in June 2010.

*Jessika Angarita:* Ms. Angarita has 10 years of experience in the Investor Relations industry, identifying strategic opportunities through her knowledge on and connections with UHNW, socialites, influencers, and investors worldwide. In 2009, Jessika worked as an Investor Relations Associate in several Canada-based natural resource companies listed in the Toronto Stock Exchange. During a six-year period, she contributed to diverse initiatives including assisting with the financing, due diligence, and negotiation between parties, as well as coordinating international roadshows, seminars and trade shows. Jessika has developed and executed strategic investor and analyst targeting programs to maintain a global network of shareholders informed.

## 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 of directors.

## RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Company's most recently completed financial year ended **September 30, 2020**, has the Company relied on the exemption in Section 2.4 of National Instrument 52-110 - *Audit Committees (De Minimis Non-audit Services)*, or an exemption from National Instrument 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110.

As the Company is a "Venture Issuer" pursuant to relevant securities legislation, the Company is relying on the exemption in Section 6.1 of National Instrument 52-110 - *Audit Committees*, from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of National Instrument 52-110.

## PRE-APPROVAL POLICIES AND PROCEDURES FOR NON-AUDIT SERVICES

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Company's Audit Committee Charter attached as **Schedule "A"** to this Information Circular.

## EXTERNAL AUDITOR SERVICE FEES

In the following table, "**Audit Fees**" are fees billed by the Company's external auditors for services provided in auditing the Company's annual financial statements for the subject year. "**Audit-related Fees**" are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "**Tax Fees**" are billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. "**All Other Fees**" are fees billed by the auditors for products and services not included in the foregoing categories.

The fees paid by the Company to its auditors in each of the last two financial years, by category, are as follows:

	Financial Year Ending September 30	Audit Fees	Audit-related Fees	Tax Fees	All Other Fees
Crowe MacKay LLP <sup>(1)</sup>	2020	\$ 12,000	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil
Adam Sung Kim Ltd., Chartered Professional Accountant <sup>(2)</sup>	2020	Nil	Nil	Nil	Nil
	2019	\$8,000	Nil	Nil	Nil

(1) Crowe McKay LLP was appointed as the Company's auditor effective November 5, 2020.

(2) Adam Sung Kim Ltd., Chartered Professional Accountant was appointed as the Company's auditor effective December 19, 2013 and resigned on November 5, 2020.

## PART 6 - CORPORATE GOVERNANCE

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### GENERAL

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting companies such as the Company. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### COMPOSITION OF THE BOARD OF DIRECTORS

The Company's board of directors facilitates its exercise of independent supervision over management by ensuring that the Board is composed of at least one director that is independent of management. The Board, at present, is composed of four (4) directors, three (3) of whom are not executive officers of the Company and are considered to be

“independent”, as that term is defined in applicable securities legislation. N. Wu, J. Angarita, and N. Lin Kuan Liang, are considered to be independent. Mr. Drazenovic is not considered independent by reason of his office as President and Chief Executive Officer of the Company. In determining whether a director is independent, the board chiefly considers whether the director has a relationship which could, or could be perceived to interfere with the director’s ability to objectively assess the performance of management.

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing the Company’s cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

**DIRECTORSHIPS IN OTHER PUBLIC COMPANIES**

Certain of the Board nominees are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)
George Drazenovic	Oakley Ventures, Inc
Jessika Angarita	Nil
Nicolas Lin Kuan Liang	Nil
Ning Wu	Nil

**ORIENTATION AND CONTINUING EDUCATION**

The Company has not yet developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Company and its business by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

**ETHICAL BUSINESS CONDUCT**

The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by our governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director’s participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

**NOMINATION OF DIRECTORS**

The Company has not yet implemented a nominating committee. Accordingly, the board of directors, as a whole, is responsible for considering the Board’s size and the number of directors to recommend to the Company’s shareholders for election at annual meetings of shareholders, taking into account the number of directors required to carry out the Board’s duties effectively, and to maintain a majority of independent directors and a diversity of view and experience.

**COMPENSATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER**

George Drazenovic, Nicolas Lin Kuan Liang and Jessika Angarita are members of the Company’s Compensation Committee. At present, one of the Compensation Committee members, Nicolas Lin Kuan Liang and Jessika Angarita, are considered “independent” as that term is defined in applicable securities legislation. George Drazenovic is not considered independent by virtue of his being the President and Chief Executive Officer of the Company.

