



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
AND MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO AN ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS OF MAKO MINING CORP.**

to be held on August 27, 2020

MAKO MINING CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of holders of common shares (“**Shareholders**”) of Mako Mining Corp. (“**Mako Mining**” or the “**Company**”) will be held at the offices of Cassels Brock & Blackwell LLP, 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3C2, and via live webcast and teleconference, on August 27, 2020 at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive and consider the financial statements of the Company, together with the auditor’s report thereon, for the eight months ended December 31, 2019 (being the Company’s “transition year” following its change of year end from April 30th to December 31st);
2. to fix the number of directors of the Company at seven (7);
3. to elect directors for the ensuing year;
4. to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider and, if thought fit, to approve an ordinary resolution to re-approve the Company’s stock option plan;
6. to consider and, if thought fit, to approve an ordinary resolution to approve certain amendments and updates to the Company’s articles, including the addition of advance notice provisions;
7. to consider and, if thought fit, to approve an ordinary resolution authorizing the consolidation of all of the issued and outstanding common shares of the Company (“**Common Shares**”) on the basis of twenty (20) pre-consolidation Common Share for one (1) post-consolidation Common Share; and
8. to transact such further and other business as may properly be brought before the Meeting or any postponement or adjournment thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the management information circular dated July 13, 2020 (the “**Information Circular**”). Shareholders are reminded to review the Information Circular before voting.

In light of current advice from governmental and medical authorities on public gatherings, Mako is encouraging shareholders and others not to attend the Meeting in person. As part of our priority to protect the health and safety of the public and our team members in light of the impact of COVID-19, we are requesting that shareholders vote their shares by proxy prior to the Meeting, as per the voting and proxy instructions that are set out in the Information Circular, and participate in the Meeting by way of the live webcast or teleconference, via the access details set forth below. Any shareholder attending the Meeting via the live webcast or teleconference will not be able to vote during the Meeting. Only shareholders who are present in person at the Meeting are able to vote during the Meeting. Accordingly, in order that as many Common Shares as possible are represented at the Meeting, shareholders are encouraged to vote their shares via proxy vote prior to the proxy cut-off time of 10:00 a.m. (Toronto time) on August 25, 2020.

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL in advance of the Meeting start time in order to first register and join:

<https://us02web.zoom.us/j/84131655828?pwd=d3lZVEc4cjJjSDVtWWxPYVU3QVRTZz09>

Password: 606899

Join by phone:

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

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

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

Webinar ID: 841 3165 5828

Password: 606899

International numbers available: <https://us02web.zoom.us/j/kebcNs8oVC>

The Company is using the notice-and-access system (“**Notice-and-Access**”) under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 *Continuous Disclosure Obligations* to distribute the Notice of Meeting and Information Circular to Shareholders. Notice-and-Access allows the Company to post electronic versions of its proxy-related materials on SEDAR and on the Company’s website, rather than mailing paper copies to Shareholders. This alternative means of distribution of the Company’s proxy-related materials is more environmentally friendly by reducing paper use, and also reduces printing and mailing costs of the Company. Note that Shareholders still have the right to request paper copies of the proxy-related materials posted online by the Company under Notice-and-Access if they so choose.

The proxy-related materials are available under the Company’s profile on SEDAR at www.sedar.com and on the Company’s website at <https://www.makominincorp.com/investors/agg/>. As noted above, the Company will provide to any Shareholder, free of charge, a paper copy of the Information Circular upon request to the Company at 1-800-319-7310 or by email at info@makominincorp.com up to one year from the date the Information Circular is filed on SEDAR. Shareholders who wish to receive a paper copy of the Information Circular in advance of the Meeting should make such request to the Company by no later than August 18, 2020, in order to allow reasonable time to receive and review the Information Circular prior to the proxy deadline of 10:00 a.m. (Toronto time) on August 25, 2020. The Information Circular will be sent to Shareholders within three (3) business days of their request if such request is made prior to the date of the Meeting. Following the Meeting, the Information Circular will be sent to such shareholders within 10 days of their request.

Shareholders will receive a paper copy of a notice package (the “**Notice Package**”) under Notice-and-Access via pre-paid mail containing: (i) a notification regarding the Company’s use of Notice-and-Access and how the proxy-related materials may be obtained, (ii) a form of proxy (if you are a registered Shareholder) or a voting instruction form (if you are a beneficial Shareholder), and (iii) a supplemental mailing list return card to elect to receive paper copies of the Company’s financial statements and management’s discussion and analysis.

The consolidated annual financial statements (the “**Annual Financial Statements**”) and related management’s discussion and analysis (“**MD&A**”) of the Company for the eight months ended December 31, 2019 (being the Company’s “transition year” following its change of year end from April 30th to December 31st), have previously been mailed to those Shareholders who had requested to receive them by indicating (where marked) on the form of proxy or voting instruction form, as applicable, or through completing the supplemental mailing list return card distributed to Shareholders in connection with the Company’s 2019 Annual and Special Meeting of Shareholders. The Annual Financial Statements and MD&A are available under the Company’s profile on SEDAR at www.sedar.com and on the Company’s website at www.makominatingcorp.com/investors/financial-reports. Shareholders may also request paper copies of the Annual Financial Statements and MD&A, free of charge, by calling 1-800-319-7310 or via email at info@makominatingcorp.com.

The record date for determining the Shareholders entitled to receive notice of and vote at the Meeting is the close of business on July 9, 2020 (the “**Record Date**”). Only Shareholders whose names have been entered in the register of Shareholders as of the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting.

Shareholders who are unable or choose not to attend the Meeting in person are requested to complete, date and sign the form of proxy contained in the Notice Package (in the return envelope provided for that purpose), or, alternatively, to vote by telephone, or over the internet, in each case in accordance with the instructions set out in the notice Package. The completed proxy form must be deposited at the office of Computershare Trust Company of Canada, 100 University Avenue 8th Floor, Toronto, Ontario, M5J 2Y1 by mail, or the proxy vote must otherwise be registered in accordance with the instructions set forth in the Notice Package. Non-registered Shareholders who receive the proxy-related materials through their broker or other intermediary should complete and send the form of proxy or voting instruction form delivered in the Notice Package in accordance with the instructions provided by their broker or intermediary.

To be effective, a proxy must be received by Computershare not later than 10:00 a.m. (Toronto time) on August 25, 2020, or in the case of any postponement or adjournment of the Meeting, not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the postponed or adjourned meeting. **Late proxies may be accepted or rejected by the Chairperson of the Meeting in his or her discretion. The Chairperson is under no obligation to accept or reject any particular late proxy.**

DATED this 13th day of July, 2020.

**BY ORDER OF THE BOARD OF
DIRECTORS OF MAKO MINING CORP.**

“Akiba Leisman”

Akiba Leisman
Chief Executive Officer and Director

MAKO MINING CORP.
MANAGEMENT INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

Time, Date and Place

The Meeting will be held at the offices of Cassels Brock & Blackwell LLP, 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3C2 on August 27, 2020 at 10:00 a.m. (Toronto time), as well as by live webcast and teleconference.

In light of current advice from governmental and medical authorities on public gatherings, Mako is encouraging shareholders and others not to attend the Meeting in person. As part of our priority to protect the health and safety of the public and our team members in light of the ongoing impact of COVID-19, we are requesting that shareholders vote their shares by proxy prior to the Meeting, as per the voting and proxy instructions that are set out in the Circular, and participate in the Meeting by way of the live webcast or teleconference, via the access details set forth below. Any shareholder attending the Meeting via the live webcast or teleconference will not be able to vote during the Meeting. Only shareholders who are present in person at the Meeting are able to vote during the Meeting. Accordingly, in order that as many Common Shares as possible are represented at the Meeting, shareholders are encouraged to vote their shares via proxy vote prior to the proxy cut-off time of 10:00 a.m. (Toronto time) on August 25, 2020.

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Webinar ID: 841 3165 5828

Password: 606899

International numbers available: <https://us02web.zoom.us/j/kebcNs8oVC>

Notice-and-Access

The Company is using the Notice-and-Access system under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 *Continuous Disclosure Obligations* to distribute its proxy-related materials to Shareholders.

Under Notice-and-Access, rather than the Company mailing paper copies of the proxy-related materials to Shareholders, the materials can be accessed online under the Company's profile on SEDAR at www.sedar.com or on the Company's website at <https://www.makominingcorp.com/investors/agm/>. The Company has adopted this alternative means of delivery for its proxy-related materials in order to reduce paper use and printing and mailing costs.

Shareholders will receive a Notice Package by prepaid mail, which will contain, among other things, information on Notice-and-Access and how Shareholders may access an electronic copy of the proxy-related materials, and how they may request a paper copy of the Information Circular, if they so choose, in advance of the Meeting and for a full year following the Meeting.

Shareholders will not receive a paper copy of the Information Circular unless they contact the Company, toll free, at 1-800-319-7310 or by email at info@makominingcorp.com. For Shareholders who wish to receive a paper copy of the Information Circular in advance of the voting deadline for the Meeting, requests must be received **no later than August 18, 2020**.

Shareholders with questions about Notice-and-Access may contact Computershare at 1-800-564-6253.

Record Date

The record date for determining the Shareholders entitled to receive notice of and to vote at the Meeting is July 9, 2020. Only Shareholders of record as of the close of business (Toronto time) on the Record Date are entitled to receive notice of and to vote at the Meeting.

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management of Mako Mining for use at the Meeting and any postponement or adjournment thereof for the purposes set forth in the Notice of Meeting. It is expected that the solicitation of proxies will be made primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone by directors, officers or employees of Mako Mining to whom no additional compensation will be paid.

Appointment of Proxyholder

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of Mako Mining (the "**Management Proxyholders**").

A Shareholder has the right to appoint a person other than a Management Proxyholder, to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the proxy form provided. A proxyholder need not be a Shareholder.

Voting By Proxy

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted in favour of or be withheld from voting on or be vote against each matter referred to in the Notice of Meeting, as applicable, in accordance with the instructions of the Shareholder, on any ballot that may be called for, and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote FOR the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

Completion and Return of Proxy

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Trust Company of Canada, 100 University Avenue 8th Floor, Toronto, Ontario, M5J 2Y1, not later than 10:00 a.m. (Toronto time) on August 25, 2020 or, in the case of any postponement or adjournment of the Meeting, forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the postponed or adjourned Meeting. Late proxies may be accepted or rejected by the Chairperson of the Meeting, in his or her discretion. The Chairperson is under no obligation to accept or reject any late proxies.

