

**CHESAPEAKE GOLD CORP.**  
**ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**INFORMATION CIRCULAR**

**GENERAL INFORMATION**

This Information Circular is furnished to the holders (“**shareholders**”) of common shares (“**Common Shares**”) of Chesapeake Gold Corp. (the “**Company**”) by management of the Company in connection with the solicitation of proxies to be voted at the annual general meeting (the “**Meeting**”) of the shareholders to be held at EXchange Hotel Vancouver, The Cabana Room, 475 Howe Street, Vancouver, British Columbia, at 11:00 a.m. (Vancouver time) on Tuesday, May 18, 2021 and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting.

**PROXIES**

**Solicitation of Proxies**

**The enclosed Proxy is solicited by and on behalf of management of the Company. The persons named in the enclosed Proxy form are management-designated proxyholders. A registered shareholder desiring to appoint some other person (who need not be a shareholder) to represent the shareholder at the Meeting may do so either by inserting such other person’s name in the blank space provided in the Proxy form or by completing another form of proxy.** To be used at the Meeting, proxies must be received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof, or received by the chairman of the Meeting before the commencement of the Meeting, or any adjournment thereof. Solicitation will be primarily by mail, but some proxies may be solicited personally or by telephone by regular employees or directors of the Company at a nominal cost. The cost of solicitation by management of the Company will be borne by the Company.

In response to the novel coronavirus (COVID-19) pandemic, a live teleconference line and audio webcast will be made available to the Company’s shareholders in order to enable the participation and engagement of shareholders. To access the teleconference or audio webcast, shareholders may call one of the following numbers (**callers should dial in 5 to 10 minutes prior to the scheduled start time and simply ask to join the call**) or follow the URL listed below:

**Live audio conference call and audio webcast details:**

Dial in: 1-800-319-4610 (Toll-free in Canada and the U.S.)  
1-604-638-5340 (International Toll)

Webcast: <http://services.choruscall.ca/links/chesapeakeagm20210518.html>

The Company will accept and address questions during a formal question-and-answer session that will take place at the conclusion of business of the Meeting. Questions can be asked both via the teleconference line and live audio webcast provided by Chorus Call. Instructions for asking questions via the teleconference line and audio webcast will be provided by the teleconference operator, and instructions for submitting written questions utilizing the audio webcast will be available on the webcast site shortly before and during the Meeting. Chorus Call will provide details for technical assistance should help be required.

For attendance and voting to be counted at the Meeting, shareholders accessing the Meeting by telephone or audio webcast must still deposit a completed proxy as described above. Shareholders with questions about the teleconference or audio webcast and the information contained in this Information Circular, or require assistance in completing the Proxy form may contact P. Randy Reifel, President of the Company, at [invest@chesapeakegold.com](mailto:invest@chesapeakegold.com) or at 604-731-1094.

**Non-Registered Holders**

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 Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFFs, 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 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators, the Company is distributing copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly to Non-Registered Holders.

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.

Intermediaries which 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 Computershare Investor Services Inc. as described under “Solicitation of Proxies”.

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.**

#### **Revocability of Proxies**

A registered shareholder who has given a Proxy may revoke it by an instrument in writing that is:

- (a) executed by the shareholder or by the shareholder’s attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and
- (b) delivered either to the registered office of the Company (19th Floor, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3H4) at any time up to and including the last business day before the day of the Meeting, or any adjournment thereof, or to the chair of the Meeting on the day of the Meeting or any adjournment thereof before any vote in respect of which the Proxy is to be used shall have been taken, or in any other manner provided by law.

Non-Registered Holders who wish to revoke a voting instruction form or a waiver of the right to receive proxy-related materials should contact their Intermediaries for instructions.

## Voting of Proxies

Common Shares represented by a shareholder's Proxy form will be voted or withheld from voting in accordance with the shareholder's instructions on any ballot that may be called for at the Meeting and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **In the absence of any instructions, the management-designated proxy agent named on the Proxy form will cast the shareholder's votes in favour of the passage of the resolutions set forth herein and in the Notice of Meeting.**

The enclosed Proxy form confers discretionary authority upon the persons named therein with respect to (a) amendments or variations to matters identified in the Notice of Meeting and (b) other matters which may properly come before the Meeting or any adjournment thereof. At the time of printing of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Only Common Shares carry voting rights at the Meeting, with each Common Share carrying the right to one vote. The board of directors of the Company ("**Board of Directors**" or "**Board**") has fixed April 6, 2021 as the record date ("**Record Date**") for the determination of shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment thereof, and only shareholders of record at the close of business on that date are entitled to such notice and to vote at the Meeting. As of the Record Date, 67,366,866 Common Shares were issued and outstanding as fully paid and non-assessable.

To the knowledge of the directors or executive officers of the Company, as at the Record Date, no person beneficially owned, or controlled or directed, directly or indirectly, shares carrying 10% or more of the voting rights attached to the Company's issued and outstanding Common Shares, except for the following:

<b>Name</b>	<b>Number of Common Shares</b>	<b>Percentage of Outstanding Common Shares</b>
Peter Palmedo <sup>(1)</sup>	7,175,013	10.65%
Eric Sprott <sup>(2)</sup>	8,758,399	13.00%
Alan Pangbourne <sup>(3)</sup>	7,456,000	11.07%

(1) According to public filings, the Common Shares disclosed are held by Peter Palmedo (as to 72,500 Common Shares), Sun Valley Gold Company (as to 2,312,375 Common Shares) and Sun Valley Gold Master Fund, Ltd. (as to 4,790,138 Common Shares). Palmedo Holdings LLLP and Mr. Palmedo are the managing members of Sun Valley Gold LLC. Sun Valley Gold Company, a company in which Mr. Palmedo is the majority shareholder, is the majority securityholder of Palmedo Holdings LLLP. Sun Valley Gold International, Ltd., of which Sun Valley Gold LLC is the Investment Manager, and Sun Valley Gold, L.P., of which Sun Valley Gold LLC is the General Partner, are the sole holders of the common shares of Sun Valley Gold Master Fund, Ltd., a client account over which Sun Valley Gold LLC has discretionary authority.

(2) According to public filings, the Common Shares disclosed are held through 2176423 Ontario Ltd. of which Mr. Sprott is the beneficial owner.

(3) 7,400,000 of Mr. Pangbourne's Common Shares are held through Alderley Edge Investments Ltd. of which Mr. Pangbourne is the beneficial owner.

## VOTES NECESSARY TO PASS RESOLUTIONS AT THE MEETING

Under the Company's Articles, the quorum for the transaction of business at the Meeting is two shareholders, whether present in person or represented by proxy, holding in the aggregate at least 5% of the issued Common Shares. A simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the resolutions referred to in the accompanying Notice of Meeting.

## APPOINTMENT OF AUDITOR

The management-designated proxyholders named in the enclosed Proxy form intend to vote for the appointment of Saturna Group Chartered Professional Accountants LLP (“**Saturna LLP**”) as the auditor of the Company to hold office until the next annual general meeting of shareholders. Saturna LLP has been the auditor of the Company since January 23, 2018.

## ELECTION OF DIRECTORS

The number of directors of the Company is currently fixed at six. As the Company currently has seven directors, management therefore intends to place before the Meeting, for approval, with or without variation, a resolution fixing the numbers of directors at seven for the ensuing year and at the Meeting shareholders will be asked to elect seven directors. The persons named below are the seven nominees of management for election as directors, all of whom are current directors of the Company. Each director elected will hold office until the next annual general meeting or until the director’s successor is elected or appointed unless the director’s office is earlier vacated under any of the relevant provisions of the Articles of the Company or the *Business Corporations Act* (British Columbia). It is the intention of the persons named as proxyholders in the enclosed Proxy to vote for the election to the Board of Directors of those persons hereinafter designated as nominees for election as directors. The Board of Directors does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in such shareholder’s Proxy that such shareholder’s Common Shares are to be withheld from voting in the election of directors.**

The following table sets out the name of each of the persons proposed to be nominated for election as a director; all positions and offices in the Company currently held by the nominee; the nominee’s current principal occupation or employment; the period during which the nominee has served as a director; and the number of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date:

<b>Name, place of residence and positions with the Company</b>	<b>Principal occupation, business or employment</b>	<b>Period served as a director</b>	<b>Common Shares beneficially owned or controlled<sup>(5)</sup></b>
RANDY BUFFINGTON <sup>(2)(3)</sup> Elko, Nevada, USA <i>Director</i>	International Mining Consultant; Chief Executive Officer of Allied Nevada Gold Corp. from 2014 to 2016; Chief Executive Officer and Chairman of Hycroft Mining Corporation from 2016 to 2020	Since January 19, 2021	Nil
CHRISTIAN FALCK <sup>(1)(2)(3)</sup> West Vancouver, BC, Canada <i>Director</i>	Associate Director, G-Force Group (business, real estate, loan recovery solutions and insolvency)	February 23, 2007 to December 18, 2013 and since December 18, 2019	272,500
DOUG FLEGG <sup>(1)</sup> Markdale, ON, Canada <i>Director</i>	Principal, Cairn Merchant Partners LP since June 2016; Managing Director of Global Mining Sales at BMO Capital Markets from February 2005 to June 2015	Since January 19, 2021	Nil
LIAN LI <sup>(2)</sup> Vancouver, BC, Canada <i>Director</i>	International Business Consultant	Since December 18, 2013	108,500
ALAN PANGBOURNE <sup>(3)</sup> West Vancouver, BC, Canada <i>Director and Chief Executive Officer</i>	Chief Executive Officer of the Company since January 2021; Director of TMAC Resources Inc. from September 2020 to February 2021; Director of Guyana Goldfields Inc. from May 2019 to August 2020 and President & Chief Executive Officer from January 2020 to August 2020; Chief Operating Officer of SSR Mining Inc. from January 2013 to May 2018	Since January 19, 2021	7,456,000 <sup>(4)</sup>
JOHN PERSTON <sup>(2)(3)</sup> Castletown, Isle of Man <i>Director</i>	President, JWP Consulting (geological consulting firm)	Since April 18, 2002	397,800
P. RANDY REIFEL <sup>(1)</sup> Vancouver, BC, Canada <i>Director, President and Chairman</i>	Chairman and President of the Company	Since April 18, 2002	4,591,278 <sup>(6)</sup>

(1) Member of the Audit Committee.