To determine compensation payable, the Compensation Committee reviews compensation paid for directors and officers of companies of similar size and stage of development in the mineral industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation, the Compensation Committee annually reviews the performance of the CEO in light of the

Company's objectives and considers other factors that may have impacted the success of the Company in achieving its objectives.

#### ASSESSMENTS

The Board has not, as yet, established procedures to formally review the contributions of individual directors. At this point, the directors believe that the Board's current size facilitates informal discussion and evaluation of members' contributions within that framework.

### PART 7 - OTHER INFORMATION

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

As of September 30, 2020, the Company's most recently completed financial year, the Company's 2018 Stock Option Incentive Plan was the only equity compensation plan under which securities were authorized for issuance.

Plan category	Number of securities <sup>(1)</sup> to be issued upon exercise of outstanding options, warrants and rights (a) <sup>(2)</sup>	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	200,000	\$0.25	9,423,953
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total:</b>	200,000	\$0.25	

<sup>(1)</sup> Underlying securities are common shares in the capital of the Company.

<sup>(2)</sup> As of September 30, 2020.

The Company's 2018 Stock Option Incentive Plan (the "Option Plan") reserves for issuance **1,924,790** of the Company's shares. This number represented 20% of the issued shares as at December 17, 2018 and was approved by the Company's shareholders at the Annual General Meeting held on December 17, 2018.

The purpose of the Option Plan continues to be to attract and motivate directors, officers, employees of and consultants to the Company and thereby advance the Company's interests by affording such persons with an opportunity to acquire an interest in the Company through stock options. Consultants are individuals, companies or partnerships of which are individuals are employees, shareholders or partners, who are engaged by the Company to provide services for an initial, renewable or extended period of time.

The essential elements of the Option Plan provide that options granted under the Option Plan may have a maximum term of ten (10) years. The exercise price of options granted under the Option Plan will not be less than the closing price of the Company shares on the TSX Venture Exchange on the trading day immediately before the date of grant, less the discount permitted under the TSX Venture Exchange's policies. The Board may determine and impose vesting terms upon each grant.

At the Meeting, the Company will be asking Shareholder approval of the Company's 2021 Plan. See Part 3 – The Business of the Meeting – Approval of 2021 Stock Option Incentive Plan.

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

Since the beginning of the most recently completed financial year ended September 30, 2020 and as at the date of this Information Circular, no director, executive officer or employee or former director, executive officer or employee of the Company, nor any nominee for election as a director of the Company, nor any associate of any such person, was indebted to the Company for other than “routine indebtedness”, as that term is defined by applicable securities legislation; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

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

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of our last completed financial year, none of the other insiders of the Company and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of the directors.

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

Except as otherwise disclosed herein, no proposed nominee for election as a director, and no director or executive officer of the Company who has served in such capacity since the beginning of the last financial year of the Company, and no shareholder holding of record or beneficially, directly or indirectly, more than 10% of the Company’s outstanding common shares, and none of the respective associates or affiliates of any of the foregoing, had (or has) any interest in any transaction with the Company since the commencement of our most recently completed financial year ended September 30, 2020, or in any proposed transaction, that has materially affected the Company or is likely to do so.

Pursuant to a Management Contract between Pender Street Consulting Corporation Ltd. (“**PSCC**”) and the Company dated January 1, 2018, as amended effective October 1, 2018 and subsequently assigned to Partum Advisory Services Corp. (“**Partum**”) on April 3, 2019. As per the Management Contract, accounting fees of \$45,000 was paid to Partum and \$60,000 of management fees were paid to Partum, a private company owned by Eugene Beukman (former Executive Chairman of the Company). See “Management Contracts” below.

In addition, the Company paid Partum for rent of its principal office space in the amount of \$10,000 plus applicable taxes.

## **PENALTIES AND SANCTIONS**

As at the date of this Information Circular no proposed nominee for election as a director of the Company (nor any of his or her 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 shareholder in deciding whether to vote for a proposed director.

## **CORPORATE CEASE TRADE ORDERS AND BANKRUPTCIES**

Except as summarized below, no proposed nominee for election as a director of the Company is, or has been, within 10 years before the date of this Information Circular:

1. a director, chief executive officer or chief financial officer of any company (including the Company and any personal holding company of the proposed director) that, while that person was acting in that capacity:
  - (a) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order) or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “**Order**”); or

- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
2. a director or executive officer of any company (including the Company) and any personal holding company of the proposed director) 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.