Non-Registered Holders

Only Shareholders whose names appear on the records of Mako Mining as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of Mako Mining are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "**Nominee**"). If you purchased your shares through a broker, you are likely an unregistered holder.

The Company has distributed copies of the Notice Package to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Notice Package to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to Mako Mining are referred to as “non-objecting beneficial owners (“NOBOs”). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to Mako Mining are referred to as “objecting beneficial owners” (“OBOs”).

Mako Mining is not sending the proxy-related materials directly to NOBOs in connection with the Meeting, but rather has distributed copies of Notice Package using Notice-and-Access to the Nominees for distribution to NOBOs.

Mako Mining does not intend to pay for Nominees to deliver the Notice Package and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive such materials unless the OBO’s intermediary assumes the cost of delivery.

Revocability of Proxy

Any registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered Shareholder, his or her attorney authorized in writing or, if the registered Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of Mako Mining at 595 Burrard Street, Suite 2833, Vancouver, British Columbia, V7X 1J1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the Chairperson of the Meeting on the day of the Meeting.

Quorum

A quorum at meetings of Shareholders consists of one person present or represented by proxy.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the “**shares**”), of which 584,526,484 are issued and outstanding as of July 13, 2020. Holders of shares are entitled to cast one vote per share.

Any holder of shares of record at the close of business on July 9, 2020 who either personally attends the Meeting or who has completed and delivered a proxy in the manner specified, subject to the provisions described above, will be entitled to vote or to have such Shareholder’s shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, the only persons or companies who beneficially own, control or direct, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company is as follows:

Name	No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾	Percentage of Outstanding Shares
Wexford Capital LP ⁽²⁾	322,603,234	55.19%

Notes:

- (1) Information as to ownership of shares has been provided by Wexford Capital LP (“**Wexford**”) on behalf of private funds managed by Wexford, namely Wexford Catalyst Trading Limited, Wexford Spectrum Trading Limited and Wexford Focused Investors LLC (collectively, the “**Wexford Funds**”). See also “*Interests of Informed Persons in Material Transactions*”.
- (2) Messrs. Akiba Leisman, Chief Executive Officer and a director of the Company, Cesar Gonzalez, Vice President, Corporate Development of the Company and John Pontius, a director of the Company, are consultants of Wexford and Mr. Paul Jacobi is a partner at Wexford.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Elements of Executive Compensation

The Company's current executive compensation program consists of an annual base salary and long term incentives in the form of stock options granted under the stock option plan of the Company (the "**Stock Option Plan**"). A copy of the Stock Option Plan is attached to this Information Circular as Appendix "A".

The base salaries paid to officers of the Company are intended to provide fixed levels of pay that reflect each officer's primary duties and responsibilities and the level of skill and experience required to successfully perform their role. The Company's goal is to pay base salaries to its officers that are competitive when compared to those holding similar positions in companies of comparable stage of development within the mining industry, in order to attract and retain executive talent in the market in which the Company competes for talent. Base salaries are reviewed annually by the Company's Compensation Committee (the "**Compensation Committee**").

The incentive component of the Company's compensation program is the potential longer term reward provided through the grant of stock options. The Stock Option Plan is intended to attract, retain and motivate the officers and directors of the Company, and to align the interests of those individuals with those of the Company's shareholders with a view to driving growth and enhancing shareholder value. The Stock Option Plan provides such individuals with an opportunity to acquire a proprietary interest in the Company's value growth through the exercise of stock options. Options are granted at the discretion of the Company's board of directors (the "**Board**"), with the assistance of the Compensation Committee, which considers factors such as how other junior exploration companies grant options and the potential value that each optionee is contributing to the Company in determining the number of options granted to each individual. Stock options are granted at an exercise price of not less than the prevailing market price of the Company's common shares at the time of the grant, and for a term of exercise not exceeding ten years. See "*Particulars of Matters to be Acted Upon – Re-Approval of the Stock Option Plan*" for additional details regarding the Stock Option Plan.

Shareholders will be asked at the Meeting to consider, and if deemed appropriate, to re-approve the Stock Option Plan in accordance with the rules of the TSXV. For details, see "*Particulars of Matters to be Acted Upon – Re-Approval of the Stock Option Plan*".

The Company has not currently identified specific performance goals or benchmarks related to executive compensation, but does, from time to time, review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within the Company's industry. The stage of the Company's development and the small size of its specialized management team allow frequent communication and constant management decisions in the interest of developing shareholder value as a primary goal. As the Company progresses into a revenue producing entity, and performance goals are more apt to be delegated, particular performance goals will become more relevant and measurable, and, accordingly, included in the executive compensation structure.

Compensation Policies and Risk Management

The Board considers the implications of the risks associated with the Company's compensation program and practices when determining rewards for its officers. The Board reviews, at least once annually, the risks, if any, associated with the Company's compensation program and practices.

Executive compensation is currently comprised of short-term compensation in the form of a base salary and long-term incentives through the Stock Option Plan. This structure ensures that a significant portion of executive compensation, being in the form of stock options, is both long-term and "at risk"

and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their short-term compensation at the expense of the Company and the shareholders is mitigated. Furthermore, the short-term component of executive compensation (base salary) represents a smaller part of the total compensation. As a result, it is unlikely an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the small size of the Company and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation program and practices. Risks, if any, may be identified and mitigated through Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Hedging of Economic Risks in the Company's Securities

The Company has not adopted a policy prohibiting directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by directors or officers. However, the Company is not aware of any directors or officers having entered into this type of transaction.

Option-based Awards

The Stock Option Plan has been and will be used to provide common share purchase options, which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the "TSXV"), and closely align the interests of the executive officers with the interests of shareholders.

The Board, together with the assistance of the Compensation Committee, has the responsibility to administer the compensation program related to the executive management of the Company, including option-based awards.

Compensation Governance

The Company's compensation philosophy for its Named Executive Officers (as hereinafter defined) is designed to attract well qualified individuals in what is essentially an international market by paying competitive base salaries plus long term incentive compensation in the form of stock options. The Compensation Committee makes its recommendations, without reference to formal objectives, criteria or analysis, to the Board, which meets to discuss and determine executive compensation. In making its determinations regarding the various elements of executive compensation, the Board does not benchmark its executive compensation program, but from time to time does review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within the Company's industry and geographic location while taking into account the financial and other resources of the Company. The Company does not currently use a compensation consultant.

The Company's Compensation Committee is currently comprised of John Pontius (independent) who is the Chair, John Hick (independent) and John Stevens (independent). The role of the Compensation Committee is, in part, to assist the Board in approving and monitoring the Company's practices with respect to compensation. The Compensation Committee members have significant experience in the

mining sector as senior executives and as members of the boards of directors and committees of other public corporations. Each member draws on his respective management and executive compensation experience to provide relevant compensation-related expertise. The Board is confident that the collective experience of the Compensation Committee members ensures that the Compensation Committee has the knowledge and experience to execute its mandate effectively and to make executive compensation decisions in the best interests of the Company.

The duties and responsibilities of the Chief Executive Officer are typical of those of a business entity of the Company's size and stage of development within the mining industry. The primary role of the Chief Executive Officer of the Company is to manage the Company in an effective, efficient and forward-looking way and to fulfil the priorities, goals and objectives determined by the Board in the context of the Company's strategic plans, budgets and responsibilities set out below, with a view to increasing shareholder value.

Summary Compensation Table

The following table sets forth all annual and long term compensation of the Named Executive Officers of the Company for each of the three most recently completed financial years of the Company. "Named Executive Officer" or "NEO" refers to (a) each individual who, during any part of the most recently completed financial year, served as chief executive officer ("CEO"), including an individual performing functions similar to a chief executive officer; (b) each individual who, during any part of the most recently completed financial year, served as chief financial officer ("CFO"), including an individual performing functions similar to a chief financial officer; (c) the most highly compensated executive officer, other than the individuals identified in (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year; and (d) each individual who would be a named executive officer under (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year. The Named Executive Officers of the Company for the most recent year end, being the eight-month period ended December 31, 2019 (the "Transition Year"), were Akiba Leisman, the Company's CEO and Scott Kelly, the Company's CFO and Corporate Secretary. *All dollar amounts referenced in this Information Circular are expressed in Canadian dollars, unless otherwise indicated.*

NEO Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽⁵⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Akiba Leisman ⁽²⁾ CEO	2019 ⁽¹⁾	99,233	Nil	483,292	Nil	Nil	Nil	19,973	602,498
	2019	Nil	Nil	Nil	Nil	Nil	Nil	12,003	12,003
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Scott Kelly ⁽³⁾ CFO and Corporate Secretary	2019 ⁽¹⁾	131,250	Nil	17,211	Nil	Nil	Nil	Nil	148,461
	2019	75,000	Nil	Nil	Nil	Nil	Nil	Nil	75,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Reflects compensation earned during the Transition Year ended December 31, 2019.

- (2) Mr. Leisman was appointed by the Board as the Interim CEO of the Company on March 13, 2019 and as the CEO on August 9, 2019. Mr. Leisman provided services through Xiphias Management Services, which is controlled by Mr. Leisman, and earned \$99,233 (US\$73,500 based on an average exchange rate of US\$1.00 = \$1.3501 during the eight month period ended December 31, 2019) for his role as CEO during the Transition Year. Mr. Leisman is also a director of the Company and earned \$12,003 for his role as a director for the year ended April 30, 2019, and \$19,973 for his role as a director for the Transition Year.
- (3) Mr. Kelly was appointed as Interim CFO and Corporate Secretary of the Company on November 9, 2018 and as CFO on March 13, 2019. Mr. Kelly provides services as CFO and Corporate Secretary of the Company through Tuareg Consulting Inc., a company controlled by Mr. Kelly.
- (4) The Company used the Black-Scholes pricing model as the methodology to calculate the grant date fair value for options granted, and relied on the following the key assumptions and estimates for each calculation: (i) risk free interest rate of 1.51%; (ii) expected dividend yield of 0%; (iii) expected volatility of 66.02%; and (iv) an expected term of up to five years. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out all the option-based and share-based awards outstanding as at December 31, 2019, for each NEO:

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	Number of Shares Or Units Of Shares That Have Not Vested (#)	Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value Of Vested Share-Based Awards not paid out or distributed (\$)
Akiba Leisman CEO	5,265,000	0.1625	August 6, 2024	987,188	Nil	Nil	Nil
	5,265,000	0.2250	August 6, 2024	658,125			
	5,265,000	0.2875	August 6, 2024	329,063			
	5,265,000	0.3500	August 6, 2024	Nil			
Scott Kelly CFO and Corporate Secretary	187,500	0.1625	August 6, 2024	35,156	Nil	Nil	Nil
	187,500	0.2250	August 6, 2024	23,438			
	187,500	0.2875	August 6, 2024	11,719			
	187,500	0.3500	August 6, 2024	Nil			

Note:

- (1) Value of unexercised in-the-money options is calculated based on the difference between the market value of the Company's common shares as at December 31, 2019 and the exercise price of the options. The closing price of the Company's shares on the TSXV on December 31, 2019 was \$0.35 per share.