(2) Member of Corporate Governance and Compensation Committee.

(3) Member of Technical Advisory Committee.

(4) 7,400,000 Common Shares are held through Alderley Edge Investments Ltd. of which Mr. Pangbourne is the beneficial owner. Mr. Pangbourne beneficially owned, or controlled or directed, directly or indirectly, total Common Shares represent 11.07% of the outstanding Common Shares as at the Record Date.

(5) The information as to country of residence, principal occupation and number of Common Shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

(6) 300,000 Common Shares are held by Brant Investments Ltd., a company controlled by Mr. Reifel, and 88,900 Common Shares are held by Beggar Pacific Holding Corp., a company controlled by Mr. Reifel.

None of the proposed directors are, as at the date of this Information Circular, or have been, within the ten years preceding the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

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

Other than as disclosed herein, no proposed director is, as at the date of this Information Circular, or has been, within the ten years preceding the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Randy Buffington was the Chief Executive Officer of Allied Nevada Gold Corp. (“**Allied Nevada**”) when Allied Nevada, on March 10, 2015, filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. On October 22, 2015, Allied Nevada completed its financial restructuring and emerged from Chapter 11 proceedings under the name Hycroft Mining Corporation.

No proposed director has, within the ten years preceding 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 that person.

No proposed director has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **CORPORATE GOVERNANCE DISCLOSURE**

The following description of the corporate governance practices of the Company is provided further to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and the disclosure prescribed for “Venture Issuers” such as the Company.

### **Board of Directors**

The Board currently consists of seven directors (all seven of whom will be standing for re-election). NI 58-101 distinguishes independent and non-independent directors. Five of the seven current members of the Board are considered independent directors. The independent directors are Randy Buffington, Christian Falck, Doug Flegg, Lian Li and John Perston. Alan Pangbourne and Randy Reifel are not independent directors as they are executive officers of the Company. Assuming the election of the director nominees at the Meeting, the Board will still consist of a majority of independent directors.

The Board considers that management is effectively supervised by the independent directors on an informal basis, as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The independent directors are able to meet at any time without any members of management, including the non-independent directors, being present. At the present time, the Board believes that the knowledge, experience and qualifications of its independent directors are sufficient to ensure that the Board can function independently of management and discharge its responsibilities.

## Directorships

The current directors of the Company who are presently directors of other reporting issuers in Canada or elsewhere are set out below:

Director	Reporting Issuer
Lian Li	China Education Resources Inc.
P. Randy Reifel	Gunpoint Exploration Ltd.
Doug Flegg	Satori Resources Inc. Vendetta Mining Corp.

## Orientation and Continuing Education

The Board currently has not established criteria for the orientation or continuing education of directors. While the Company does not have formal orientation and training programs, new Board members spend time with senior management in regard to the Company's properties, operations and internal controls. Board meetings include presentations by the Company's management and/or employees to give the directors additional insight into the Company's business. Board members are encouraged to communicate with management, the auditor and technical consultants to keep themselves current with industry trends, developments and changes in legislation. Board members have full access to the Company's records.

## Ethical Business Conduct

The Board has not adopted a written code of conduct for its directors but views corporate governance as an integral component to the success of the Company. The Company's Board members have considerable industry and public company experience and the Company relies on this experience and their integrity to comply with the required code of conduct.

In respect of any transactions or agreements involving the Company and in respect of which a director of the Company has a material interest or a conflict or potential conflict of interest, that director, in order that the members of the Board exercise independent judgement in respect thereto, is required to disclose such to the Board prior to any such transaction or agreement being considered by the Board and is not permitted to vote on any Board resolution with respect thereto. Should any officer similarly have any such material interest or conflict or potential conflict of interest, such officer must similarly disclose such to the Board.

## Nomination of Directors

Periodically, the Board as a whole informally assesses the size and composition of the existing Board and the contribution of individual directors. Individual directors are invited to propose new nominees to the Board having regard to the Company's business strategy and the current composition of the Board.

## Compensation

The Company has a Corporate Governance and Compensation Committee consisting of Randy Buffington, Christian Falck, Lian Li and John Perston, all of whom are considered independent directors.

The independent members of the Corporate Governance and Compensation Committee must approve any compensation paid to a director or an executive officer of the Company. The Corporate Governance and Compensation Committee reviews annually, and submits to the Board for its approval, the compensation to be paid to members of the Board as directors after taking into account any director compensation guidelines established by the Board. With respect to the executive officers, the Corporate Governance and Compensation Committee is responsible for reviewing and considering corporate goals and objectives relevant to compensation for the executive officers, evaluating the performance of the executive officers in light of those corporate goals and objectives, and determining the level of compensation for the executive officers based on this evaluation. See "Director and Named Executive Officer Compensation".

## Other Board Committees

The Board had no standing committees at December 31, 2020 other than the Audit Committee and the Corporate Governance and Compensation Committee. On February 23, 2021, the Board established a Technical Advisory Committee for the purpose of providing

advice and support to management on technical matters following the acquisition of Alderley Gold Corp. The Technical Advisory Committee is comprised of Randy Buffington (Chair), John Perston, Chris Falck and Alan Pangbourne.

## Assessments

The Board has adopted a Mandate which authorizes the Board to annually review the performance of the Board and its committees against their respective charters and mandates and to annually evaluate the performance of individual directors, the Chair and any lead director. The Board intends to follow these procedures for the evaluation of the effectiveness of the Board, its committees, the Chair and individual directors.

## AUDIT COMMITTEE DISCLOSURE

Pursuant to the *Business Corporations Act* (British Columbia) and National Instrument 52-110 - *Audit Committees* (“NI 52-110”), the Company is required to have an audit committee.

### Audit Committee Charter

Pursuant to NI 52-110, the Company’s Audit Committee is required to have a charter. A copy of the Company’s Audit Committee Charter is set out in Appendix A to this Information Circular.

The Audit Committee assists the Board of Directors in fulfilling its responsibilities relating to the Company’s corporate accounting and reporting practices. The Audit Committee is responsible for ensuring that management has established appropriate processes for monitoring the Company’s systems and procedures for financial reporting and controls, reviewing all financial information in disclosure documents, monitoring the performance and fees and expenses of the Company’s external auditors, and recommending external auditors for appointment by shareholders.

### Composition of the Audit Committee

As at the date of this Information Circular, the following is information on the members of the Company’s Audit Committee:

Name	Independent	Financial Literacy
Christian Falck (Chair) <sup>(1)</sup>	Yes	Yes
Doug Flegg	Yes	Yes
P. Randy Reifel	No	Yes

(1) Mr. Falck was appointed Chair of the Audit Committee on March 12, 2021.

### Relevant Education and Experience

All of the members of the Audit Committee are graduates of post-secondary education. Christian Falck holds a Bachelors Degree in Accounting and Finance and was Chair of the Company’s Audit Committee during his first period of service as a director of the Company and has held senior positions with Teck Corporation and PricewaterhouseCoopers LLP (Corporate Finance and Investment Banking). Doug Flegg holds both an MBA and B.Sc. Honours Geology degrees from Queen’s University, is a Chartered Financial Analyst, and has worked in the investment business in various roles for over 28 years. P. Randy Reifel holds a Masters of Business Administration degree. Each member of the Audit Committee has assisted several resource industry companies with strategic focus and corporate finance and has many years’ experience in the management and administration of publicly owned mining exploration companies. This experience in the mining industry has provided each member of the Audit Committee with an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of such accounting principles and analyze or evaluate financial statements, and an understanding of internal controls and procedures for financial reporting.

### Audit Committee Oversight

At no time since January 1, 2020, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company’s Board of Directors.

## Reliance on Certain Exemptions

At no time since January 1, 2019, has the Company relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), subsection 6.1.1(4) of NI 52-110 (*Circumstances Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*) of NI 52-110 by a securities regulatory authority or regulator.

## Pre-approval Policies and Procedures for Non-Audit Services

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

## External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditor in each of the last two financial years of the Company for services in each of the categories indicated are as follows:

Financial Year Ended	Audit Fees	Audit Related Fees <sup>(1)</sup>	Tax Fees <sup>(2)</sup>	All Other Fees <sup>(3)</sup>
December 31, 2020	\$30,000	Nil	Nil	Nil
December 31, 2019	\$30,000	Nil	Nil	Nil

(1) Pertains to assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and that are not reported under "Audit Fees".

(2) Pertains to professional services for tax compliance, tax advice and tax planning.

(3) Pertains to products and services other than services reported under the other categories.

## Venture Issuers Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 which exempts "venture issuers" from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The following description of the executive compensation of the Company is provided further to Form 51-102F6V "*Statement of Executive Compensation – Venture Issuers*".

### Director and Named Executive Officer Compensation Excluding Compensation Securities

#### *Named Executive Officers*

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers" or "NEOs"):

- each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer ("CEO");
- each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer ("CFO");
- in respect of the Company and its subsidiaries, the most highly compensated executive officer (other than the CEO and CFO) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with applicable securities rules, for that financial year; and
- each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and not acting in a similar capacity, at the end of that financial year.