**PERSONAL BANKRUPTCY**

No proposed nominee for election as a director of the Company has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

**OTHER MATTERS**

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

**ADDITIONAL INFORMATION**

Financial information about the Company is included in the Company's financial statements and Management's Discussion and Analysis for the financial year ended September 30, 2019 and September 30, 2020, which have been electronically filed with regulators and are available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com). Copies may be obtained without charge upon request to the Company at Suite 810, 789 West Pender Street, Vancouver, British Columbia V6C 1H2 - telephone (604) 687-2038; fax (604) 687-3141. You may also access the Company's public disclosure documents through the Internet on SEDAR at [www.sedar.com](http://www.sedar.com).

## SCHEDULE “A”

### STOCK OPTION PLAN

#### ST. JAMES GOLD CORP.

### STOCK OPTION PLAN

#### 1. PURPOSE OF PLAN

1.1 **Purpose.** The purpose of the Stock Option Plan (the “**Plan**”) of **ST. JAMES GOLD CORP.**, a company incorporated under the Business Corporations Act (British Columbia), (the “**Company**”) is to advance the interests of the Company by encouraging the directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

#### 2. DEFINITIONS

2.1 **Definitions.** In this Plan the following words and phrases shall have the following meanings, namely:

- (a) “**Blackout Period**” means a period during which there is a prohibition on trading in the Company’s securities imposed by the Company on Insiders.
- (b) “**Board**” means the board of directors of the Company or, if the Board so elects, a committee of directors (which may consist of only one director) appointed by the Board to administer this Plan.
- (c) “**Company**” means St. James Gold Corp.
- (d) “**Consultant**” means an individual who (or a corporation or partnership (a “Consultant Company”) of which the individual is an employee, shareholder or partner which):
  - (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or a subsidiary of the Company other than in the case of US resident in relation to a distribution of the Company’s securities;
  - (ii) provides the services under a written contract between the Consultant or Consultant Company and the Company or subsidiary;
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or subsidiary of the Company; and
  - (iv) has a relationship with the Company or subsidiary of the Company that enables the individual to be knowledgeable about the business and affairs of the Company or subsidiary.
- (e) “**Director**” means a director of the Company or any of its subsidiaries.
- (f) “**Employee**” means:
  - (i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada)(and for whom income tax, employment insurance and CPP

deductions must be made at source);

- (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and discretion by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source.
- (g) **“Exchange”** means whichever stock exchange on which the Shares are listed for trading and in the case of dual listing the stock exchange on which the majority of the trading of the Company’s listed securities takes place.
  - (h) **“Insider”** means: (i) Director or Officer; (ii) a director or officer of a subsidiary of the Company; or (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company.
  - (i) **“Investor Relations Activities”** has the meaning set forth in the rules of the Exchange.
  - (j) **“Management Company Employee”** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in investor relations activities.
  - (k) **“Market Price”** means the price at which the last recorded sale of a board lot of Shares took place on the Exchange during the trading day immediately preceding the date of granting the Option and, if there was no such sale, the closing price on the preceding trading day during which there was such a sale.
  - (l) **“Officer”** means a chair or vice-chair of the Board, a chief executive officer, chief financial officer, chief operating officer, president, vice-president, secretary, assistant secretary, treasurer or assistant treasurer of the Company or any of its subsidiaries or an individual designated as an officer by a resolution of the Board or the constating documents of the Company.
  - (m) **“Option”** means an option to purchase Shares granted to an Optionee under this Plan.
  - (n) **“Optionee”** means a Director, Officer, Employee, Management Company Employee or Consultant granted an Option or a corporation, other than a Consultant Company, granted an Option where the corporation’s only shareholder is a Director, Officer or Employee.
  - (o) **“Plan”** means this stock option plan as amended, supplemented or restated.
  - (p) **“Shares”** means common shares of the Company.

### 3. GRANTING OF OPTIONS

3.1 **Administration.** This Plan shall be administered by the Board.

3.2 **Grant by Resolution.** The Board may determine by resolution those Employees, Management Company Employees, Consultants, Officers and Directors to whom Options should be granted and grant to them such Options

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as the Board determines to be appropriate.

3.3 **Representations to Employees, Consultants, and Management Company Employees.** Every instrument evidencing an Option granted to an Employee, Consultant or Management Company Employee shall contain a representation by the Company and the Optionee that the Optionee is a bona fide Employee, Consultant or Management Company Employee.