Incentive Plan Awards – Value Vested or Earned During the Transition Year

Name	Option-Based Awards - Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards - Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Akiba Leisman, CEO	307,490	Nil	Nil
Scott Kelly, CFO and Corporate Secretary	10,951	Nil	Nil

Note:

- (1) The Company used the Black-Scholes pricing model as the methodology to calculate the grant date fair value for options granted during the Transition Year and relied on the following the key assumptions and estimates for each calculation under the following assumptions: (i) risk free interest rate of 1.51%; (ii) expected dividend yield of 0%; (iii) expected volatility of 66.02%; and (iv) an expected term of up to five years.

The Company does not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to the NEOs.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Company has no compensatory plan, contract or agreement with any NEO, except as follows.

Akiba Leisman

Mr. Leisman serves as the CEO of the Company and currently receives a base salary from Mako Mining in the amount of \$7,500 per year pursuant to the terms of an employment agreement with Mako Mining, entered into effective October 1, 2019. Pursuant to the employment agreement, Mr. Leisman provides general management and oversight of all operational, administrative, financial and legal matters affecting Mako Mining and such other additional services as may be agreed to from time to time. The employment agreement with Mako Mining provides that Mr. Leisman may terminate his employment by providing the Company with 60 days prior written notice and, in the event of such termination, Mr. Leisman shall be entitled to all compensation accrued through the effective date of such termination and no further rights to compensation or benefits from the Company. In the event Mr. Leisman's employment is terminated by the Company without cause, the Company must provide Mr. Leisman with the greater of: (i) twelve (12) months notice of termination or base salary in lieu of such notice; or (ii) the minimum entitlements to notice of termination and severance pay, if applicable, under the *Employment Standards Act, 2000*, as amended (the "ESA"). Mr. Leisman's participation under employee benefits will continue for such minimum period as required by the ESA. In the event Mr. Leisman is terminated in connection with a change of control of the Company, he shall be entitled to receive compensation equal to twelve (12) months of his then current base salary, which shall be paid over a twelve-month period, subject to Mr. Leisman executing a non-revocable standard form of release acceptable to the Company.

Mr. Leisman also has a consulting agreement through his wholly owned company, Xiphias Management Services, with the Company's subsidiary, Mako US Corp. ("Mako US") pursuant to which he is paid US\$14,700 per month (US\$176,400 per annum) to provide ongoing consultation to Mako US regarding its management services business, including executive, managerial and administrative activities assigned to him by Mako US, entered into effective August 1, 2019. The consulting agreement provides that either Mako US or Mr. Leisman may terminate the consulting agreement by providing 60 days prior written notice and, in the event of termination without cause, Mr. Leisman shall be entitled to any fees then due and payable for services completed to the date of termination. In the event Mr. Leisman's consulting agreement is terminated as a result of a change or control of the Company, Mr. Leisman shall be entitled to receive the greater of (a) the amount represented by 12 months of consulting fees, or (b) the total cash compensation received by Mr. Leisman in the trailing 12 months prior to the change of control.

Scott Kelly

Mr. Kelly serves as the CFO and Corporate Secretary of the Company. The Company has a consulting services agreement with Tuareg Consulting Inc. ("Tuareg"), effective November 9, 2018, as amended, for the provision of CFO and Corporate Secretary services through Tuareg's principal and controlling shareholder, Mr. Kelly. Pursuant to the terms of the consulting services agreement, during the fiscal year ended April 30, 2019, the Company paid a monthly base salary of \$12,500 to Tuareg. During the Transition Year, the Company entered into an amended consulting services agreement with Tuareg and paid a monthly base salary of \$16,250 to Tuareg. The amended consulting services agreement

provides that in the event the Company terminates the agreement, Tuareg or Mr. Kelly is entitled to twelve (12) months' fees of his then current monthly base salary, effective from the date of the written notice of termination to Tuareg. There are no conditions or obligations that Tuareg or Mr. Kelly must comply with in order to receive the termination payment. Except as set out above, there are no other obligations to compensate Mr. Kelly on resignation, retirement or any other termination.

Payments on a Termination/Change of Control as of December 31, 2019:

Assuming a termination without cause or on a change of control occurred as of December 31, 2019, it is estimated that Messrs. Leisman and Kelly would be entitled to the following payments:

<i>Name of NEO</i>	<i>Termination Without Cause/Change of Control Payments (\$)</i>
Akiba Leisman, <i>CEO</i>	229,108 ⁽¹⁾
Scott Kelly, <i>CFO and Corporate Secretary</i>	195,000

Note:

(1) Approximately US\$176,400 using an exchange rate of US\$1.00 = \$1.2988 as of December 31, 2019.

Director Compensation

The following table sets forth all amounts of compensation provided to the directors of the Company (who are not also a NEO) during the Company's Transition Year end dated December 31, 2019. Note that current director, Mr. Mario Caron, was not appointed as a director of the Company until June 5, 2020, following the Company's December 31, 2019 year-end, and is therefore not included in the following director compensation tables.

<i>Director Name</i> ⁽¹⁾	<i>Fees Earned (\$)</i>	<i>Share-Based Awards (\$)</i>	<i>Option-Based Awards (\$)</i> ⁽⁷⁾	<i>Non-Equity Incentive Plan Compensation (\$)</i>	<i>Pension Value (\$)</i>	<i>All Other Compensation (\$)</i>	<i>Total (\$)</i>
John Hick	26,630	Nil	3,442	Nil	Nil	Nil	30,072
John Conlon ⁽²⁾	17,772	Nil	2,295	Nil	Nil	Nil	20,067
Rael Lipson	16,644	Nil	2,295	Nil	Nil	Nil	18,939
Cesar Gonzalez ⁽³⁾	16,644	Nil	260,234	Nil	Nil	Nil	276,878
John Pontius	16,644	Nil	2,295	Nil	Nil	Nil	18,939
John Stevens ⁽²⁾	1,834	Nil	Nil	Nil	Nil	Nil	1,834
Paul Jacobi ⁽⁴⁾	10,530	Nil	2,295	Nil	Nil	Nil	12,825

Notes:

- (1) Akiba Leisman, the CEO of the Company, is also a director of the Company and received fees as a director during the Transition Year. See "Summary Compensation Table".
- (2) Ceased as a director effective December 4, 2019, and was replaced by Mr. John Stevens effective the same date.
- (3) Resigned as a director effective June 5, 2020, and was replaced by Mario Caron effective the same date.
- (4) Appointed as a director effective July 29, 2019.
- (5) The Company used the Black-Scholes pricing model as the methodology to calculate the grant date fair value for options granted during the Transition Year, and relied on the following the key assumptions and estimates for each calculation under the following assumptions: (i) risk free interest rate of 1.51%; (ii) expected dividend yield of 0%; (iii) expected volatility of 66.02%; and (iv) an expected term of up to five years.

The Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the most

recently completed financial year or subsequently, up to and including the date of this Information Circular.

Directors are granted stock options, from time to time, under the Stock Option Plan. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before December 31, 2019, to each of the directors (who are not also NEOs):

<i>Director Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>	
	<i>Number of Securities Underlying Unexercised Options</i> (#)	<i>Option Exercise Price</i> (\$)	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options</i> (\$) ⁽¹⁾	<i>Number of Shares Or Units Of Shares That Have Not Vested</i> (#)	<i>Market or Payout Value Of Share-Based Awards That Have Not Vested</i> (\$) ⁽¹⁾
John Hick	37,500 37,500 37,500 37,500	0.1625 0.2250 0.2875 0.3500	August 6, 2024 August 6, 2024 August 6, 2024 August 6, 2024	7,031 4,688 2,344 Nil	Nil	Nil
John Conlon ⁽²⁾	25,000 25,000 25,000 25,000 800,000 135,000 1,250,000	0.1625 0.2250 0.2875 0.3500 0.1950 0.2500 0.3000	December 4, 2020 December 4, 2020 December 4, 2020 December 4, 2020 December 4, 2020 December 4, 2020 December 4, 2020	4,688 3,125 1,563 Nil 124,000 13,500 62,500	Nil	Nil
Rael Lipson	25,000 25,000 25,000 25,000 120,000 250,000 400,000	0.1625 0.2250 0.2875 0.3500 0.1950 0.1000 0.2500	August 6, 2024 August 6, 2024 August 6, 2024 August 6, 2024 August 9, 2023 February 19, 2021 June 14, 2021	4,688 3,125 1,563 Nil 18,600 62,500 40,000	Nil	Nil
Cesar Gonzalez	2,835,000 2,835,000 2,835,000 2,835,000	0.1625 0.2250 0.2875 0.3500	August 6, 2024 August 6, 2024 August 6, 2024 August 6, 2024	531,563 354,375 177,188 Nil	Nil	Nil
John Pontius	25,000 25,000 25,000 25,000	0.1625 0.2250 0.2875 0.3500	August 6, 2024 August 6, 2024 August 6, 2024 August 6, 2024	4,688 3,125 1,563 Nil	Nil	Nil
Paul Jacobi	25,000 25,000 25,000	0.1625 0.2250 0.2875	August 6, 2024 August 6, 2024 August 6, 2024	4,688 3,125 1,563	Nil	Nil

<i>Director Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>	
	<i>Number of Securities Underlying Unexercised Options</i> (#)	<i>Option Exercise Price</i> (\$)	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options</i> (\$) ⁽¹⁾	<i>Number of Shares Or Units Of Shares That Have Not Vested</i> (#)	<i>Market or Payout Value Of Share-Based Awards That Have Not Vested</i> (\$) ⁽¹⁾
	25,000	0.3500	August 6, 2024	Nil		
John Stevens	Nil	Nil	N/A	Nil	Nil	Nil

Notes:

- (1) Value calculated based on the difference between the market value of the Company's common shares as at December 31 2019 and the exercise price of the options. The closing price of the Company's shares on the TSXV on December 31, 2019 was \$0.35 per share.
- (2) Mr. Conlon was not re-nominated for election as a director at the December 4, 2019 shareholder's meeting. Pursuant to the terms of the Stock Option Plan, the board approved an extension of Mr. Conlon's stock options beyond 90 days follow the expiration of Mr. Conlon's term as a director to a period of one year. Accordingly, is stock options expire December 4, 2020.