For the year ended December 31, 2020, the Company had two Named Executive Officers, namely P. Randy Reifel (President, acting as CEO) and Sam Wong (CFO).

### Table of Compensation Excluding Compensation Securities

The following table sets out compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or a subsidiary of the Company, to each NEO and director, in any capacity, for each of the Company's financial years ended December 31, 2020 and 2019.

Table of compensation excluding compensation securities							
Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
P. RANDY REIFEL <sup>(1)</sup> President (acting as CEO), Chairman and Director	2020	200,000	200,000	Nil	<sup>(5)</sup>	Nil	400,000
	2019	200,000	Nil	Nil	<sup>(5)</sup>	Nil	200,000
SAM WONG <sup>(2)</sup> CFO	2020	63,000	Nil	Nil	<sup>(6)</sup>	Nil	63,000
	2019	63,000	Nil	Nil	<sup>(6)</sup>	Nil	63,000
GERALD L. SNEDDON <sup>(3)</sup> Executive Vice-President, Operations and Director	2020	2,002 <sup>(4)</sup>	Nil	Nil	<sup>(6)</sup>	Nil	2,002
	2019	12,137 <sup>(4)</sup>	Nil	Nil	<sup>(6)</sup>	Nil	12,137
JOHN PERSTON Director	2020	Nil	Nil	Nil	<sup>(6)</sup>	Nil	Nil
	2019	Nil	Nil	Nil	<sup>(6)</sup>	Nil	Nil
CHRISTIAN FALCK Director	2020	60,000	Nil	Nil	<sup>(6)</sup>	Nil	60,000
	2019	Nil	Nil	Nil	<sup>(6)</sup>	Nil	Nil
LIAN LI Director	2020	Nil	Nil	Nil	<sup>(6)</sup>	Nil	Nil
	2019	Nil	Nil	Nil	<sup>(6)</sup>	Nil	Nil
GREG D. SMITH Director	2020	Nil	Nil	Nil	<sup>(6)</sup>	Nil	Nil
	2019	Nil	Nil	Nil	<sup>(6)</sup>	Nil	Nil

- (1) Amounts under "Salary" for Mr. Reifel pertain to compensation paid by the Company to Brant Investments Ltd., a company controlled by Mr. Reifel. Mr. Reifel was not paid any compensation for his role as a director of the Company.
- (2) Amount under "Salary" for Mr. Wong pertains to compensation paid by the Company to Samina Capital Ltd., a company controlled by Mr. Wong.
- (3) Mr. Sneddon was paid compensation for his role as a consultant to, not a director of, the Company.
- (4) Amount paid/earned in United States dollars (U.S.\$) and translated to Canadian dollars (Cdn.\$) at the yearly average exchange rate, which was U.S.\$1.00=Cdn.\$1.34 for 2020 and U.S.\$1.00=Cdn.\$1.33 for 2019.
- (5) Perquisites that are not generally available to all employees did not exceed 10% of the NEO's total salary for the financial year.
- (6) Perquisites that are not generally available to all employees did not exceed \$15,000.

### External Management Companies

Except as disclosed herein, none of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly. See "Employment, Consulting and Management Agreements or Arrangements" for a description of the Company's consulting agreement with Brant Investments Ltd. (a company controlled by Mr. Reifel).

### Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each NEO and director by the Company or one of its subsidiaries in the financial year ended December 31, 2020, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries and the total amount of compensation securities held as at the Company's financial year end of December 31, 2020.

**Compensation Securities granted in the year ended December 31, 2020**

<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities, and percentage of class</b>	<b>Date of issue or grant (M/D/Y)</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry date (M/D/Y)</b>
CHRISTIAN FALCK Director	Options	400,000 <sup>(2)</sup>	05/14/2020	3.15	3.08	5.26	05/14/2025
P. RANDY REIFEL President (acting as CEO), Chairman and Director	Bonus Plan Shares	200,000 <sup>(3)</sup>	12/16/2020	6.00	5.74	5.26	-

(1) The numbers indicated represent the number of options and the same number of Common Shares underlying the related options.

(2) These options vest 25% annually, on each of May 14, 2021, May 14, 2022, May 14, 2023 and May 14, 2024, respectively.

(3) Common Shares issued to Brant Investments Ltd., a company controlled by Mr. Reifel pursuant to the Bonus Plan (as defined below).

The following table discloses the total amount of compensation securities held by each NEO and director of the Company as at the Company's financial year end of December 31, 2020.

<b>Name and Position</b>	<b>Total amount of compensation securities held as at December 31, 2020<sup>(1)</sup></b>
P. RANDY REIFEL President (acting as CEO), Chairman and Director	1,000,000 <sup>(2)</sup> 900,000 GUN <sup>(3)</sup>
SAM WONG CFO	40,000 <sup>(4)</sup> 75,000 GUN <sup>(3)</sup>
GERALD L. SNEDDON Executive Vice-President, Operations and Director	540,000 <sup>(5)</sup> 100,000 GUN <sup>(3)</sup>
JOHN PERSTON Director	275,000 <sup>(6)</sup>
LIAN LI Director	275,000 <sup>(6)</sup>
GREG D. SMITH Director	380,000 <sup>(7)</sup>
CHRISTIAN FALCK Director	400,000 <sup>(8)</sup>

(1) The numbers under this column represent the number of options and the same number of Common Shares underlying the related options.

(2) Of these options, 950,000 options were fully vested as at December 31, 2020 and the remaining 50,000 shall vest on September 27, 2021.

(3) These options were granted by Gunpoint Exploration Ltd. ("GUN"), the Company's subsidiary. These options vest 25% annually, with the first 25% tranche having vested on May 2, 2019 and the second 25% tranche having vested on May 2, 2020.

(4) Of these options, 30,000 options were fully vested as at December 31, 2020 and the remaining 10,000 options shall vest on September 27, 2021.

(5) Of these options, 523,750 options were fully vested as at December 31, 2020 and the remaining 16,250 options shall vest on September 27, 2021.

(6) Of these options, 268,750 options were fully vested as at December 31, 2020 and the remaining 6,250 options shall vest on September 27, 2021.

(7) Of these options, 372,500 options were fully vested as at December 31, 2020 and the remaining 7,500 options shall vest on September 27, 2021.

(8) These options vest 25% annually, on each of May 14, 2021, May 14, 2022, May 14, 2023 and May 14, 2024, respectively.

No compensation security has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.

Except for the vesting schedules noted in the above table, there are no restrictions or conditions for converting, exercising or exchanging the compensation securities.

Except as set out in the following table, no NEO or director of the Company exercised any compensation security during 2020.

Name and position	Exercise of Compensation Securities by Directors and NEOs						
	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise (M/D/Y)	Closing price of security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
P. RANDY REIFEL President (acting as CEO), Chairman and Director	Options	900,000	2.15	12/14/2020	6.05	3.90	3,510,000
SAM WONG CFO	Options	37,500	3.30	7/17/2020	4.63	1.33	49,875
	Options	75,000	2.15	6/29/2020	5.21	3.06	229,500

## Stock Option Plans and Other Incentive Plans

### *Stock Option Plan*

Stock options may be granted to purchase Common Shares on terms that the Board of Directors may determine, with recommendations from the Corporate Governance and Compensation Committee and subject to the limitations of the Company's prevailing stock option plan and the requirements of applicable regulatory authorities. The Corporate Governance and Compensation Committee is mandated to review and make recommendations to the Board regarding the remuneration of executive officers, the granting of stock options to directors, executive officers, employees and consultants of the Company, and compensation policies, including the stock option plan.

Individual grants of stock options are determined by an assessment of the individual's current and expected future performance, level of responsibilities, the importance of the proposed optionee's position and contribution to the Company, and previous option grants and exercise prices.

The Company has a new "rolling 10%" Stock Option Plan (the "**New Option Plan**"), which was adopted by the Board of Directors on April 12, 2021. The New Option Plan replaces and supersedes the Company's previous "fixed number" stock option plan that was originally adopted in December 2012 and that authorized the issuance of up to 8,500,000 Common Shares for options. The New Option Plan must be approved by the shareholders and re-approved on an annual basis by the shareholders at each annual general meeting of the Company as required by the policies of the TSX Venture Exchange ("**TSX-V**"). See "Particulars of Matters to be Acted Upon—Approval of New "Rolling 10%" Stock Option Plan".

The New Option Plan includes the following provisions:

- The New Option Plan is administered by a "Committee" which means the Board of Directors of the Company or such committee of the Board of Directors that the Board of Directors has designated to administer the New Option Plan.
- Options may be granted to employees, directors, senior officers and consultants of the Company or of a subsidiary of the Company (and such other persons permitted by the TSX-V to be granted options) who are in the opinion of the Committee in a position to contribute to the success of the Company or any subsidiary of the Company or who, by virtue of their service to the Company or to any subsidiary of the Company (or to any predecessors of the Company or a subsidiary of the Company) are, in the opinion of the Committee, worthy of special recognition.