3.4 **No Grants if Listed on NEX.** The Board shall not grant any Options if the Shares are listed on the NEX Board of the TSX-V or the Company has been given notice that its listing will or might be transferred to NEX.

3.5 **Terms of Option.** The Board shall determine and specify in its resolution the number of Shares that should be placed under Option to each such Employee, Management Company Employee, Consultant, Officer or Director, the price per Share to be paid for such Shares upon the exercise of each such Option, and the period during which such Option may be exercised.

3.6 **Written Agreement.** Every Option shall be evidenced by a written agreement between the Company and the Optionee. If there is any inconsistency between the terms of the agreement and this Plan the terms of this Plan shall govern.

#### 4. **CONDITIONS GOVERNING THE GRANTING & EXERCISING OF OPTIONS**

4.1 **Agreements must specify Exercise Period and Price, Vesting and Number of Shares.** In granting an Option, the Board must specify a particular time period or periods during which the Option may be exercised, the exercise price required to purchase the Shares subject to the Option and any vesting terms and conditions of the Option, including the number of Shares in respect of which the Option may be exercised during each such time period.

4.2 **Minimum Exercise Price of Options.** The exercise price of an Option shall not be less than the Market Price, less, if the Shares are listed on the TSX-V, the maximum discount permitted by the Exchange, at the time of granting the Option. If the Optionee is subject to the tax laws of the United States of America and owns (as determined in accordance with such laws) greater than 10% of the Shares at the time of granting of the Option the exercise price shall be at least 110% of the Market Price. If the Shares are listed on the TSX-V, no Options shall be granted which are exercisable at a price of less than \$0.05 per Share.

4.3 **Number of Shares subject to Option.** The number of Shares reserved for issuance to an Optionee pursuant to an Option, together with all other stock options granted to the Optionee in the previous 12 months, shall not exceed, at the time of granting of the Option:

- (a) 5% of the outstanding Shares, unless the Company has obtained disinterested shareholder approval or the Shares are listed on the TSX;
- (b) 2% of the outstanding Shares, if the Optionee is a Consultant and the Shares are listed on the TSX-V; or
- (c) 2% of the outstanding Shares (including all other Shares reserved for issuance to all Optionees engaged in investor relations activities to the Company), if the Optionee is engaged in investor relations activities to the Company and the Shares are listed on the TSX-V or 1% of the outstanding Shares if the Shares are listed on the Canadian Securities Exchange.

4.4 **Vesting of Options.** Subject to further vesting requirements required by the Board on granting of an Option, all Options shall vest and be exercisable on the following terms:

- (a) *If Optionee is Engaged in Investor Relations Activities:* If the Optionee is a Consultant engaged in investor relations activities to the Company and the Shares are listed on the TSX-V, any Option granted to the Consultant must vest in stages over at least 12 months with no more than one

quarter of the Option vesting in any three-month period.

- (b) *If there is a Change of Control:* If a Change of Control is agreed to by the Company or events which might lead to a Change of Control are commenced by third parties, all Options, subject to the Exchange's approval (if required), shall vest immediately and be fully exercisable notwithstanding the terms thereof. For the purposes hereof "**Change of Control**" shall mean:
- (i) any transaction or series of related transactions as a result of which any person, entity or group acquires ownership, after the date of an Option, of at least 20% of the Shares and they or their representatives become a majority of the Board or assume control or direction over the management or day-to-day operations of the Company; or
  - (ii) an amalgamation, merger, arrangement, business combination, consolidation or other reorganization of the Company with another entity or the sale or disposition of all or substantially all of the assets of the Company, as a result of either of which the Company ceases to exist, be publicly traded or the management of the Company or Board do not comprise a majority of the management or a majority of the board of directors, respectively, of the resulting entity,

and to permit Optionees to participate in any of the foregoing, the Board may make appropriate provision for the exercise of Options conditional upon the Shares so issued being taken-up and paid for pursuant to any of the foregoing.

Subject to the approval of the Exchange if the Optionee is a Consultant engaged in investor relations activities for the Company, the Board may advance, at any time, the dates upon which any or all Options shall vest and become exercisable, regardless of the terms of vesting set out in this Plan or the agreement.