Incentive Plan Awards – Value Vested or Earned During the Year

The value vested or earned during the Transition Year of incentive plan awards granted to directors who are not Named Executive Officers are as follows:

<i>Name</i>	<i>Option-Based Awards - Value Vested During The Year</i> (\$) ⁽¹⁾	<i>Share-Based Awards - Value Vested During The Year</i> (\$)	<i>Non-Equity Incentive Plan Compensation - Value Earned During The Year</i> (\$)
John Hick	2,190	Nil	Nil
John Conlon	1,460	Nil	Nil
Rael Lipson	1,460	Nil	Nil
Cesar Gonzalez	165,572	Nil	Nil
John Pontius	1,460	Nil	Nil
Paul Jacobi	1,460	Nil	Nil
John Stevens	Nil	Nil	Nil

Note:

- (1) The Company used the Black-Scholes pricing model as the methodology to calculate the grant date fair value for options granted during the Transition Year, and relied on the following the key assumptions and estimates for each calculation under the following assumptions: (i) risk free interest rate of 2.26%; (ii) expected dividend yield of 0%; (iii) expected volatility of 70.1%; and (iv) an expected term of up to five years.

The Company does not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to the directors.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Company's compensation plans, currently consisting of the Stock Option Plan, under which equity securities are authorized for issuance as at December 31, 2019.

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights (b)</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</i>
Equity compensation plans approved by securityholders	50,160,000	0.2000	8,210,148
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
TOTAL	50,160,000	0.2000	8,210,148

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Information Circular, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company which is owing to the Company or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, entered into in connection with a purchase of securities or otherwise.

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

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

in relation to a securities purchase program or other program.

CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and, therefore, these guidelines have not been adopted. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices which disclosure is set out below.

Independence of Members of Board

The Company's Board currently consists of seven directors, five of whom are independent based upon the tests for independence set forth in National Instrument 52-110 – *Audit Committees* (“NI 52-110”). John Hick, Dr. Rael Lipson, John Pontius, John Stevens and Mario Caron are independent. Akiba Leisman is not independent as he is the CEO of the Company. The Board has determined that Paul Jacobi is not an independent director of the Company as a result of his position as a partner at Wexford.

Board Committees

The Board currently has in place four committees, comprised of independent board members. The committees are listed below:

- (1) Audit Committee (all independent directors);
- (2) Technical Committee (two independent director and one non-independent director);
- (3) Corporate Governance and Nominating Committee (two independent directors and one non-independent director); and
- (4) Compensation Committee (all independent directors).

Management Supervision by Board

The Board, in conjunction with the Corporate Governance and Nominating Committee, has determined that the current constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent directors are, however, able to meet at any time without any members of management including the non-independent directors being present. Further supervision is performed through the Audit Committee which is composed of independent directors who meet with the Company's auditors without management being in attendance. The independent directors also have access to the Company's legal counsel as required, and its officers.

Risk Management

The Board is responsible for adoption of a strategic planning process, identification of principal risks and implementing risk management systems, succession planning and the continuous disclosure requirements of the Company under applicable securities laws and regulations.

The Audit Committee is responsible for the financial risk management items set out in the Audit Committee charter.

Participation of Directors in Other Reporting Issuers

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

Name of Director	Name of Other Reporting Issuers
Akiba Leisman	Bonterra Resources Inc. ⁽¹⁾
John Hick	Quebec Precious Metals Corporation ⁽¹⁾ Diamond Estates Wines & Spirits Inc. ⁽¹⁾ Samco Gold Limited ⁽¹⁾ Eurotin Inc. ⁽¹⁾

Mario Caron	New Millenium Iron Corp. ⁽²⁾ Quebec Precious Metals Corporation ⁽¹⁾ Falco Resources Ltd. ⁽¹⁾
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Note:

(1) Listed on the TSXV.

(2) Listed on the TSX.

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
3. access to management and technical experts and consultants; and
4. a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a Code of Conduct and Ethics and has instructed its management and employees to abide by the Code.

Nomination of Directors

The Board, with the assistance of the Corporate Governance and Nominating Committee, has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mineral exploration industry are consulted for possible candidates.

Compensation of Directors and the CEO

The Compensation Committee has the responsibility of establishing, and annually reviewing, approving and recommending to the Board, the Company's overall compensation strategy and policies for directors, officers and employees. The Compensation Committee reviews and makes recommendations to the Board with respect to the compensation arrangements for the directors, CEO and other members of senior management,

To determine compensation payable, the Compensation Committee reviews compensation paid for directors and CEOs of companies of similar size and stage of development in the mineral exploration industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation the Compensation Committee annually reviews the performance of the CEO in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

Assessments

The Board does not view formal assessments as being useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, including the performance and effectiveness of the individual directors and each of its committees.

Nomination and Assessment

The Board determines new nominees to the Board, with the assistance of the Corporate Governance and Nominating Committee, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members and the CEO, including formal and informal discussions among Board members and the CEO.

The Company does not currently have a formal diversity policy in place regarding gender representation on the Board or in executive officer positions; however, the Board has adopted a set of diversity principles. The Board believes that given the current size and stage of development of the Company, a formal diversity policy will not provide a tangible benefit to shareholders at this time. The Company believes in retaining the most qualified candidate for any position irrespective of gender, and recruitment efforts will continue to be governed by the principles set forth below.

The Company does not discriminate on the basis of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability, or any other prohibited grounds of discrimination set forth in applicable federal or provincial law or guidelines. Directors, officers, contractors, consultants and employees are retained on the basis of their background, skills, relevant experience, education and potential to contribute to the success of the Company. In addition, candidates for Board membership are evaluated based upon their independence, qualifications to act as directors and other qualities which the board as a whole feels are appropriate to assist it in operating in an effective manner, with due regard for the benefits of diversity. Taken together, these diverse skills and backgrounds help to create a business environment that encourages a range of perspectives and fosters excellence in corporate governance, including the creation of shareholder value. Candidates for Board membership who are selected for nomination by the Board (or any committee of the Board established for such purpose from time to time) based on the foregoing criteria will be presented to shareholders for consideration without discrimination.

Expectations of Management

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

AUDIT COMMITTEE DISCLOSURE

Audit Committee Charter

Mandate

The primary function of the Audit Committee is to assist the 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. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit 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 system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

Composition

The Audit Committee shall be comprised of three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

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

Meetings

The Committee shall meet at least quarterly, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the CFO and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- Review and update the Audit Committee Charter annually.
- 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 auditors.

External Auditors

- Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Audit Committee as representatives of the shareholders of the Company.
- Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

- (d) Take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, 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.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) 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 auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (1) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (2) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (3) 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 Audit Committee.
- (j) Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments 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 auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors 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 auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors 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 confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Risk Management

- (a) Review, at least annually, and more frequently if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).
- (b) Inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.
- (c) Request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.
- (d) Assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

Other

Review any related-party transactions.

Composition of the Audit Committee

The following are the members of the Committee:

John Hick (Chair)	Independent ⁽¹⁾	Financially literate ⁽¹⁾
John Pontius	Independent ⁽¹⁾	Financially literate ⁽¹⁾
John Stevens	Independent ⁽¹⁾	Financially literate ⁽¹⁾

Note:

(1) As defined in NI 52-110.

Audit Committee Member Education and Experience

John Hick (Chair) – Mr. Hick has considerable experience in both senior management and director capacities with a number of public companies over the last 35 years, prior to which he was actively engaged in the practice of law in Ontario. Mr. Hick is currently President and Chief Executive Officer of his own consulting firm, John W. W. Hick Consultants Inc. During his career, he has also been the President and/or Chief Executive Officer of the following public companies where he has direct involvement in and responsibilities for the financial results and reporting of such companies: Medoro Resources Ltd., Grafton Group Limited, TVX Gold Inc., Geomaque Explorations Ltd., Defiance Mining Corporation and Rio Narcea Gold Mines Ltd. In addition to serving as a director, he has served on the audit committees of a number of public companies and is currently serving on the audit committees of the

following public companies; Diamond Estates Wines and Spirits Inc., Quebec Precious Minerals Corp. and Samco Gold Ltd.

John Pontius – Mr. Pontius is a Director at Capital Alignment Partners, a credit focused private equity firm based in Nashville, TN. Mr. Pontius has over fifteen years experience in lower and middle market private equity with a history of taking short term leadership positions inside portfolio companies. Immediately prior to joining Capital Alignment Partners, Mr. Pontius was the Interim CEO of Predator Drilling Inc., a former Wexford Capital LP portfolio company. From 2004 until early 2017, he served in various investment roles and leadership positions at Wexford or their portfolio companies. After Wexford, Mr. Pontius was a Managing Director at Ruton Capital LLC, a New York based private equity firm with \$1 billion of designated capital from its Chinese parent. He has extensive experience with roll-ups, business integrations, taking companies public, and turnaround situations as well as leading management teams in a Board capacity. He holds a B.S. in Business Administration from the University of North Carolina at Chapel Hill.

John Stevens – Mr. Stevens has considerable experience in both senior management and director capacities over the past forty years, and has substantive knowledge and background in the Latin American business environment. He was Managing Director for Latin America Workout Restructurings at J.P.Morgan Chase & Co. from 2001-2006, and Managing Director and Latin America Group Credit Officer at Chase Manhattan Bank from 1996-2000. In these roles he had primary decision making responsibility for sizable credit exposures, underwrites, and highly structured transactions. Prior to that he held various senior level positions at Chemical Bank, which included postings in Venezuela and Mexico. More recently, Mr. Stevens has served on several corporate boards, primarily in Latin American restructuring and reorganization situations. He holds an MBA from the Wharton School, University of Pennsylvania and a BA from Trinity College, Hartford, CT.