- Any options previously granted by the Company (the “**Outstanding Options**”) which were outstanding as at April 12, 2021 were deemed to have been issued under and will be governed by the New Option Plan.
- The number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the New Option Plan is 10% of the issued and outstanding Common Shares from time to time.
- The aggregate number of optioned Common Shares granted within a 12-month period to any one optionee must not exceed 5% of the issued and outstanding Common Shares.
- The number of optioned Common Shares granted within a 12-month period to any one consultant must not exceed 2% of the issued and outstanding Common Shares.
- The aggregate number of optioned Common Shares granted within a 12-month period to optionees who are employed to provide investor relations activities must not exceed 2% of the issued and outstanding Common Shares of the Company.
- The aggregate number of optioned Common Shares granted within a 12-month period to insiders of the Company must not exceed 10% of the issued and outstanding Common Shares.
- The exercise price for options granted under the New Option Plan will not be less than the market price of the Common Shares less applicable discounts permitted by the TSX-V.
- Options may be exercisable for a term of up to ten years, subject to earlier termination in the event of death or the optionee’s cessation of services to the Company or to extension if the expiry date is within a trading blackout period imposed by the Company to that date which is 10 business days after the trading blackout.
- Options granted under the New Option Plan are non-assignable and non-transferable, except by will or the laws of descent and distribution.
- Options granted to any optionee who is a director, senior officer, employee or consultant shall expire the earlier of: (a) that date which is 90 days after the optionee ceases to be in at least one of such categories unless an earlier date is provided for in the optionee’s option agreement; and (b) the expiry of the option period. The Committee may, in its sole discretion, extend the mentioned 90-day period in respect of any option for a specified period up to one year.
- For so long as the Common Shares are listed on the TSX-V, any Common Shares issued pursuant to the exercise of options that (a) were granted to an optionee who was a director, officer, promoter or significant shareholder of the Company; or (b) had an exercise price per share that was less than the market price, would be subject to a four-month hold period commencing on the date of grant of the option.
- The Committee may, in its discretion but subject to any necessary regulatory approvals, provide for the extension of the exercisability of an option for any period that is not beyond the applicable expiry date of the option, accelerate the vesting or exercisability of an option, eliminate or make less restrictive any restrictions governing an option, waive any restriction or other provision of the New Option Plan or an option or otherwise amend or modify the option in any manner that is either (a) not adverse to such optionee or (b) consented to by such optionee.
- The vesting schedule for each option shall be determined by the Committee at the time the option is granted and shall be specified in the option agreement in respect of the option.
- If there is a takeover bid or tender offer made for all or any of the issued and outstanding Common Shares, then the Committee may, by resolution, permit all outstanding options to become immediately exercisable in order to permit the Common Shares issuable under such options to be tendered to such bid or offer.
- Where a Change of Control (as defined in the New Option Plan) occurs, the Committee may, at its discretion, cause any and all outstanding options issued to optionees to automatically vest, whereupon such options may be exercised in whole or in part by any such optionee.

## ***Stock Bonus Plan***

The shareholders of the Company have also approved a Stock Bonus Plan (the “**Bonus Plan**”). The Bonus Plan enables bonus Common Shares to be issued to any full-time or part-time employee or independent contractor (whether or not a director) of the Company or any of its subsidiaries who has rendered services that contributed to the success of the Company or any of its subsidiaries. Grants of bonus Common Shares will be on terms that the Corporate Governance and Compensation Committee of the Board may determine, within the limitations of the Bonus Plan and subject to the rules and policies of applicable regulatory authorities. The maximum number of Common Shares issuable under the Bonus Plan is limited to 200,000 Common Shares. In addition, in any calendar year, the number of bonus Common Shares issuable to insiders of the Company, also taking options into account, is limited to 0.5% of the total number of Common Shares which were issued and outstanding at the end of the preceding calendar year, 10% of the issued and outstanding Common Shares, and no more than 5% of the issued and outstanding shares to any one person in a 12-month period. The maximum number of Common Share issuable under the Bonus Plan was exhausted on December 16, 2020, and as a result, the Bonus Plan is no longer active.

## **Employment, Consulting and Management Agreements or Arrangements**

### ***P. Randy Reifel, President (acting as CEO)***

Effective as of January 1, 2020, the Company and Brant Investments Ltd. (“**Brant**”) entered into a consulting agreement (the “**Brant Consulting Agreement**”) pursuant to which the Company agreed to pay Brant fees at the base rate of \$200,000 per year, which amount was increased to \$250,000 per year, effective January 1, 2021, subject to annual adjustment at the Board’s discretion, for the services of P. Randy Reifel to serve as President and a director of the Company. The initial term of the Brant Consulting Agreement was for a period of one year commencing on January 1, 2020 and is automatically renewed on each anniversary thereafter, until otherwise terminated in accordance with the terms of the Brant Consulting Agreement.

Under the Brant Consulting Agreement, if the Company terminates the services of Brant without cause, the Company shall pay to Brant upon termination an amount equal to three times (3x) the then applicable annual fee payable to Brant under the Brant Consulting Agreement, less any statutory deductions, all in lieu of notice, severance, damages or other payments of any kind whatsoever.

The Brant Consulting Agreement also provides that in the event that there is a change of control of the Company (as defined below) which has not been approved by the Board of Directors, Brant will have the option, exercisable for a period of six months following such event, to terminate the Brant Consulting Agreement. Upon such termination, the Company shall pay to Brant an amount equal to three times (3x) the then applicable base rate annual fee payable to Brant under the Brant Consulting Agreement, together with customary benefits or payment of the Company’s cost of benefits in lieu thereof and any bonuses which would accrue over the three-year period following such termination. If such termination were to occur as of December 31, 2020, Brant would have been paid the amount of \$600,000 pursuant to this provision.

For the purposes of the Brant Consulting Agreement, “change of control” means an occurrence (a) where less than 51% of the Board of Directors of the Company are composed of continuing directors; or (b) where any person or persons acting jointly or in concert acquires more than 50% of the total voting rights attached to all classes of shares then outstanding in the Company having under all circumstances the right to vote on any resolution concerning the election of directors. For the purposes of the Brant Consulting Agreement, a “continuing director” is an individual who becomes a member of the Board of Directors subsequent to the date of the Brant Consulting Agreement with the approval of at least a majority of the continuing directors who are members of the Board at the date that the individual became a member of the Board, provided always that any continuing director who abstained from voting in respect of or did not vote against the resolution of the Board appointing a member thereof subsequent to the date of the Brant Consulting Agreement, or who was not present at the meeting at which such resolution was considered, shall for the purposes of the definition of “continuing director” be deemed to have given his approval to the appointment to the Board of such member.

Commencing from the term of the Brant Consulting Agreement and ending one year following termination thereof, Brant shall not, and shall cause P. Randy Reifel to not, either individually or with any other person, whether as principal, agent, shareholder, officer, advisor, manager, employee or otherwise:

- (a) acquire, lease or otherwise obtain or control any beneficial, direct or indirect interest in mineral rights or other rights or lands necessary to develop any mineral property in which the Company and its affiliates at the time of termination holds or is actively seeking to acquire an interest or within a distance of five kilometres from any point on the outer perimeter of any such property,

- (b) conduct any exploration or production activities or otherwise work on or in respect of any mineral property within a distance of five kilometres from any point on the outer perimeter of any mineral property in which the Company and its affiliates then has a beneficial interest or is actively seeking to acquire,
- (c) solicit, divert or hire away, or attempt to solicit, divert, or hire away, any independent contractor or any person employed by any member of the Company and its affiliates or persuade or attempt to persuade any such individual to terminate his or her contract or employment with any member of the Company and its affiliates, or
- (d) impair or seek to impair the reputation of any member of the Company and its affiliates, or impair or seek to impair any relationships that any member of the Company and its affiliates has with its employees, customers, suppliers, agents or other parties with which any member of the Company and its affiliates does business or has contractual relations.

If, notwithstanding the prohibition set forth in the preceding paragraphs, Brant or its affiliates or P. Randy Reifel shall acquire, lease or otherwise obtain or control any interest, directly or indirectly, in breach of any of the preceding paragraphs, Brant shall notify the Company of such acquisition within the 30 days immediately following the date of such acquisition and Brant shall, upon demand by the Company, convey or cause to be conveyed such interest to the Company as soon as practicable thereafter, in consideration of the payment by the Company to Brant of the cost of acquisition.

### ***Sam Wong, CFO***

Effective as of January 1, 2018, the Company and Samina Capital Ltd. (“**Samina**”) entered into a consulting agreement (the “**Samina Consulting Agreement**”) pursuant to which the Company agreed to pay Samina a fee of \$5,250 per month (\$63,000 per year) for the services of Sam Wong to serve as Chief Financial Officer of the Company. The Samina Consulting Agreement is in effect for an indefinite term, subject to the termination provisions of the Samina Consulting Agreement. Under the Samina Consulting Agreement, Samina is not entitled to any additional payments as a result of a termination or change of control.

Compensation paid to Gerald Sneddon for his services as a consultant to the Company during the Company’s 2020 financial year and prior were made pursuant to an informal arrangement between the Company and Mr. Sneddon.

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

### ***Corporate Governance and Compensation Committee***

The Corporate Governance and Compensation Committee in 2020 consisted of Christian Falck, Lian Li and John Perston, all of whom are considered independent directors. One of the primary functions of the Corporate Governance and Compensation Committee is to monitor and make recommendations to the Board of Directors in respect of the total compensation paid by the Company to its directors and executive officers.

The Compensation Committee reviews annually, and submits to the Board of Directors for its approval, the total compensation (including direct salary and annual bonus as well as long term stock-related incentive plans) paid to each executive officer of the Company and paid to members of the Board as directors after taking into account any director compensation guidelines established by the Board. In accordance with TSX-V policies, any compensation paid to a director or executive officer of the Company must be approved by the independent members of the Corporate Governance and Compensation Committee.

The Corporate Governance and Compensation Committee is responsible for reviewing and considering corporate goals and objectives relevant to compensation for all executive officers, evaluating the performance of each executive officer in light of those corporate goals and objectives, and determining (or making recommendations to the Board of Directors with respect to) the level of compensation for the executive officers based on this evaluation. In considering compensation for the executive officers other than the President, the Corporate Governance and Compensation Committee is to take into account the recommendation of the President.