4.5 **Exercise of Options if Specified Value Exceeds USD \$100,000.** If the Optionee is subject to the tax laws of the United States of America that part of any Option entitling the Optionee to purchase Shares having a value of USD \$100,000 or less shall be treated as an 'Incentive Stock Option' under United States *Internal Revenue Code* (so that the Optionee may defer the payment of tax on such Shares until the year in which such Shares are disposed of by the Optionee). For the purposes hereof value is determined by multiplying the number of shares which are subject to the Option times the Market Price (at the time of granting of the Option). That part of any Option on Shares having a value in excess of USD \$100,000 shall be treated as a non-qualifying stock option for the purposes of the Code and shall not entitle the Optionee to such tax deferral.

4.6 **Expiry of Options.** Each Option shall expire not later than 10 years from the day on which the Option is granted.

4.7 **Expiry of Options during or immediately after Trading Blackout Periods.** If an Option expires during a Blackout Period then, notwithstanding Section 4.6 or the terms of the Option, the term of the Option shall be extended provided that:

- (a) the Blackout Period was formally imposed by the Company pursuant to its internal trading policies as a result of a bona fide existence of undisclosed Material Information (as defined by the rules of the Exchange);
- (b) the Blackout Period must expire upon the disclosure of the undisclosed Material Information;
- (c) the expiry date can be extended to no later than ten (10) business days after the expiry of the Blackout Period; and
- (d) the extension of the Option will not be permitted where the Optionee or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company's securities.

4.8 **Death or Disability of Optionee.** If an Optionee dies or suffers a Disability prior to the expiry of an

Option, the Optionee's legal representatives, before the earlier of the expiry date of the Option and the first anniversary of the Optionee's death or Disability, may exercise that portion of an Option which has vested as at the date of death or Disability. For the purposes hereof "**Disability**" shall mean any inability of the Optionee arising due to medical reasons which the Board considers likely to permanently prevent or substantially impair Optionee being an Employee, Management Company Employee, Consultant, Officer or Director.

4.9 **Cessation as an Optionee (With Cause).** If an Optionee ceases to be a Director, Officer, Consultant, Employee or Management Company Employee by reason of termination or removal for cause any Option shall terminate immediately on such termination or removal and not be exercisable by the Optionee unless otherwise determined by the Board.

4.10 **Cessation as an Optionee (Without Cause).** If an Optionee ceases to be any of a Director, Officer, Consultant, Employee or Management Company Employee for any reason except as provided in sections 4.8 or 4.9, any Option shall be exercisable to the extent that it has vested and was exercisable as at the date of such cessation, unless further vesting is permitted by the Board, and must terminate on the earlier of the expiry date of the Option and:

- (a) the 90<sup>th</sup> day after the Optionee ceased to be any of a Director, Officer, Consultant, Employee or Management Company Employee, or such other date as may be reasonably determined by the Board; or
- (b) if the Optionee is subject to the tax laws of the United States of America, the earlier of the 90<sup>th</sup> day and the third month after the Optionee ceased to be an Employee or Officer.

4.11 **No Assignment of Options.** No Option or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession except that, if permitted by the rules and policies of the Exchange, an Optionee shall have the right to assign any Option (other than an 'Incentive Stock Option' under United States Internal Revenue Code) to a corporation wholly-owned by them.

4.12 **Restriction on Resale of Shares Issued on Exercise of an Option.** If the Optionee is an Insider or the Option is exercisable for a price less than the Market Price at the time the Option is granted, the Shares issued upon the exercise of the Option shall be subject to a four month hold period from the time the Option was granted and the certificates representing such Shares shall be legended accordingly.

4.13 **Notice of Exercise of an Option.** Options shall be exercised only in accordance with the terms and conditions of the agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company.

4.14 **Payment on Exercise of an Option.** Options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an Optionee on exercise of an Option shall be fully paid for in cash or by certified cheque, bank draft or money order at the time of their purchase.

4.15 **Condition to Issuance of Shares.** The Board may require, as a condition of the issuance of Shares or delivery of certificates representing such Shares upon the exercise of any Option and to ensure compliance with any applicable laws, regulations, rules, orders and requirements that the Optionee or the Optionee's heirs, executors or other legal representatives, as applicable, make such covenants, agreements and representations as the Board deems necessary or desirable.

4.16 **Withholding or Deductions of Taxes.** The Company may deduct, withhold or require an Optionee, as a condition of exercise of an Option, to withhold, pay, remit or reimburse any taxes or similar charges, which are required to be paid, remitted or withheld in connection with the exercise of any Option.