Reliance on Certain Exemptions

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

Exemption in Section 6.1 of NI 52-110

Since May 1, 2019, the Company has relied on the exemption set out in Section 6.1 of NI 52-110 from the requirements of Part 5 (Reporting Obligations).

Pre-Approval Policies and Procedures

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

External Auditors Service Fees (By Category)

The aggregate fees billed by the Company’s external auditors in each of the last two fiscal years and for the Transition Year ended December 31, 2019 for audit fees are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2019	\$202,885	\$35,831	\$418,042	\$238,165
April 30, 2019	\$220,500	\$37,407	\$51,983 ⁽⁴⁾	\$187,976
April 30, 2018	\$65,625	Nil	\$6,500	Nil

(1) The aggregate fees billed by the Company’s auditors for audit fees in connection with the audit of the Company’s annual consolidated financial statements.

- (2) The aggregate fees billed for assurance and related services by the Company's auditors that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditors for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns, including fees billed in relation to the acquisition of Marlin Gold Mining Ltd.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Number of Directors

The Articles of the Company provide that the number of directors of the Company must be the greater of three and the most recent number of directors elected by ordinary resolution. It is proposed that the number of directors to be elected at the Meeting be fixed at seven (7).

The Board recommends that Shareholders vote FOR fixing the number of directors of the Company at seven (7). To be effective, the resolution must be approved by a majority of votes (at least 50% plus one) cast by Shareholders who vote in person or by proxy at the Meeting. The management representatives named in the enclosed form of proxy intend to vote FOR a resolution to fix the number of directors of the Company at seven (7), unless the Shareholder has specified in the Shareholder's proxy that the Shareholder's shares are to be voted against such resolution.

Election of Directors

The Board presently consists of seven directors and Shareholders have been asked to fix the number of directors at seven (7), and to elect seven directors. The directors of the Company are elected at each annual general meeting and hold office until the next annual meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Pursuant to the Advance Notice Policy of the Company adopted by the Board on March 26, 2013, any additional director nominations for the Meeting must have been received by the Company in compliance with the Advance Notice Policy no later than the close of business on July 28, 2020. Please also see "*Particulars of Matters to be Acted on at the Meeting – Amendment of Articles*" for the Company's proposed amendments to its Articles in order to, among other things, update certain provisions to bring them in line with best governance practices and current corporate law provisions under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), and to add advance notice provisions, which provisions shall replace and supersede the Company's current Advance Notice Policy. The Board has approved the amendments to the Articles effective July 13, 2020, which will become effective upon and subject to the approval by the Shareholders at the Meeting.

The Board has adopted a Majority Voting Policy effective July 13, 2020. Pursuant to the Majority Voting Policy, shareholders shall vote in favour of, or to withhold from voting, separately for each nominee. In an uncontested election of directors of the Company, each director must be elected by the vote of a majority of the shares represented, and if any director nominee receives a greater number of votes "withheld" from his or her election than votes "for" such election, that director shall promptly submit his or her resignation to the Chair for consideration following the meeting. The Board must consider the offer of resignation and whether to accept it within 90 days following the meeting. Absent exceptional circumstances, the Board shall accept the resignation. If a resignation is accepted, the Board may, in accordance with the BCBCA and the Company's Articles and previously passed shareholders' resolutions, appoint a new director to fill any vacancy created by the resignation or reduce the size of the Board, within the minimum and maximum number, if any, of directors fixed under the Company's Notice of Articles. If a director does not tender his or her resignation in accordance with this Policy, the Board will not re-nominate that director at the next election.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning each nominee, as furnished by the individual nominees, is as follows:

Name, Jurisdiction of Residence and Position	Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years	Service as a Director	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽⁶⁾
John Hick ⁽¹⁾⁽⁴⁾⁽⁵⁾ Ontario, Canada <i>Chairman</i>	Corporate Director	Since November 9, 2018	Nil ⁽⁵⁾
Akiba Leisman ⁽³⁾⁽⁵⁾ Connecticut, USA <i>Director and CEO</i>	CEO of the Company	since July 11, 2014	10,328,234 ⁽⁵⁾
John Stevens ⁽¹⁾⁽²⁾⁽⁴⁾ Florida, USA <i>Director</i>	Corporate Director	since December 4, 2019	Nil
Dr. Rael Lipson ⁽³⁾ Colorado, USA <i>Director</i>	Corporate Director	since October 16, 2013	701,176
John Pontius ⁽¹⁾⁽²⁾⁽⁴⁾ Connecticut, USA <i>Director</i>	Director at Capital Alignment Partners	since November 9, 2018	30,800
Paul Jacobi ⁽²⁾ Connecticut, USA <i>Director</i>	Partner at Wexford Capital L.P.	since July 29, 2019	Nil
Mario Caron ⁽³⁾ Ontario, Canada <i>Director</i>	Corporate Director	since June 5, 2020	Nil ⁽⁵⁾

Notes:

- (1) Member of the Audit Committee. John Hick is currently Chair.
- (2) Member of the Corporate Governance and Nominating Committee. John Stevens is currently Chair
- (3) Member of the Technical Committee. Mario Caron is currently Chair.
- (4) Member of the Compensation Committee. John Pontius is currently Chair.
- (5) Each of Messrs. Hick, Leisman and Caron are participating in the Company's previously announced bought deal unit private placement that is scheduled to close on July 16, 2020, following which it is expected that: (a) Mr. Hick will own 100,000 Common Shares and warrants entitling him to acquire an additional 50,000 Common Shares; (b) Mr. Leisman will own an additional 333,500 Common Shares and warrants entitling him to acquire an additional 166,750 Common Shares; and (c) Mr. Caron will own 100,000 Common Shares and warrants entitling him to acquire an additional 50,000 Common Shares.
- (6) The information as to the number of Common Shares beneficially owned or over which control or direction is exercised has been furnished by the respective nominee.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity.

Other than as described below, to the knowledge of the Company, no proposed director:

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

director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or

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

Mr. Hick was a director of Timminco Limited (“**Timminco**”) when it filed and was granted protection under the Companies Creditors Arrangement Act (“**CCAA**”) on January 3, 2012. As a result of the CCAA filing, the Toronto Stock Exchange delisted the company effective February 6, 2012. As part of the CCAA proceedings, all of the directors of Timminco resigned on August 16, 2012.

Mr. Hick was also a director of Carpathian Gold Inc. when on April 16, 2014, the Ontario Securities Commission issued a permanent management cease trade order, which superseded a temporary management cease trade order (the “**MCTO**”) dated April 4, 2014, against the management of Carpathian Gold. The MCTO was issued in connection with the company’s failure to file its (i) audited annual financial statements for the year ended December 31, 2013, (ii) management’s discussion and analysis relating to the audited annual financial statements for the year ended December 31, 2013, and (iii) corresponding certifications of the foregoing filings as required by National Instrument 52-109 – *Certification of Disclosure in the Issuer’s Annual and Interim Filings*. The MCTO was lifted on June 19, 2014 following the filing of the required continuous disclosure documents on June 17, 2014.

Mr. Stevens was a director of Satelites Mexicanos, S.A. de C.V. (“**SMSA**”) in 2011 when, in connection with the implementation of a comprehensive recapitalization, SMSA voluntarily filed, on April 6, 2011, a prepackaged plan of reorganization in the United States Bankruptcy Court for the District of Delaware for protection under Chapter 11 of the U.S. Bankruptcy Code. Confirmation of the plan occurred on May 11, 2011 and the plan was made effective on May 26, 2011.

Re-Approval of Stock Option Plan

The following is a summary of the key provisions of the Stock Option Plan implemented by the Board on March 20, 2006, as amended January 30, 2017, which Stock Option Plan is re-approved annually by Shareholders in accordance with the rules of the TSXV. The following summary is qualified in all respects by the full text of the Stock Option Plan, a copy of which is included as Appendix “A” to this Information Circular.

The purpose of the Stock Option Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such

persons with that of the shareholders. Options will be exercisable over periods of up to 10 years as determined by the Board and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted.

At the time of grant of any options, the aggregate number of shares which may be reserved for issuance pursuant to options previously granted and those currently being granted under the Stock Option Plan is a maximum of 10% of the issued and outstanding shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to insiders as a group is 10%, to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Stock Option Plan which sets the number of shares issuable under the plan at a maximum of 10% of the issued and outstanding shares is approved and ratified by shareholders on an annual basis.

Pursuant to the Stock Option Plan, the Board may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The Stock Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion. The Stock Option Plan provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

If the optionee ceases to be an eligible person as a result of termination for cause of such optionee by the Company any outstanding option held by such optionee on the date of such termination, whether in respect of option shares that are vested or not, shall be cancelled as of that date. If the optionee ceases to be an eligible person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the option then held by the optionee shall be exercisable to acquire unissued option shares at any time up to but not after the earlier of the expiry date and the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee or, the Board of the Company may, in its sole discretion if it determines such is in the best interests of the Company, extend the expiry date of the option of an optionee to a later date within a reasonable period.

At the Meeting, Shareholders will be asked to pass a resolution (the "**Option Plan Resolution**") in the following form:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Stock Option Plan, as described in the Information Circular dated July 13, 2020, which provides for the rolling grant of options to acquire up to 10% of the number of issued and outstanding common shares of the Company from time to time, is hereby authorized and approved; and
2. any officer or director of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

The Board recommends that Shareholders vote FOR the Stock Option Plan Resolution. To be effective, the Option Plan Resolution must be approved by a majority of the votes (at least 50% plus one) cast by shareholders who vote in person or by proxy at the Meeting. The management representatives named in the enclosed form of proxy intend to vote FOR the Option Plan

Resolution, unless a Shareholder specifies in its proxy that its shares are to be voted against such resolution.

Reappointment of Auditor

PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Vancouver, British Columbia, are the auditors of the Company.

The Board recommends that Shareholders vote FOR the re-appointment of PricewaterhouseCoopers LLP. To be effective, the resolution must be approved by a majority of votes (as least 50% plus one) cast by Shareholders who vote in person or by proxy at the Meeting. The management representatives named in the enclosed form of proxy intend to vote FOR a resolution to appoint PricewaterhouseCoopers LLP as auditors of the Company for the ensuing year, at a remuneration to be fixed by the Board, unless the Shareholder has specified in the Shareholder's proxy that the Shareholder's shares are to be withheld from voting on the re-appointment of auditors.