The Corporate Governance and Compensation Committee administers the Company’s stock option plan and makes decisions regarding option grants, including option terms and amendments, under the stock option plan, provided that, under the terms of the stock option plan, options for directors must be granted and approved by the Board of Directors.

There is no policy or target regarding cash and non-cash elements of the Company’s compensation program. The directors are of the view that all elements should be considered rather than any single element. No peer group is used when determining compensation. The Company does not currently provide the executive officers with personal benefits nor does the Company provide any additional compensation, other than discretionary grants of Common Shares under the Bonus Plan.

As an executive officer’s level of responsibility increases, a greater percentage of total compensation is based on performance (as opposed to base salary and standard employee benefits) as the mix of total compensation shifts towards a greater emphasis on bonus and stock options, thereby increasing the mutual interest between executive officers and shareholders. The level of base salary for each employee within a specified range is determined by past performance, as well as by the level of responsibility and the importance of the position to the Company.

With respect to long-term incentives, each year an executive may be awarded stock options. The amount of the long-term incentive is reviewed by the Corporate Governance and Compensation Committee for recommendation to the Board of Directors based on the philosophy, objectives and criteria outlined above, taking into account previous stock option grants.

For the 2020 financial year, the Company’s executive compensation consisted of a base salary. Salary compensation to the Named Executive Officers during the 2020 financial year and prior were provided for under informal consulting arrangements with the Named Executive Officers or their management companies, with the exception of P. Randy Reifel which the Company has engaged under the Brant Consulting Agreement. See “Employment, Consulting and Management Agreements or Arrangements” for a description of the 2020 employment arrangements for Messrs. Reifel, Sneddon and Wong.

The Company does not presently anticipate making any significant changes to its compensation policies and practices in respect of its financial year ending December 31, 2020.

#### Pension Disclosure

The Company does not provide a pension to any director or NEO.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information on the Company’s equity compensation plans under which Common Shares are authorized for issuance as at December 31, 2020.

#### EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (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 securityholders (Stock Option Plan) <sup>(1)</sup>	5,955,000	\$3.58	1,122,500 <sup>(2)</sup>
Equity compensation plans approved by securityholders (Share Bonus Plan)	Nil	Nil	Nil
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	5,955,000		1,122,500

(1) As at December 31, 2020, the Company had a fixed number stock option plan pursuant to which a maximum of 8,500,000 Common Shares were issuable in respect of options granted or assumed under the plan.

(2) Based on the maximum aggregate number of Common Shares reserved for issuance pursuant to options granted under the stock option plan (being 8,500,000) less the number of Common Shares deducted from that reserve further to exercises of options on or before December 31, 2020 (being 7,377,500), with the difference being a total of 1,122,500 Common Shares remaining available for future issuance under the stock option plan as at December 31, 2020 (being the sum of columns (a) and (c)).

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, no director or executive officer of the Company, no proposed nominee for election as a director of the Company, no associate of any such director, executive officer or proposed nominee (including companies controlled by them), no employee of the Company or any of its subsidiaries, and no former executive officer, director or employee of the Company or any of its subsidiaries, is indebted to the Company or any of its subsidiaries (other than for “routine indebtedness” as defined under applicable securities legislation) or is indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

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

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company’s last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as described below, no informed person (i.e. insider) of the Company, no proposed director of the Company, and no associate or affiliate of any informed person or proposed director has had any material interest, direct or indirect, in any transaction since January 1, 2020 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

On August 19, 2020, the Company completed a non-brokered private placement of 4,000,000 Common Shares at a price of \$5.00 per Common Share for aggregate gross proceeds of \$20,000,000 (the “**Private Placement**”). Eric Sprott, of Toronto, Ontario, acquired, through 2176423 Ontario Ltd., 2,500,000 Common Shares under the Private Placement for total consideration of \$12,500,000. The Sun Valley Master Gold Fund, Ltd. acquired 1,000,000 Common Shares under the Private Placement for total consideration of \$5,000,000. Peter Palmedo, of Ketchum, Idaho, exercises direct or indirect control or direction over the Common Shares held by The Sun Valley Master Gold Fund, Ltd. Each of Messrs. Sprott and Palmedo exercises direct or indirect control or direction over more than 10% of the issued and outstanding Common Shares. See “Voting Shares and Principal Holders Thereof”. Messrs. Sprott and Palmedo and their respective affiliated entities are parties at arms’ length to the Company and are not involved in the management of the Company.

On January 19, 2021, the Company completed the acquisition of Alderley Gold Corp. (“**Alderley**”), a private British Columbia mining technology Company (the “**Alderley Transaction**”) pursuant to a definitive agreement dated December 9, 2020 (the “**Agreement**”). Under the terms of the Agreement, the Company issued 10,000,000 Common Shares to the shareholders of Alderley (the “**Alderley Shareholders**”), resulting in the Alderley Shareholders collectively holding approximately 14.2% of the Common Shares of the Company on a fully diluted basis. The Common Shares were issued into escrow with release based on the satisfaction of certain time and milestone conditions over a 7 year period. Alan Pangbourne, as an indirect Alderley Shareholder, acquired beneficial ownership of 7,400,000 Common Shares as a result of the Alderley Transaction.

Pursuant to the terms of the Agreement, at the closing date of the Alderley Transaction, Alan Pangbourne became the Chief Executive Officer and a director of the Company, Randy Buffington became a director of the Company and Taje Dhatt became Vice President, Corporate Strategy and Development. In addition, Mr. Pangbourne was granted stock options to acquire 1,000,000 Common Shares, Mr. Buffington was granted stock options to acquire 250,000 Common Shares and Mr. Dhatt was granted stock options to acquire 600,000 Common Shares. The stock options were granted at an exercise price of \$4.56 per Common Share, and are exercisable for a term of five years from the date of the grant, vesting as to 25% annually on each anniversary of the date of grant. Each of Messrs. Pangbourne and Buffington are nominees of management of the Company for election as directors of the Company for the ensuing year and Mr. Dhatt is currently an executive officer of the Company.

## MANAGEMENT CONTRACTS

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

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Approval of New “Rolling 10%” Stock Option Plan

On April 12, 2021, the Board of Directors adopted the New Option Plan which, subject to shareholder and regulatory approval, replaces the Company’s previous fixed number stock option plan. The New Option Plan is a “rolling 10%” stock option plan pursuant to which up to 10% of the Company’s issued and outstanding Common Shares from time to time may be reserved for issuance pursuant to stock options granted or subject to the New Option Plan. If the New Option Plan is approved by the shareholders, all issued and outstanding stock options under previous stock option plans of the Company will be governed by and assumed under the New Option Plan.

A complete copy of the New Option Plan is set out in Appendix B to this Information Circular. For a summary of the material features of the New Option Plan, see “Director and Named Executive Officer Compensation — Stock Option Plans and Other Incentive Plans — Stock Option Plan”.

At the Meeting, shareholders are requested to consider and, if thought fit, to approve, ratify and confirm the adoption of the New Option Plan. The text of the proposed resolution is as follows:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The Company’s new Stock Option Plan (the “**New Option Plan**”), as set forth in Appendix B to the Company’s Information Circular dated April 12, 2021, be and is hereby approved as the Company’s new stock option plan, and that the Board of Directors of the Company be authorized to make any changes thereto as may be required by the TSX Venture Exchange;
2. Any officer or director of the Company is authorized and directed to execute and deliver all such documents and instruments and to do all such acts as in the opinion of such officer or director may be necessary or desirable to give effect to this resolution; and
3. Notwithstanding any of the foregoing, the Board of Directors of the Company is hereby authorized, at its sole discretion and without further approval of or notice to the shareholders of the Company, to revoke this ordinary resolution at any time prior to having received the TSX Venture Exchange’s final acceptance of the New Option Plan, and for greater certainty, this ordinary resolution shall be revoked if the Exchange does not approve of the New Option Plan.”

A simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the above resolution. If the above resolution in respect of the New Option Plan is not approved by the shareholders of the Company, the New Option Plan will terminate and the Company will revert to its previous “fixed number” stock option plan adopted in December 2012.

The New Option Plan is subject to the final approval of the TSX-V.

**Management of the Company believes that approval of the New Option Plan as described above is in the best interests of the Company and recommends that shareholders vote in favour of the ordinary resolution approving the New Option Plan.**

**In the absence of instructions to the contrary, the persons named in the form of proxy intend to vote for the approval of the New Option Plan.**

## 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 the Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy form to vote the shares represented thereby in accordance with their best judgment on such matter.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Financial information relating to the Company is provided in the Company's comparative consolidated financial statements and management's discussion and analysis for its financial year ended December 31, 2020, which are available on SEDAR at [www.sedar.com](http://www.sedar.com) and may also be obtained by sending a written request to the President of the Company at the Company's head office located at #201 – 1512 Yew Street, Vancouver, British Columbia, Canada V6K 3E4.

DATED as of the 12th day of April, 2021.

BY ORDER OF THE BOARD

*"P. Randy Reifel"*

P. RANDY REIFEL  
President and Director

## **APPENDIX A**

### **CHESAPEAKE GOLD CORP. (the “Company”)**

#### **AUDIT COMMITTEE CHARTER**

##### **Mandate**

The primary function of the audit committee (the “Committee”) is to assist the Board of Directors (“Board”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control systems and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditor; and
- provide an open avenue of communication among the Company’s auditor, financial and senior management and the Board of Directors.