## 5. RESERVATION OF SHARES FOR OPTIONS

5.1 **Sufficient Authorized Shares to be Reserved.** Whenever the constating documents of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise

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of Options. Shares that were the subject of Options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an Option.

5.2 **Maximum Number of Shares to be Reserved Under Plan.** The aggregate number of Shares which may be subject to issuance pursuant to Options and any stock options granted under any other previous or current stock option plan or security compensation arrangement shall be 10% of the outstanding Shares at the time of granting the Options less any amount of Options outstanding under the Company's previous Option plans. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

5.3 **Maximum Number of Shares Reserved for Insiders.** All Options, together with all of the Company's other previously granted stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not result, at the time of granting, in:

- (a) the number of Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the Shares outstanding;
- (b) the issuance to Insiders, within a one year period, of Shares totalling in excess of 10% of the Shares outstanding; or
- (c) the issuance to any one individual, within a one year period, of Shares totalling in excess of 5% of the Shares outstanding,

unless the disinterested shareholders have approved thereof.

## 6. CAPITAL REORGANIZATIONS

6.1 **Share Consolidation or Subdivision.** If the Shares are at any time subdivided or consolidated, the number of Shares reserved for Options shall be similarly increased or decreased and the price payable for any Shares that are then subject to issuance shall be decreased or increased proportionately, as the case may require, so that upon exercising each Option the same proportionate shareholdings at the same aggregate purchase price shall be acquired after such subdivision or consolidation as would have been acquired before.

6.2 **Stock Dividend.** If the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for Options shall be increased proportionately and the price payable for any Shares that are then subject to issuance shall be decreased proportionately so that upon exercising each Option the same proportionate shareholdings at the same aggregate purchase price shall be acquired after such stock dividend as would have been acquired before.

6.3 **No Fractional Shares.** No adjustment made pursuant to this Part shall require the Company to issue a fraction of a Share and any fractions of a Share shall be rounded up or down to the nearest whole number, with one-half a Share being rounded up to one Share.

6.4 **No Adjustment for Cash Dividends or Rights Offerings.** No adjustment shall be made to any Option pursuant to this Part in respect of the payment of any cash dividend or the distribution to the shareholders of the Company of any rights to acquire Shares or other securities of the Company.

## 7. EXCHANGE'S RULES & POLICIES GOVERN & APPLICABLE LAW

7.1 **Exchange's Rules and Policies Apply.** This Plan and the granting and exercise of any Options are also subject to such other terms and conditions as are set out in the rules and policies on stock options of the Exchange and any securities commission having authority and such rules and policies shall be deemed to be incorporated into and become a part of this Plan. If there is an inconsistency between the provisions of such rules and policies and of

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this Plan, the provisions of such rules and policies shall govern.

7.2 **Compliance With Applicable Laws.** Notwithstanding anything herein to the contrary, the Company shall not be obliged to cause any Shares to be issued or certificates evidencing Shares to be delivered pursuant to this Plan, where issuance and delivery is not, or would result in the Company not, being in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities and the requirements of the Exchange. **If any provision of this Plan, any Option or any agreement entered into pursuant to this Plan contravenes any applicable law, rule, regulation or order, or any policy, bylaw or regulation of the Exchange or any regulatory body having authority over the Company or this Plan, such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith, but the Company shall not be responsible to pay and shall not incur any penalty, liability or further obligation in connection therewith.**

7.3 **No Obligation to File Prospectus.** The Company shall not be liable to compensate any Optionee and in no event shall it be obliged to take any action, including the filing of any prospectus, registration statement or similar document, in order to permit the issuance and delivery of any Shares upon the exercise of any Option in order to comply with any applicable laws, regulations, rules, orders or requirements of any securities regulatory authority.

7.4 **Governing Law.** This Plan shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## 8. AMENDMENT OF PLAN & OPTIONS

8.1 **Board May Amend Plan or Options.** The Board may amend or terminate this Plan or any Options but no such amendment or termination, except with the written consent of the Optionees concerned or unless required to make this Plan or the Options comply with the rules and policies of the Exchange, shall affect the terms and conditions of Options which have not then been exercised or terminated.