Amendment of Articles

The Board has determined that it would be appropriate and in the best interests of the Company to implement certain updates (collectively, the "**Article Amendments**") to the Company's articles (the "**Articles**") in order to bring them in line with the current provisions of the BCBCA and good corporate governance practices, and to add a requirement for advance notice in connection with the election of directors in Article 10.10 of the Articles ("**Advance Notice Provisions**").

The full text of the Article Amendments are set forth in the blackline attached as Appendix "B" to this Information Circular. The following is a summary of the Advance Notice Provisions, which is qualified in its entirety by the full text set out in Appendix "B" hereto.

Purpose of the Advance Notice Provisions

The purpose of the Advance Notice Provisions is to provide shareholders, directors and management of the Company with direction on the procedure for shareholder nomination of directors. The Advance Notice Provisions are the framework pursuant to which the Company fixes a deadline by which holders of record of common shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and set forth the information that a shareholder must include in the notice to the Company for the nomination notice to be in proper written form.

Effect of the Advance Notice Provisions

Subject to the BCBCA, the Advance Notice Provisions incorporated into the Company's Articles provide that only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made with respect to any annual meeting of shareholders or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

1. by or at the direction of the board, including pursuant to a notice of meeting;
2. by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the BCBCA, or a requisition of the shareholders made in accordance with the provisions of the BCBCA; or

3. by any person (a “**Nominating Shareholder**”):
 - (a) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
 - (b) who complies with the notice procedures set forth below.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Company at the principal executive offices of the Company.

To be timely, a Nominating Shareholder's notice to the Secretary of the Company must be made:

1. in the case of an annual meeting of shareholders, not later than 5:00 p.m. (Vancouver time) on the 30th day prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
2. in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

To be in proper written form, a Nominating Shareholder’s notice to the Secretary of the Company must set forth the name, age, business address, residential address and principal occupation or employment of the proposed nominee; the security holdings of the Company or any of its subsidiaries which are beneficially owned, or controlled or directed, directly or indirectly, by the proposed nominee as of the record date of the meeting and as of the Notice Date; any relationships, agreements, arrangements or understandings (including financial, compensation or indemnity related) between the proposed nominee and the Nominating Shareholder, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the proposed nominee or the Nominating Shareholder; and any other information relating to the proposed nominee that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCBCA and applicable securities laws. The Nominating Shareholder’s notice must also include a written consent of each proposed nominee to being named as a nominee and certifying that such proposed nominee is not disqualified from acting as director under the BCBCA.

In addition, the notice by the Nominating Shareholder must also disclose the Nominating Shareholder’s name, business and residential address; the security holdings of the Company or any of its subsidiaries beneficially owned or controlled or directed, directly or indirectly, by the Nominating

Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Company or any of its securities as of the record date of the meeting and as of the Notice Date; any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company or to nominate any directors to the board; a representation that the Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at the meeting; a representation as to whether the Nominating Shareholder intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCBCA and applicable securities laws.

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provisions; provided, however, that nothing in the Advance Notice Provisions shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the BCBCA.

The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding any other provision of the Advance Notice Provisions, notice given to the Secretary of the Company pursuant to the Advance Notice Provisions may only be given by personal delivery or courier, and shall be deemed to have been given and made on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. (Vancouver time) to the Secretary at the address of the principal executive offices of the Company, and otherwise on the next business day.

Shareholder Resolution

In order to effect the Article Amendments, Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution substantially the following form (the “**Articles Amendment Resolution**”):

“BE IT RESOLVED AS AN ORDINARY RESOLUTIONS THAT:

1. the amendment of the Company's Articles to include certain updates and to add advance notice provisions, as detailed in Appendix “B” to the Company's management information circular dated July 13, 2020, be and is hereby approved;
2. any director or officer of the Company is authorized to execute and file such documents and take such further action, including any filings with the Registrar of Companies (British Columbia), that may be necessary to effect the amendments;
3. the directors of the Company are hereby authorized to determine the time at which the amendments to the Articles shall become effective; and

4. the board of directors is hereby authorized, at any time in its sole discretion, to determine whether or not to proceed with this resolution without further approval, ratification, or confirmation by the Shareholders.”

The Board recommends that Shareholders vote FOR the Articles Amendment Resolution. To be effective, the Articles Amendment Resolution must be approved by a majority of the votes (at least 50% plus one) cast by shareholders who vote in person or by proxy at the Meeting. The management representatives named in the enclosed form of proxy intend to vote FOR the Articles Amendment Resolution, unless a Shareholder specifies in its proxy that its shares are to be voted against such resolution.

Share Consolidation

Purpose of Consolidation

The Board believes that it is in the best interests of the Company and its shareholders to reduce the number of issued and outstanding Common Shares by way of a consolidation on the basis of twenty (20) pre-consolidated Common Shares for one (1) post-consolidated Common Share (the “**Share Consolidation**”).

The reasons for and potential benefits of the Share Consolidation include:

- (a) Greater investor interest – a higher post-consolidation Common Share price could help generate interest in the Company among certain investors. In particular, a higher anticipated Common Share price may meet investing criteria for certain institutional investors and investment funds that may be prevented under their investing guidelines from otherwise investing in the Common Shares at current Common Share prices;
- (b) Improved trading liquidity – an increased interest from investors may ultimately improve the trading liquidity of the Common Shares; and
- (c) Reduced price volatility – an anticipated higher post-consolidation Common Share price could result in less volatility in the price of the Common Shares.

While the Board believes that reducing the number of Common Shares through the Share Consolidation will result in a higher post-consolidation Common Share price, the market price of the Common Shares will also be based factors such as the Company’s financial and operational results, its available capital and resources, the state of the market for the Common Shares at the time, general economic, geopolitical, market and industry conditions, the market perception of the Company’s business and other factors and contingencies which are unrelated to the number of Common Shares outstanding. As a result, there can be no assurance that the anticipated potential benefits of the Share Consolidation will be realized or that the market price of the Common Shares will not decrease in the future.

Principal Effects of the Share Consolidation

The Share Consolidation will affect all Shareholders uniformly and will not affect any Shareholder’s percentage ownership interest in the Company except to the extent that the Share Consolidation would otherwise result in any Shareholder owning a fractional share.

As set out in Section 83 of the BCBCA, if any fractional Common Shares result from the Share Consolidation, each fractional Common Share remaining after consolidation that is less than one-half of a

Common Share must be cancelled and each fractional Common Share that is at least one-half of a Common Share must be changed to one whole Common Share.

In addition, the Share Consolidation will not affect any Shareholder's proportionate voting rights (subject to the treatment of fractional shares). Each Common Share outstanding after the Share Consolidation will be entitled to one vote and will be fully paid and non-assessable.

The principal effects of the Share Consolidation will be that:

- the number of Common Shares issued and outstanding will be reduced from 584,526,484 Common Shares to approximately 29,226,324 Common Shares (assuming the record date were the date of this Information Circular); and
- the current 49,260,000 options to purchase Common Shares will be reduced proportionately based on the consolidation ratio with a corresponding increase in their exercise price per share.

There are currently an unlimited number of Common Shares in the authorized share structure of the Company and on effecting the Share Consolidation there will continue to be an unlimited number of Common Shares.

Share Certificates

Letters of Transmittal are expected to be sent to registered Shareholders for use in transmitting their share certificates to the Company's registrar and transfer agent, Computershare Trust Company of Canada, in exchange for new certificates representing the number of Common Shares to which such Shareholder is entitled as a result of the Share Consolidation. Upon return of a properly completed Letter of Transmittal, together with certificates evidencing the Company's Common Shares, certificates for the appropriate number of new consolidated Common Shares of the Company will be issued at no charge. No certificates for fractional consolidated Common Shares will be issued.

Adjustment to Reserved Common Shares

Upon the Share Consolidation becoming effective, the number of Common Shares reserved for issuance, including those Common Shares reserved for issuance for stock options under the Stock Option Plan and under any other convertible securities of the Company, as applicable, at the time, will be adjusted to give effect to the Share Consolidation, such that the number of post-consolidation Common Shares issuable will equal the number obtained when the number of pre-consolidation Common Shares issuable is divided by the consolidation ratio and the exercise prices of outstanding stock options to purchase post-consolidation Common Shares will equal the price obtained by multiplying the existing exercise price by the consolidation ratio.

Implementation of the Share Consolidation

If approval of the Shareholders is obtained, the Share Consolidation will be implemented at a future date following the Meeting as the Board may determine, subject to approval by the TSXV.

In order to effect the Share Consolidation, Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution in substantially the following form (the "**Share Consolidation Resolution**"):

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. all of the common shares without par value in the authorized share structure of the Company both issued and unissued (the “**Common Shares**”) be consolidated on the basis of twenty (20) pre-consolidated Common Shares for one (1) post-consolidated Common Share, or such ratio as may be approved by the directors and the TSXV (the “**Share Consolidation**”);
2. any fractional Common Shares resulting from the Share Consolidation shall be dealt with in accordance with the provisions of Section 83 of the *Business Corporations Act* (British Columbia);
3. the directors of the Company are hereby authorized to determine the time at which the Share Consolidation shall become effective;
4. any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to these resolutions; and
5. notwithstanding that the foregoing resolutions have been duly passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered, without further approval or authorization of the shareholders of the Company, to modify, vary or amend such terms and conditions in respect of the Share Consolidation as may be required by the regulatory authorities having jurisdiction or as the board of directors may in its sole discretion deem in the best interests of the Company, and to revoke any or all of these resolutions at any time prior to their being acted upon.”

The Share Consolidation Resolution will not be effective unless and until deposited at the Company’s records office by direction of the Board. The Board is in favour of the Share Consolidation Resolution empowering it to effect the Share Consolidation if deemed warranted as it will provide the Company with increased flexibility to seek additional financing opportunities and strategic acquisitions. If approved, the Share Consolidation will not materially change a Shareholder’s proportionate interest in the Company.

In addition, the Share Consolidation Resolution empowers the Board to decide, in its sole discretion and after receiving Shareholder approval of the Share Consolidation, not to proceed with the Share Consolidation without further approval or action by, or prior notice to, the Shareholders.