##### **Composition**

The Committee shall be comprised of a minimum of three directors as determined by the Board, which directors may be “non-independent” directors so long as the Company is a “Venture Issuer” within the meaning of applicable securities legislation. A quorum of the Committee shall be a majority of the members. Each member will be a member of the Board. In the event of an equality of votes, the Chair of the Committee shall not have a second casting vote.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

##### **Meetings**

The Committee shall meet at least once annually, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer (or such person acting in that capacity) and the external auditor in separate sessions.

##### **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review
  - (a) review and update, if applicable or necessary, this Audit Committee Charter annually; and
  - (b) review the Company’s financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental

body, or to the public, including any certification, report, opinion, or review rendered by the external auditor.

2. External Auditor

- (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) obtain annually, a formal written statement of external auditor setting forth all relationships between the external auditor and the Company;
- (c) review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;
- (d) take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval;
- (f) recommend to the Board the compensation to be paid to the external auditor;
- (g) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) 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;
- (i) review with management and the external auditor the audit plan for the year-end financial statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent (5%) of the total amount of fees paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
  - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting & Internal Controls

- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditor's judgements about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
- (d) review significant judgements made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgements;
- (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
- (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other

- (a) review any related-party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) set and pay compensation for any independent counsel and other advisors employed by the Committee.

## APPENDIX B

### CHESAPEAKE GOLD CORP.

#### STOCK OPTION PLAN

(as adopted by the Board of Directors on April 12, 2021, subject to approval by the shareholders of the Company and TSX Venture Exchange approval)

#### 1. Objectives

The Plan is intended as an incentive to attract and retain qualified Employees, Directors, senior officers and Consultants of the Company and its subsidiaries, to promote a proprietary interest in the Company and its subsidiaries among such persons, and to stimulate the active interest of such persons in the development and financial success of the Company and its subsidiaries.

#### 2. Definitions

2.1 As used in the Plan, the terms set forth below shall have the following respective meanings:

- (a) “**Blackout Period**” has the meaning set out in section 8.7;
- (b) “**Board**” means the board of directors of the Company;
- (c) “**Business Day**” means a day on which banks are open for business in Vancouver, British Columbia, but does not include a Saturday, Sunday or statutory holiday in the Province of British Columbia;
- (d) “**Change of Control**” means the occurrence of any one or more of the following events:
  - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its affiliates and another corporation or other entity, as a result of which the holders of Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation immediately after completion of the transaction;
  - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets, rights or properties of the Company and its subsidiaries on a consolidated basis to any other person or entity, other than transactions among the Company and its subsidiaries;
  - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
  - (iv) any person, entity or group of persons or entities acting jointly or in concert (the “**Acquiror**”) acquires, or acquires control (including, without limitation, the power to vote or direct the voting) of, voting securities of the Company which, when added to the voting securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror to cast or direct the casting of 50% or more of the votes attached to all of the Company’s outstanding voting securities which may be cast to elect directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect directors);

- (v) as a result of or in connection with: (A) a contested election of directors of the Company; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its affiliates and another corporation or other entity (a “**Transaction**”), fewer than 50% of the Directors are persons who were directors of the Company immediately prior to such Transaction; or
- (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing definition of Change of Control, “**voting securities**” means Shares and any other shares entitled to vote for the election of directors of the Company and shall include any security, whether or not issued by the Company, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors, including any options or rights to purchase such shares or securities.

- (e) “**Committee**” means the Board or such committee of the Board that the Board may, in accordance with section 3.1 hereof, designate to administer the Plan;
- (f) “**Company**” means Chesapeake Gold Corp., a company existing under the laws of the Province of British Columbia;
- (g) “**Consultant**” means a person, other than an Employee, senior officer or Director of the Company or of a subsidiary of the Company, that:
  - (i) is engaged to provide services to the Company or a subsidiary of the Company, other than services provided in relation to a distribution of securities,
  - (ii) provides the services under a written contract with the Company or a subsidiary of the Company,
  - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or a subsidiary of the Company, and
  - (iv) has a relationship with the Company or a subsidiary of the Company that enables the person to be knowledgeable about the business and affairs of the Company or a subsidiary of the Company

and includes

- (v) for an individual Consultant, a corporation of which the individual Consultant is an employee or shareholder, and a partnership of which the individual Consultant is an employee or partner, and
- (vi) for a consultant that is not an individual, an employee, executive officer or director of the Consultant, provided that the individual employee, executive officer or director spends or will spend a significant amount of time and attention on the affairs and business of the Company or a subsidiary of the Company.
- (h) “**Date of Grant**” means the date an Option is granted by the Committee to the Optionee, subject to any regulatory or other approvals or conditions;
- (i) “**Director**” means a member of the Board of the Company or of a subsidiary of the Company or an individual who performs similar functions for the Company or a subsidiary of the Company;

- (j) **“Disinterested Shareholder Approval”** means the approval by a majority of the votes cast by all shareholders of the Company at a shareholders’ meeting, excluding votes attaching to Shares beneficially owned by Insiders to whom Options may be granted under the Plan and their associates;
- (k) **“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 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;
- (l) **“Exchange”** means the TSX-V or any other principal stock exchange on which the Shares may be listed from time to time;
- (m) **“Insider”** in relation to the Company means:
  - (i) a director or officer of the Company;
  - (ii) a director or officer of a company that is an Insider or 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;
- (n) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, except for such activities that the TSX-V specifically states to not be Investor Relations Activities;
- (o) **“Market Price”** in relation to a Share subject to an Option on the Date of Grant of the Option means the last closing price of the Shares on the Exchange before such Date of Grant;
- (p) **“Offer”** has the meaning set forth in section 8.3;
- (q) **“Option”** means an option to purchase Shares granted under or subject to the terms of the Plan, including the Pre-Plan Options;
- (r) **“Option Agreement”** means a written agreement between, and executed by, the Company and an Optionee that sets out the terms of an Option held by the Optionee as described in section 9;
- (s) **“Option Certificate”** means a certificate executed by the Company and delivered to an Optionee that sets out the terms of an Option held by the Optionee as described in section 9;
- (t) **“Option Period”** means the period during which an Option may be exercised;

- (u) **“Optionee”** means a person to whom an Option has been granted under the terms of the Plan or who holds an Option that is otherwise subject to the terms of the Plan;
- (v) **“Plan”** means this Stock Option Plan of the Company, as may be amended from time to time;
- (w) **“Pre-Plan Options”** has the meaning set forth in section 4.3;
- (x) **“Shares”** means common shares in the capital of the Company;
- (y) **“Significant Shareholder”** means a person holding securities of a company that carry more than 10% of the voting rights attached to that company’s securities both immediately before and after the transaction in which securities are issued, and who have elected or appointed or have the right to elect or appoint one or more directors or officers of that company; and
- (z) **“TSX-V”** means the TSX Venture Exchange or any successor stock exchange thereof.

### 3. **Administration of the Plan**

3.1 The Plan shall be administered by the Committee. With respect to Option grants to Directors of the Company, the Board shall serve as the Committee. With respect to any other Options, the Board may specifically constitute a committee of two or more directors of the Company as the Board may designate from time to time to serve as the Committee for the Plan, all of the members of which shall be and remain directors of the Company. Notwithstanding the foregoing, the Board may resolve to be the Committee to administer the Plan with respect to all of the Plan or certain participants and/or awards made or to be made under the Plan.

3.2 The Committee shall have full and exclusive power to interpret the Plan, to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Plan, and to reserve and issue Shares issuable pursuant to the exercise of Options. The Committee may, in its discretion but subject to any necessary approvals of any stock exchange or regulatory body having jurisdiction over the securities of the Company, provide for the extension of the exercisability of an Option, accelerate the vesting or exercisability of any Option, eliminate or make less restrictive any restrictions contained in an Option, waive any restriction or other provision of the Plan or an Option or otherwise amend or modify an Option in any manner that is either (a) not adverse to the Optionee holding such Option or (b) consented to by such Optionee. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Option in the manner and to the extent the Committee deems necessary or desirable to carry it into effect. Any decision of the Committee in the interpretation and administration of the Plan shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned. No member of the Committee shall be liable for anything done or omitted to be done by such member, by any member of the Committee or by any officer of the Company in connection with the performance of any duties under the Plan, except for such member’s own willful misconduct or as expressly provided by statute.

3.3 All administrative costs of the Plan shall be paid by the Company.

### 4. **Eligibility**

4.1 Options may be granted to Employees, Directors, senior officers, and Consultants of the Company or of a subsidiary of the Company (and such other persons permitted by the Exchange to be granted Options) who are, in the opinion of the Committee, in a position to contribute to the success of the Company or any subsidiary of the Company or who, by virtue of their service to the Company or to any subsidiary of the Company (or to any predecessors of the Company or a subsidiary of the Company) are, in the opinion of the Committee, worthy of special recognition. The granting of Options is entirely discretionary and nothing in this Plan shall be deemed to give any person any right to participate in this Plan or to be granted

an Option and designation of an Optionee in any year shall not require the designation of such person to receive an Option in any other year. The Committee shall consider such factors as it deems pertinent in selecting participants and in determining the amount and terms of their respective Options.

- 4.2 For Options granted to Employees or Consultants, the Company and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee or Consultant, as the case may be.
- 4.3 Any incentive stock options previously granted by the Company (the “Pre-Plan Options”) which remain outstanding as at April 12, 2021 will be deemed to have been issued under and will be governed by the terms of the Plan and, in the event of any inconsistency between the terms of the agreements governing the Pre-Plan Options and the terms of the Plan, the terms of such agreements shall govern. Any Shares issuable upon exercise of the Pre-Plan Options will be included for the purpose of calculating the amounts set out in sections 5 and 6 hereof.
- 4.4 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in exchange for outstanding options granted by the Company, any predecessor corporation of the Company or any subsidiary of the Company, whether such outstanding options are granted under the Plan, under any other stock option plan of the Company, any such predecessor corporation or any such subsidiary, or under any stock option agreement with the Company, any such predecessor corporation or any such subsidiary.
- 4.5 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in substitution for outstanding options of another company in connection with a plan of arrangement or exchange, amalgamation, merger, consolidation, acquisition of property or shares, or other reorganization between or involving such other company and the Company or any of its subsidiaries.