8.2 **Shareholder Approval.** The approval of disinterested shareholders for an amendment to this Plan or any Option shall be required in respect of Options granted to Insiders involving:

- (a) a reduction of the exercise price, including a reduction effected by cancelling an existing Option and granting a new Option exercisable at a lower price within the subsequent one year period, if the Shares are listed on the TSX-V, or three month period, if the Shares are listed on the TSX; or
- (b) an extension of the exercise period, if the Shares are listed on the TSX, unless the extension arises from a Blackout Period.

Approval by all holders of Shares, whether the holders are disinterested shareholders or not, is required for:

- (a) an increase in the number of Shares, or percentage of the outstanding Shares, reserved for issuance under this Plan; or
- (b) a change from a fixed number to a fixed percentage of the outstanding Shares, or from a fixed percentage to a fixed number, in the number of Shares reserved for issuance under this Plan.

No approval by any holders of Shares is required for:

- (a) an amendment to comply with applicable law or rules of the Exchange or of a 'housekeeping' nature required to correct typographical and similar errors;
- (b) a change to the vesting provisions;
- (c) a reduction of the exercise price of an Option, including a reduction effected by cancelling an existing Option and granting a new Option exercisable at a lower price, or an extension of the

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exercise period, if the Optionee is not an Insider; and

(d) any change in those persons who may be Optionees if such new Optionees are Insiders.

8.3 **Exchange Approval Required.** Any amendment to this Plan or Options shall not become effective until such amendments have been accepted for filing by the Exchange.

## 9. PLAN DOES NOT AFFECT OTHER COMPENSATION PLANS

9.1 **Other Plans Not Affected.** This Plan shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Directors, Officers, Consultants, Employees and Management Company Employee.

## 10. OPTIONEE'S RIGHTS AS A SHAREHOLDER

10.1 **No Rights Until Option Exercised.** An Optionee shall be entitled to the rights pertaining to share ownership, such as to dividends, only with respect to Shares that have been fully paid for and issued to the Optionee upon exercise of an Option.

## 11. EFFECTIVE DATE & EXPIRY OF PLAN

11.1 **Effective Date.** This Plan has been adopted by the Board subject to the approval of the Exchange and if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained. Thereafter this Plan shall be approved by the holders of the Shares annually, if the Shares are listed on the TSX-V, or tri-annually, if the Shares are listed on the TSX. If such annual approvals are not obtained, Options may no longer be granted.

11.2 **Termination.** This Plan shall terminate upon a resolution to that effect being passed by the Board. Any Options shall continue to be exercisable according to their terms after the termination of this Plan.

Adopted by the Board of Directors on January 14, 2021.

## SCHEDULE “B”

### AUDIT COMMITTEE CHARTER

Dated: **January 21, 2019**

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of **St. James Gold Corp.**, (the “**Company**”), designed to assist the Board in monitoring (1) the integrity of the financial statements of the Company, (2) the adequacy of the Company’s internal controls, (3) the independence and performance of the Company’s external auditor, and (4) conflict of interest transactions.

#### **I. ROLES AND RESPONSIBILITIES**

**A. Maintenance of Charter.** The Committee shall review and reassess the adequacy of this formal written Charter on at least an annual basis.

**B. Financial Reporting.** The Committee shall review and make recommendations to the Board regarding the adequacy of the Company’s financial statements and compliance of such statements with financial standards. In particular, and without limiting such responsibilities, the Committee shall:

*With respect to the Annual Audited Financial Statements:*

- Review and discuss with management and with the Company’s external auditor the Company’s audited financial statements, management discussion and analysis (“**MD&A**”) and news releases regarding annual financial results before the Company publicly discloses this information.
- Review an analysis prepared by management and the external auditor of significant financial reporting issues and judgments made in connection with the preparation of the Company’s audited financial statements.
- Discuss with the external auditor the matters required to be discussed by National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currencies* (as may be modified or supplemented) relating to the conduct of the audit.
- Based on the foregoing, indicate to the Board whether the Committee recommends that the audited financial statements be included in the Company’s Annual Report.

*With respect to Interim Unaudited Financial Statements:*

- Review and discuss with management the Company’s interim unaudited financial statements, MD&A and news releases regarding interim financial results before the Company publicly discloses this information. The review may be conducted through a designated representative member of the Committee.
- Approve interim unaudited financial statements and interim MD&A on behalf of the Board.

*Generally*

- Be satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements, and annually assess the adequacy of those procedures.

**C. Internal Controls.** The Committee shall evaluate and report to the Board regarding the adequacy of the Company’s financial controls. In particular, the Committee shall:

- Ensure that the external auditor is aware that the Committee is to be informed of all control problems identified.