The Board recommends that Shareholders vote FOR the Share Consolidation Resolution. To be effective, the Share Consolidation Resolution must be approved by a majority of the votes (at least 50% plus one) cast by shareholders who vote in person or by proxy at the Meeting. The management representatives named in the enclosed form of proxy intend to vote FOR the Share Consolidation Resolution, unless a Shareholder specifies in its proxy that its shares are to be voted against such resolution.

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed in this Information Circular, no director or executive officer of Mako Mining who has held such position at any time since the beginning of the Transition Year ended December 31, 2019, or any associate or affiliate thereof, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below, no informed person of Mako Mining, proposed director of Mako Mining, or any associate or affiliate of any informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since May 1, 2019, or in any proposed transaction that has materially affected or could materially affect Mako Mining or any of its subsidiaries.

Wexford is an informed person of Mako Mining as a result of owning over 10% of the voting rights attached to all voting securities of Mako Mining. Upon completion of the Company's acquisition of Marlin Gold Mining Ltd., the Company and Wexford entered into an Investor Rights Agreement dated November 9, 2018 (the "**Investor Rights Agreement**"), giving Wexford and its affiliates (including the Wexford Funds) the right to participate in future equity financings of the Company in order to maintain its then current equity ownership in the Company on terms no less favourable than those offered to other investors in such financings (subject to certain exceptions), up to a maximum of 45%.

In connection with the rights offering of the Company completed on July 23, 2019 (the "**Rights Offering**"), the Wexford Funds acquired an aggregate of 195,233,556 common shares of Mako Mining through the exercise of the basic subscription privilege and additional subscription privilege, for an aggregate purchase price of approximately \$19,523,355, which increased the Wexford Funds' aggregate shareholding percentage by approximately 14.66%, bringing the group's total ownership in the Company to approximately 55.27%. In connection with the Rights Offering, Wex Mako Ltd., an affiliate of Wexford, had entered into a standby commitment agreement. Although the standby purchase was not required to be exercised in connection with completing the Rights Offering, pursuant to the terms of the standby commitment agreement, the Company consented to Wexford increasing its equity ownership in the Company in excess of the 45% cap set forth in the Investor Rights Agreement, as noted above.

On February 21, 2020, the Company closed a US\$15,150,000 unsecured term loan (the "**Loan**") from Wexford Catalyst Trading Limited, Wexford Spectrum Trading Limited and Debello Trading Limited (the "**Lenders**") pursuant to a loan agreement dated February 20, 2020 among the Company, Wexford, as agent, and each of the Lenders (the "**Loan Agreement**"). The Loan matures in August 2022 and may be prepaid at any time, in whole or in part, at par plus accrued but unpaid interest, without penalty or premium. The Loan bears interest at the rate of 8.0% per annum until the first anniversary of the closing date, increasing to 10% per annum thereafter, which interest is payable semi-annually on June 30th and December 31st each year, with the first interest payment due on December 31, 2020. The Company agreed to pay a non-refundable up-front fee of US\$150,000 to the Lenders, pro rata in accordance with their respective commitments, on the closing of the Loan. In addition, if the Loan is not repaid in full on or prior to the first anniversary of the closing date, then the Company must pay to the Lenders, on a pro rata basis in accordance with their respective commitments, cash bonus interest on the first anniversary of the closing date and on each successive anniversary in an amount equal to the cash equivalent of 500 ounces of gold calculated based on the average Gold Fixing Price in the London Bullion Market during the most recently completed calendar month at the time the payment is made, in accordance with the applicable formula set out in the Loan Agreement, which is available under the Company's profile at www.sedar.com.

On June 26, 2020, the Company announced a \$28,400,000 private placement offering of units, pursuant to which Wexford Spectrum Trading Limited and Wexford Catalyst Trading Limited, each private investment funds managed by Wexford Capital LP, will acquire 41,000,000 units on a non-brokered private placement basis at a price of \$0.40 per unit for gross proceeds to the Company of \$16,400,000 pursuant to the exercise of Wexford's anti-dilution right under the Investor Rights Agreement. Each unit will consist of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company, with each whole warrant exercisable to acquire one common share of the Company at a price of \$0.60 per common share for a period of 18 months from the

closing date. In connection with Wexford's participation in the private placement offering, the Company consented to Wexford increasing its equity ownership in the Company in excess of the 45% cap set forth in the Investor Rights Agreement. Following completion of the private placement offering, Wexford group of funds ownership in the Company will be approximately 56.89%.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com. Additional financial information is provided in the Company's comparative annual financial statements and management's discussion and analysis for the eight month period ended December 31, 2019, which can be found under the Company's profile on SEDAR at www.sedar.com or on the Company's website at www.makominincorp.com/investors/financial-reports. Shareholders may also request these documents from the Company by calling 1-800,319-7310 or by e-mail at info@makominincorp.com.

MAKO MINING DIRECTORS' APPROVAL

The contents and the sending of this Information Circular have been approved by Board of Mako Mining.

DATED this 13th day of July, 2020.

**BY ORDER OF THE BOARD OF
DIRECTORS OF MAKO MINING CORP.**

"Akiba Leisman"

Akiba Leisman
Chief Executive Officer and Director

APPENDIX "A"

STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

The Company hereby establishes a stock option plan for directors, senior officers, Employees, Management Company Employees and Consultants (as such terms are defined below) of the Company and its subsidiaries (collectively "**Eligible Persons**"), to be known as the "2017 Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to ten years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board.

2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- 2.1 "**Associate**" means "Associate" as defined in the TSX Policies.
- 2.2 "**Board**" means the Board of Directors of the Company.
- 2.3 "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board.
- 2.4 "**Company**" means Mako Mining Corp. and its successors.
- 2.5 "**Consultant**" means a "Consultant" as defined in the TSX Policies.
- 2.6 "**Consultant Company**" means a "Consultant Company" as defined in the TSX Policies.
- 2.7 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
 - (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
 - (b) acting as a director or officer of the Company or its subsidiaries.
- 2.8 "**Discounted Market Price**" of Shares means, if the Shares are listed only on the TSX Venture Exchange, the Market Price less the maximum discount permitted under the TSX Policy applicable to incentive stock options.
- 2.9 "**Disinterested Shareholder Approval**" means a majority of the votes attaching to shares voted at a meeting of shareholders of the Company, excluding the votes attaching to shares held by persons with an interest in the subject matter of the resolution, in accordance with TSX Policies.
- 2.10 "**Eligible Persons**" has the meaning given to that term in section 1 hereof.

- 2.11 **"Employee"** means an "Employee" as defined in the TSX Policies.
- 2.12 **"Exchanges"** means the TSX Venture Exchange and, if applicable, any other stock exchange on which the Shares are listed.
- 2.13 **"Expiry Date"** means the date set by the Board under section 3.1 of the Plan, as the last date on which an Option may be exercised.
- 2.14 **"Grant Date"** means the date specified in an Option Agreement as the date on which an Option is granted.
- 2.15 **"Insider"** means an "Insider" as defined in the TSX Policies.
- 2.16 **"Investor Relations Activities"** means "Investor Relations Activities" as defined in the TSX Policies.
- 2.17 **"Joint Actor"** means a person acting "jointly or in concert" with another person as that phrase is interpreted in Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*.
- 2.18 **"Management Company Employee"** means a "Management Company Employee" as defined in the TSX Policies.
- 2.19 **"Market Price"** of Shares at any Grant Date means the last closing price per Share on the last day on which Shares were traded prior to the day on which the Company announces the grant of the Option or, if the grant is not announced, on the Grant Date, or if the Shares are not listed on any stock exchange, "Market Price" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- 2.20 **"Option"** means an option to purchase Shares granted pursuant to this Plan.
- 2.21 **"Option Agreement"** means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.
- 2.22 **"Optionee"** means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.23 **"Option Price"** means the price per Share specified in an Option Agreement, as adjusted from time to time in accordance with the provisions of section 5.
- 2.24 **"Option Shares"** means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.25 **"Plan"** means this 2017 Stock Option Plan.
- 2.26 **"Shares"** means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.27 **"Securities Act"** means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.28 **"Tier 1 Issuer"** means "Tier 1 Issuer" as defined in TSX Policies.

- 2.29 "TSX Policies" means the policies included in the TSX Venture Exchange Corporate Finance Manual and "TSX Policy" means any one of them.
- 2.30 "Unissued Option Shares" means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- 2.31 "Vested" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

3. GRANT OF OPTIONS

3.1 Option Terms

The Board may from time to time authorize the issue of Options to Eligible Persons. The Option Price under each Option shall be not less than the Discounted Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date, subject to the operation of paragraph 4.5. Options shall not be assignable (or transferable) by the Optionee.

3.2 Previously Granted Options

In the event that on the date this Plan is implemented and effective (the "Effective Date") there are outstanding stock options (the "Pre-Existing Options") that were previously granted by the Company pursuant to any stock option plan in place prior to the Effective Date (a "Pre-Existing Plan"), all such Pre-Existing Options shall, effective as of the Effective Date, be governed by and subject to the terms of the Plan.

3.3 Limits on Shares Issuable on Exercise of Options

At the time of grant of any Option, the aggregate number of Shares reserved for issuance under the Plan which may be made subject to Options at any time and from time to time (including those issuable upon the exercise of Pre-Existing Options) shall not exceed 10% of the total number of issued and outstanding Shares, on a non-diluted basis, as constituted on the Grant Date of such Option.

The number of Shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (a) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis, unless the Company is a Tier 1 Issuer and has obtained Disinterested Shareholder Approval;
- (b) to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis;
- (c) to any one Consultant shall not exceed 2% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and
- (d) all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis.

3.4 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. In respect of Options granted to Employees, Consultants, Consultant Companies or Management Company Employees, the Company is representing herein and in the applicable Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

4. EXERCISE OF OPTION

4.1 When Options May be Exercised

Subject to paragraphs 4.3, 4.4 and 4.5, an Option may be exercised to purchase any number of Option Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to 4:00 p.m. Pacific Time on the Expiry Date and shall not be exercisable thereafter.

4.2 Manner of Exercise

The Option shall be exercisable by delivering to the Company a notice specifying the number of Option Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Option Share. Upon notice and payment there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised.