#### **5. Number of Shares Reserved under the Plan**

The maximum aggregate number of Shares issuable pursuant to the exercise of outstanding Options granted under or subject to the Plan, including Shares issuable upon exercise of the Pre-Plan Options, shall be 10% of the issued and outstanding Shares from time to time. Shares issuable under Options that have been cancelled or that have expired without being exercised continue to be issuable under the Plan.

#### **6. Number of Optioned Shares per Optionee**

The determination regarding the number of Shares that may be the subject of Options granted to each Optionee pursuant to an Option will be made by the Committee and will take into consideration the Optionee’s present and potential contribution to the success of the Company and applicable legal and regulatory requirements and, if and for so long as the Shares are listed on the TSX-V, shall be subject to the following limitations:

- (a) Subject to sections 6(b) and 6(c), an Option may not be granted under the Plan if such Option, together with all of the Company’s previously established and outstanding stock option plans or grants, could result at any time in:
- (i) the grant to Insiders (as a group), within a 12-month period, of an aggregate number of Options exceeding 10% of the issued and outstanding Shares (determined at the Date of Grant); or
  - (ii) the aggregate number of Options granted to any one Optionee (and companies wholly owned by that Optionee) within a 12-month period exceeding 5% of the issued and outstanding Shares (determined at the Date of Grant);
- (b) The aggregate number of Shares subject to Options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Shares (determined at the Date of Grant);

- (c) The aggregate number of Shares subject to Options granted to all Optionees retained or employed to provide Investor Relations Activities must not exceed 2% of the issued and outstanding Shares in any 12-month period (determined at the Date of Grant); and
- (d) Subject to any longer vesting period as may be set out in the related Option Agreement or Option Certificate, an Option granted to a Consultant performing Investor Relations Activities shall vest in stages over 12 months with no more than 25% of the Shares subject to the Option vesting in any three-month period.

## 7. **Price**

- 7.1 The exercise price per Share subject to an Option shall be determined by the Committee at the time the Option is granted, provided that the exercise price shall not be less than the Market Price or such other minimum exercise price as may be required or permitted by the Exchange.
- 7.2 Subject to applicable regulatory requirements and approval, the Committee may reprice the prevailing exercise price of an Option. Any reduction in the exercise price of an Option held by an Optionee who is an Insider at the time of the proposed amendment is, however, subject to Disinterested Shareholder Approval if and as may be required by the Exchange.

## 8. **Term and Exercise of Options**

- 8.1 The Option Period shall be determined by the Committee at the time the Option is granted and may be up to ten years from the Date of Grant, except as the same may be reduced pursuant to the provisions of section 10. Subject to the applicable maximum Option Period provided for in this section 8.1 and subject to applicable regulatory requirements and approvals, the Committee may extend the Option Period for an Option.
- 8.2 The vesting schedule for each Option shall be determined by the Committee at the time the Option is granted and shall be specified in the Option Agreement or Option Certificate in respect of the Option.
- 8.3 Notwithstanding the foregoing provision of this section 8:
  - (a) if there is a takeover bid or tender offer (the "Offer") made for all or any of the issued and outstanding Shares, then the Committee may, by resolution, permit all Options outstanding to become immediately exercisable in order to permit the Shares issuable under such Options to be tendered to the Offer. Any such exercise of the Option shall be deemed to occur immediately before the later of the completion of the Offer and the payment of Shares taken up by the offeror under the Offer. For greater certainty, however, if, for any reason:
    - (i) the Offer is not completed within the time specified therein, or
    - (ii) all of the Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Shares received upon such exercise or, in the case of section 8.3(a)(ii), the Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and, with respect to such returned Shares, the Option will be reinstated as if it had not been exercised and the terms upon which such Shares were to become vested pursuant to this section will be reinstated. If any Shares are returned to the Company under this section 8.3, the Company will immediately refund the exercise price to the Optionee for such Shares; and

- (b) if an Offer is made by an offeror at any time when an Option granted under the Plan remains unexercised, in whole or in part, the Committee may, by resolution and upon notifying each

Optionee of full particulars of the Offer, declare all Shares issuable upon the exercise of Options granted under the Plan to be vested and declare that the expiry date for the exercise of all unexercised Options granted under the Plan be accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer,

provided, however, that, if the Shares are listed on the TSX-V at the time of an Offer, any acceleration pursuant to this section 8.3 of the vesting of Options granted under the Plan to an Optionee performing Investor Relations Activities is subject to prior approval of the TSX-V.

- 8.4 Unless otherwise provided for at the time a grant is made pursuant to the Plan, where a Change of Control occurs, the Committee may, at its discretion, cause any and all outstanding Options issued to Optionees to automatically vest, whereupon such Options may be exercised in whole or in part by any such Optionee.
- 8.5 The vested portion of Options will be exercisable, either all or in part, at any time after vesting. If less than all of the Shares included in the vested portion of any Option are purchased, the remainder may be purchased, subject to the Option's terms, at any subsequent time prior to the expiration of the Option Period.
- 8.6 The exercise of any Option will be contingent upon receipt by the Company of payment for the full exercise price of the Shares being purchased in cash by way of certified cheque or bank draft. No Optionee or the legal representatives, legatees or distributees of the Optionee will be, or will be deemed to be, a holder of any Shares subject to an Option under the Plan unless and until certificates or other instruments for such Shares are issued to the Optionee or such other persons under the terms of the Plan.
- 8.7 If the end of the Option Period (or any earlier expiry date pursuant to section 10) for any Option occurs during, or within 10 Business Days following the end of, a period in which the trading of the Shares is restricted by the policies of the Company or is otherwise restricted by a trading blackout period formally imposed by the Company (each a "Blackout Period"), then the last day of the Option Period (or exercise period) for the Option shall be automatically extended to that date which is 10 Business Days following the end of such Blackout Period (the "Extension Period"); provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period so that the last day of the Option Period (or exercise period) for the Option shall be automatically further extended to that date which is 10 Business Days following the end of the last Blackout Period.
- 8.8 In lieu of exercising an Option in accordance with section 8.6, the Committee may permit an Optionee to elect to receive, without payment by the Optionee of any additional consideration, Shares equal to the value of the Option (or the portion thereof being exercised) by surrender of the Option at the head office of the Company, together with written notice, addressed to the secretary of the Company, reflecting such "cashless" exercise, in which event the Company shall issue to the Optionee a number of whole Shares computed using the following formula:

$$X = \frac{Y(A - B)}{A}$$

- Where:
- X = The number of whole Shares to be issued to the Optionee pursuant to the cashless exercise;
- Y = The number of Shares in respect of which the cashless exercise election is made;
- A = The market price of one Share on the date of cashless exercise of the Option;  
and
- B = The exercise price of the Option.

For the purposes of this section 8.8, the market price of one Share as of a particular cashless exercise date is the volume weighted average trading price of one Share on the Exchange, or another stock exchange where the majority of the trading volume and value of the Shares occurs, for the five trading days immediately preceding such date. For so long as the Shares are listed on the TSX-V, this section 8.8 shall not be operative unless permitted by the TSX-V

## 9. **Option Agreement or Option Certificate**

Upon the grant of an Option to an Optionee, the Company and the Optionee shall enter into an Option Agreement setting out the number of Shares subject to the Option, the exercise price per Share, the Option Period, and the vesting schedule for the Option (if any), and incorporating the terms and conditions of the Plan, any other requirements of applicable regulatory authorities, and such other terms and conditions as the Committee may determine are necessary or appropriate, subject to the terms of the Plan. Alternatively, upon the grant of an Option to an Optionee, the Company shall issue and deliver to the Optionee an Option Certificate (in lieu of an Option Agreement) which shall include the number of Shares subject to the Option, the exercise price per Share, the Option Period, and the vesting schedule for the Option (if any) and shall have attached thereto a copy of the Plan.

## 10. **Effect of Termination of Employment or Death**

10.1 Options granted under the Plan shall expire on the earlier of: (a) that date which is 90 days after the Optionee last ceases to be an Employee, Director, senior officer or Consultant of the Company or a subsidiary of the Company unless an earlier date is provided for in the Option Agreement or Option Certificate with respect to the Optionee's Option, and (b) the expiry of the Option Period. The Committee may, in its sole discretion, extend the "90 days" referred to in clause (a) to a period not exceeding one year.

10.2 Notwithstanding section 10.1, in the event of the death of an Optionee while in service to the Company or a subsidiary of the Company, each outstanding Option held by the Optionee (to the extent then vested and not exercised) shall be exercisable until the earlier of (a) the expiration of one year following such death unless an earlier date is provided for in the Option Agreement or Option Certificate with respect to the Optionee's Option, and (b) the expiry of the Option Period of the Option, but only by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or by the laws of descent and distribution.

10.3 Notwithstanding the foregoing provisions of this section 10 and subject to any applicable regulatory approvals, the Committee may, in its discretion, provide for the extension of the exercisability of an Option for any period that is not beyond the applicable expiry date of the Option, accelerate the vesting or exercisability of an Option, eliminate or make less restrictive any restrictions governing an Option, waive any restriction or other provision of this Plan or an Option or otherwise amend or modify the Option in any manner that is either (a) not adverse to such Optionee or (b) consented to by such Optionee.