- - Review with the Company’s counsel legal matters that may have a material impact on the financial statements.
  - Review the effectiveness of systems for monitoring compliance with laws, regulations and instruments relating to financial reporting.
- Receive periodic updates from management, legal counsel, and the external auditor concerning financial compliance.
- Establish procedures for:
    - (i) the receipt, retention and treatment of complaints received by the Company from officers, employees and others regarding accounting, internal accounting controls, or auditing matters and questionable practices relating thereto; and
    - (ii) the confidential, anonymous submission by officers or employees of the Company or others or concerns regarding questionable accounting or auditing matters.

**D. Relationship with External Auditor.** The Committee shall:

- Interview, evaluate, and make recommendations to the Board with respect to the nomination and retention of, or replacement of, the external auditor.
- Ensure receipt from external auditor of a formal written statement delineating all relationships between the external auditor and the Company.
- Ensure that the external auditor is in good standing with the Canadian Public Accountability Board (“CPAB”) and enquire if there are any sanctions imposed by the CPAB on the external auditor.
- Ensure that the external auditor meets the rotation requirements for partners and staff on the Company’s audits.
- Actively engage in a dialogue with the external auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor.
- Take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor.
- Review and approve the compensation to be paid to the external auditor.
- Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company.
- Review and resolve disagreements between management and the external auditor regarding financial reporting.
- Pre-approve all non-audit services to be provided to the Company or any subsidiary by the external auditor in accordance with subsection 2.3(4) and sections 2.4 and 2.6 of Multilateral Instrument 51-110 *Audit Committees*.
- Review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company

Notwithstanding the foregoing, the external auditor shall be ultimately accountable to the Board and the Committee, as representatives of shareholders. The Board, upon recommendation from the Committee, shall have ultimate authority and responsibility to select, evaluate, and, where appropriate, replace the external auditor (or to nominate the external auditor to be proposed for shareholder approval in any information circular).

**E. Conflict of Interest Transactions.** The Committee shall:

- Review potential conflict of interest situations, including transactions between the Company and its officers, directors and significant shareholders not in their capacities as such.
- Make recommendations to the Board regarding the disposition of conflict of interest transactions in accordance with applicable law.

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## **II. MEMBERSHIP REQUIREMENTS**

- The Committee shall consist of at least **three (3)** directors chosen by the Board, the majority of whom are neither officers nor employees of the Company or any of its affiliates.
- The members of the Committee will be appointed annually by and will serve at the discretion of the Board.

At least **one (1)** member of the Committee shall be able to read and understand a set of financial statements, including the Company's balance sheet, income statement, and cash flow statement, or will become able to do so within a reasonable period of time after his or her appointment to the Committee.

- At least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or comparable experience or background (such as a position as a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities), which results in financial sophistication, recognized financial or accounting expertise.

## **III. STRUCTURE AND POWERS**

- The Committee shall appoint one of its members to act as a Chairperson, either generally or with respect to each meeting.
- The Committee Chairperson shall review and approve an agenda in advance of each meeting.
- The Committee shall meet as circumstances dictate.
- The Committee shall have the authority to engage independent legal counsel and other advisors as it determines necessary to carry out its duties, and to set and pay the compensation for any advisors employed by the Committee.
- The Committee shall have the authority to communicate directly with the internal and external auditors.
- The Committee may request any officer or employee of the Company or the Company's outside counsel or external auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
- The Committee shall possess the power to conduct any investigation appropriate to fulfilling its responsibilities.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the external auditor. Nor is it the duty of the Committee to conduct investigations or to assure compliance with laws and regulations and the Company's Corporate Governance Policies and Practices.

## **IV. MEETINGS**

- The quorum for a meeting of the Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company.
- The members of the Committee must elect a chair from among their number and may determine their own procedures.
- The Committee may establish its own schedule that it will provide to the Board in advance.
- The external auditor is entitled to receive reasonable notice of every meeting of the Committee and to attend and be heard thereat.
- A member of the Committee or the external auditor may call a meeting of the Committee.

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- The Committee may hold meetings by telephone conference call where each member can hear the other members, or pass matters that would otherwise be approved at a meeting by all members signing consent resolutions in lieu of holding a meeting.
- The Committee will meet with the President and with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.
- The Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

The chair of the Committee must convene a meeting of the Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board or the shareholders.

- The Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board's meeting at which those recommendations are presented.
- The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.