## 11. **Adjustment in Shares Subject to the Plan**

11.1 The exercise price for and the number of Shares covered by an Option will be adjusted, with respect to the then unexercised portion of the Option, by the Committee from time to time (on the basis of such advice as the Committee considers appropriate, including, if considered appropriate by the Committee, a certificate of the auditor of the Company) in the event and in accordance with the provisions and rules set out in this section 11. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Committee, and any such determination will be binding on the Company, the Optionee and all other affected parties.

- (a) If a dividend is declared upon the Shares, payable in Shares (other than in lieu of dividends paid in the ordinary course), the number of Shares then subject to any Option shall be adjusted by adding to each such Share the number of Shares which would be distributable thereon if such Share had been outstanding on the date fixed for determining shareholders entitled to receive such stock dividend.

- (b) If the outstanding Shares are changed into or exchanged for a different number or kind of Shares or other securities of the Company or of another corporation, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then there shall be substituted for each Share subject to any Option the number and kind of Shares or other securities of the Company or another corporation into which each outstanding Share shall be so changed or for which each such Share shall be exchanged.
  - (c) If there is any change, other than as specified above in this section 11, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, then, if the Committee, in its sole discretion, determines that such change equitably requires an adjustment to be made in the number or kind of Shares then subject to any Option, an equitable adjustment shall be made in the number or kind of Shares, such adjustment shall be made by the Committee and be effective and binding for all purposes.
  - (d) If the Company distributes by way of a dividend, or otherwise, to all or substantially all holders of Shares, property, evidences of indebtedness or shares or other securities of the Company (other than Shares) or rights, options or warrants to acquire Shares or securities convertible into or exchangeable for Shares or other securities or property of the Company, other than as a dividend in the ordinary course, then, if the Committee, in its sole discretion, determines that such action equitably requires an adjustment in the exercise price of the Option or number of Shares subject to any Option, or both, such adjustment shall be made by the Committee and shall be effective and binding for all purposes.
- 11.2 In the case of any such substitution or adjustment as provided for in this section 11, the exercise price in respect of each Option for each Share covered thereby prior to such substitution or adjustment will be proportionately and appropriately varied, such variation shall generally require that the number of Shares or securities covered by the Option after the relevant event multiplied by the varied option exercise price be equal to the number of Shares covered by the Option prior to the relevant event multiplied by the original exercise price of the Option.
- 11.3 No adjustment or substitution provided for in this section 11 shall require the Company to issue a fractional share in respect of any Option. Fractional shares shall be eliminated.
- 11.4 The grant of an Option shall not affect in any way the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

## 12. **Non-Assignability**

All Options, benefits and rights accruing to any Optionee in accordance with the terms and conditions of the Plan are non-assignable and non-transferable, except as specifically provided in section 10.2 in the event of the death of the Optionee. During the lifetime of the Optionee, all such Options, benefits and rights may only be exercised by the Optionee.

## 13. **Employment**

Nothing contained in the Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with, or the provision of services to, the Company or any subsidiary of the Company, or interfere in any way with the right of the Company or any subsidiary of the Company to terminate the Optionee's employment or services at any time. Participation in the Plan by an Optionee is voluntary.

#### 14. **Record Keeping**

The Company shall maintain a register in which shall be recorded or maintained:

- (a) the name and address of each Optionee;
- (b) the number of Shares subject to Options granted to each Optionee, the number of Shares issued to each Optionee upon the exercise of Options, and the number of Shares subject to Options remaining outstanding;
- (c) a copy of each outstanding Option Agreement or Option Certificate; and
- (d) such other information as the Committee may determine.

#### 15. **Regulatory Approvals**

- 15.1 The Plan is subject to the approval of regulatory authorities having, or which may have, jurisdiction over the securities of the Company, and the Board is authorized to amend the text thereof from time to time in order to comply with any changes thereto required by such applicable regulatory authorities.
- 15.2 The obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchange or stock quotation system on which the Shares are listed for trading or quoted which may be required in connection with the authorization, issuance or sale of such Shares by the Company. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any exercise price for an Option paid to the Company shall be returned to the Optionee.

#### 16. **Hold Periods, Securities Regulation and Tax Withholding**

- 16.1 If and for so long as the Shares are listed on the TSX-V and in addition to any resale restrictions under applicable securities laws, for Options (a) having an exercise price per Share that is less than the Market Price or (b) granted to an Optionee who is a Director, senior officer or Significant Shareholder of the Company, any Shares issued on the exercise of such Options will be subject to a four-month hold period commencing on the particular Date of Grant of the Option, and certificates or other instruments for the Shares will bear a restrictive legend setting out any such applicable hold period.
- 16.2 Where necessary to effect exemption from registration or distribution of the Shares under securities laws applicable to the securities of the Company, an Optionee shall be required, upon the acquisition of any Shares upon the exercise of Options, to acquire such Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, and to present to the Committee an undertaking to that effect in a form acceptable to the Committee. The Committee may cause a legend or legends to be placed upon any certificates or other instruments for the Shares to make appropriate reference to applicable resale restrictions. The Committee may take such other action or require such other action or agreement by such Optionee as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration or qualification of any Options or the underlying Shares under any securities laws applicable to the securities of the Company.
- 16.3 The Committee and the Company may take all such measures as they deem appropriate to ensure that the Company's obligations under the withholding provisions under income tax laws applicable to the Company and other provisions of applicable laws are satisfied with respect to the issuance of Shares pursuant to the Plan or the grant or exercise of Options under the Plan.

16.4 Issuance, transfer or delivery of certificates or other instruments for Shares purchased pursuant to the Plan may be delayed, at the discretion of the Committee, until the Committee is satisfied that the applicable requirements of securities and income tax laws have been met.

## 17. **Amendment and Termination of Plan**

17.1 The Board reserves the right to amend or terminate the Plan at any time without shareholder approval if and when it is advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding Options granted under the Plan without the consent of the Optionee. Without limiting the generality of the foregoing, the Board may make the following types of amendments to the Plan without shareholder approval:

- (a) any amendment pertaining to the vesting provisions of each Option;
- (b) any amendment to the terms of the Plan relating to the effect of termination, cessation of employment, disability or death of an Optionee on the right to exercise Options;
- (c) any amendment as may be necessary or desirable to bring the Plan into compliance with securities, corporate or tax laws and the rules and policies of any stock exchange upon which the Shares are from time to time listed;
- (d) any amendment of a “housekeeping” nature including, but not limited to, amendments of a clerical, grammatical or typographical nature;
- (e) any amendment with respect to the administration of the Plan;
- (f) any amendment to correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (g) any other amendments, whether fundamental or otherwise, not requiring shareholder approval under applicable law or the rules, regulations and policies of any stock exchange on which the Company’s shares are listed and of all securities commissions or similar securities regulatory authorities having jurisdiction over the Company.

17.2 Any amendment to the Plan shall also be subject to any necessary approvals of any stock exchange or regulatory body having jurisdiction over the securities of the Company and, where applicable, the approval of the shareholders of the Company (except where an amendment is made pursuant to section 15.1 or the foregoing sections 17.1(a) to (g)).

17.3 Notwithstanding anything in this section 17, if and for so long as the Shares are listed on the TSX-V, amendments to any of the following provisions of the Plan will be subject to shareholder approval (or Disinterested Shareholder Approval if required by the TSX-V):

- (a) persons eligible to be granted Options under the Plan;
- (b) the percentage of Shares that may be reserved under the Plan for issuance pursuant to the exercise of stock options;
- (c) the limitations under the Plan on the number of Options that may be granted to any one person or any category of persons (such as, for example, Insiders);
- (d) the method for determining the exercise price of Options;
- (e) a reduction in the exercise price of an Option, other than for standard anti-dilution purposes;

- (f) the maximum term of Options;
  - (g) the expiry and termination provisions applicable to Options;
  - (h) any amendment that may modify or delete any of this section 17; and
  - (i) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to Optionees, especially Insiders, at the expense of the Company and its existing shareholders.
- 17.4 Subject to this Section 17 and the rules of the TSX-V, the exercise price of an Option may be amended only if at least 6 months have elapsed since the later of the date of commencement of the term of the Option, the date the Shares commenced trading on the TSXV, and the date of the last amendment of the exercise price.
- 17.5 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in Section 8.1.

**18. No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

**19. General Provisions**

- 19.1 Nothing contained in the Plan shall prevent the Company or any subsidiary of the Company from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the issuance of securities of the Company (subject to shareholder approval if such approval is required by applicable securities regulatory authorities) and such arrangements may be either generally applicable or applicable only in specific cases.
- 19.2 The validity, construction and effect of the Plan and any rules and regulations relating to the Plan and any Option Agreement or Option Certificate, and all determinations made and actions taken pursuant hereto shall be governed by and determined in accordance with the laws of the Province of British Columbia, Canada.
- 19.3 If any provision of the Plan or any Option is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person or Option, or would disqualify the Plan or any Option under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws or, if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Option, such provision shall be stricken as to such jurisdiction, person or Option and the remainder of the Plan and any such Option shall remain in full force and effect.
- 19.4 Neither the Plan nor any Option shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any subsidiary of the Company and an Optionee or any other person.
- 19.5 Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

20. **Effectiveness of the Plan**

The Plan shall be effective as of April 12, 2021, subject to its approval by the shareholders of the Company at the next general meeting of shareholders of the Company held after that date and subject to all necessary regulatory approvals pursuant to section 15 hereof. If and for so long as the Shares are listed on the TSX-V, the continued effectiveness of the Plan is subject to annual approval of the Plan by the shareholders of the Company at each subsequent annual general meeting of the Company and annual approval of the Plan by the TSX-V as soon as practicable following such shareholder approval.