4.3 Vesting of Option Shares

The Board, subject to the policies of the Exchanges, may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on Option grants set out in paragraph 3.3 hereof, all Options granted under the Plan shall vest and become exercisable in full upon grant, except Options granted to Consultants performing Investor Relations Activities, which Options must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three month period. Notwithstanding the foregoing, in the event that a Pre-Existing Plan imposed vesting requirements on a Pre-Existing Option, such vesting requirements must be satisfied before any such Pre-Existing Options shall become Vested.

4.4 Termination of Employment

In the following cases, an Option shall be exercisable as follows:

(a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and

(ii) the Expiry Date.

(b) Termination For Cause

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

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

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

(d) Spin-Out Transactions

If pursuant to the operation of sub-paragraph 5.3(c) an Optionee receives options (the “**New Options**”) to purchase securities of another company (the “**New Company**”) in respect of the Optionee’s Options (the “**Subject Options**”), the New Options shall expire on the earlier of: (i) the Expiry Date of the Subject Options; (ii) if the Optionee does not become an Eligible Person in respect of the New Company, the date that the Subject Options expire pursuant to sub-paragraph 4.4(a), (b), or (c), as applicable; (iii) if the Optionee becomes an Eligible Person in respect of the new Company, the date that the New Options expire pursuant to the terms of the New Company’s stock option plan that correspond to sub-paragraphs 4.4(a), (b) or (c) hereof; and (iv) the date that is one (1) year after the Optionee ceases to be an Eligible Person in respect of the New Company or such shorter period as determined by the Board.

For the purposes of this paragraph 4.4, the dates of death, Disability, termination, retirement, voluntary resignation, ceasing to be an Eligible Person and incapacity shall be interpreted to be without regard to any period of notice (statutory or otherwise) or whether the Optionee or his or her estate continues thereafter to receive any compensatory payments from the Company or is paid salary by the Company in lieu of notice of termination.

For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this paragraph 4.4 occurred, shall not be or become vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

4.5 Extension of Expiry Date During Black-Out Period

If the Expiry Date in respect of any Option occurs during or within five (5) trading days following a trading black-out period imposed by the Company, the Expiry Date of the Option shall be automatically extended to the date that is ten (10) trading days following the end of such black-out period (the “**Extension Period**”); provided that if an additional black-out 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 black-out period to enable the exercise of such Options within ten (10) trading days following the end of the last imposed black-out period.

4.6 Effect of a Take-Over Bid

If a *bona fide* offer (an “**Offer**”) for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of Subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon (subject to the approval of the Exchanges) all Option Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee, so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of sub-paragraph (b) above, the Option 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 Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to paragraph 4.3 shall be reinstated. If any Option Shares are returned to the Company under this paragraph 4.6, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

4.7 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is 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 that any accelerated vesting of Options granted to Consultants performing Investor Relations Activities shall be subject to the written approval of the Exchanges. The Board shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days’ and not more than 35 days’ notice is required.

4.8 Compulsory Acquisition or Going Private Transaction

If and whenever, following a take-over bid or issuer bid, there shall be a compulsory acquisition of the Shares of the Company pursuant to Division 6 of the *Business Corporations Act* (British Columbia) or any successor or similar legislation, or any amalgamation, merger or arrangement in which securities acquired in a formal take-over bid may be voted under the conditions described in Section 8.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, then following the date upon which such compulsory acquisition, amalgamation, merger or arrangement is

effective, an Optionee shall be entitled to received, and shall accept, for the same exercise price, in lieu of the number of Shares to which such Optionee was theretofore entitled to purchase upon the exercise of his or her Options, the aggregate amount of cash, shares, other securities or other property which such Optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Shares to the take-over bid.

4.9 Effect of a Change of Control

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges, if necessary.

4.10 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company (including, in the case of a Management Company Employee or a Consultant, termination of the company providing such management or consulting services to the Company or its subsidiary), the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

4.11 Shares Not Acquired

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired may be made the subject of a further Option pursuant to the provisions of the Plan.

5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

5.1 Share Reorganization

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
 - (i) the Option Price in effect immediately before that effective date or record date; and
 - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in clause (a)(ii).

5.2 Special Distribution

Subject to the prior approval of the Exchanges, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

5.3 Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities;
- (c) an arrangement or other transaction under which, among other things, the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company, or securities of another company, or both; or
- (d) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Directors.

5.4 Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that

the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

5.5 Regulatory Approval

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of paragraphs 5.1, 5.2 or 5.3 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

6. MISCELLANEOUS

6.1 Right to Employment

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with 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 such employment.

6.2 Necessary Approvals

The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval shall only be exercised upon the receipt of such approval. Disinterested shareholder approval (as required by the Exchanges) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. 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 Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

6.3 Administration of the Plan

The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in paragraph 5.4, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

6.4 Withholding Taxes

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

6.5 Amendments to the Plan

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders, the Exchanges or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee.

6.6 Form of Notice

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

6.7 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.

6.8 Compliance with Applicable Law

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

6.9 No Assignment

No Optionee may assign any of his or her rights under the Plan or any option granted thereunder.

6.10 Rights of Optionees

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

6.11 Conflict

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

6.12 Governing Law

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

6.13 Time of Essence

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

6.14 Entire Agreement

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

Approved by the Board of Directors on January 30, 2017.

SCHEDULE "A" TO STOCK OPTION PLAN

MAKO MINING CORP.

STOCK OPTION PLAN - OPTION AGREEMENT

[The following legend is required if the Company is a Tier 2 Issuer or in respect of Options with an Option Price based on the Discounted Market Price: Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ●, 20●. [insert date that is four months and one day after the date of grant]

This Option Agreement is entered into between MAKO MINING CORP. (the "Company") and the Optionee named below pursuant to the Company 2017 Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on ●, 20● (the "Grant Date");
2. ● (the "Optionee");
3. was granted the option (the "Option") to purchase ● Common Shares (the "Option Shares") of the Company;
4. for the price (the "Option Price") of \$● per Option Share;
5. which shall be exercisable immediately commencing on the Grant Date [OR set forth applicable vesting schedule];
6. terminating on the ●, 20● (the "Expiry Date");
7. the Option Shares shall be subject to a four-month hold period from the Grant Date;

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

The Optionee acknowledges that any Option Shares received by him upon exercise of the Option have not been registered, and will not be registered, under the United States *Securities Act of 1933*, as amended, or the Blue Sky laws of any state (collectively, the "Securities Acts"). The Optionee acknowledges and understands that the Company is under no obligation to register, under the Securities Acts, the Option Shares received by him or to assist him in complying with any exemption from such registration if he should at a later date wish to dispose of the Option Shares. **[Following to be included in Option Agreements with "U.S. Persons"** – The Optionee acknowledges that the Option Shares shall bear a legend restricting the transferability thereof, such legend to be substantially in the following form:

"The shares represented by this certificate have not and will not been registered or qualified under the United States Securities Act of 1933, as amended, or state securities laws. The shares may not be offered for sale, sold, pledged or otherwise disposed of unless so registered or qualified, unless an

exemption exists or unless such disposition is not subject to U.S. federal or state securities laws, and the Company may require that the availability of any exemption or the inapplicability of such securities laws be established by an opinion of counsel, which opinion of counsel shall be reasonably satisfactory to the Company.”]

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

Acknowledgement – Personal Information

The Optionee hereby acknowledges and consents to:

- (a) the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (b) the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ● day of ●, 20●.

MAKO MINING CORP.

Per: _____
Authorized Signatory

Optionee Signature

Print Name

Address

APPENDIX "B"
BLACKLINE OF AMENDMENTS TO ARTICLES

See attached.

Incorporation number: **C0808405**

~~GOLDEN REIGN RESOURCES LTD~~ MAKO MINING CORP.
(the “Company”)

EFFECTIVE
DATE OF
ARTICLES
November 14, 2007

The Company has as its articles the following articles.

Full name and signature of authorized signatory	Date of signing
<u>DIANA KIM EVANS</u>	October 25, 2007

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1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;
- (2) “*Business Corporations Act*” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (3) “*Interpretation Act*” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) “legal personal representative” means the personal or other legal representative of the shareholder;
- (5) “registered address” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (6) “seal” means the seal of the Company, if any.

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

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

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

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

2.3 Shareholder Entitled to Certificate or Acknowledgment

~~Each~~ Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the *Business Corporations Act*, each shareholder is entitled, without charge, to (a) one

share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders~~2-duly authorized agents~~ will be sufficient delivery to all. If a shareholder is the registered owner of uncertificated shares, the Company must send to that holder a written notice containing the information required by the Act within a reasonable time after the issue or transfer of the shares.

2.4 Delivery by Mail

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

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

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

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

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, if the directors receive:

- (1) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and
- (2) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates

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

2.8 Certificate Fee

There must be paid as a fee to the Company for the issuance of any share certificate under ~~Articles 2.5, 2.6~~2.5, 2.6 or ~~2.7, 2.7~~2.7, the amount, if any, determined by the directors, which must not exceed the amount prescribed under the *Business Corporations Act*.

2.9 Trusts and Partial Interests in Shares

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

3. ISSUE OF SHARES

3.1 Directors Authorized

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

3.2 Commissions and Discounts

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

3.3 Brokerage

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

3.4 Conditions of Issue

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

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed for the Company;
 - (b) property;
 - (c) money; and
- (2) the directors in their discretion have determined that the value of the consideration received by the Company is equal to or greater than the issue price set for the share under Article ~~3.1~~3.1.

3.5 Share Purchase Warrants and Rights

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

4. SHARE REGISTERS

4.1 Central Securities Register and Any Branch Securities Register

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

4.2 Closing Register

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

5. SHARE TRANSFERS

5.1A Registering Transfers

A

The Company must register a transfer of a share of the Company ~~must not be registered unless if either:~~

- (1) ~~a duly signed instrument of the Company or the~~ transfer ~~in respect of the~~ agent or registrar for the class or series of share to be transferred ~~has been received by:~~
 - (a) in the case where the Company; ~~(2) if has issued~~ a share certificate ~~has been issued by the Company~~ in respect of the share to be transferred, that share certificate ~~has been surrendered to the Company; and~~ and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
 - (b) ~~if in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the Business Corporations Act and including the case where the Company has issued~~ a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate ~~has been issued by the Company~~ in respect of the share to be transferred, ~~that acknowledgment has been surrendered to the Company.~~ a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and

~~For the purpose of this Article, delivery or surrender to the agent which maintains the Company's central securities register or a branch securities register, if applicable, will constitute receipt by or surrender to the Company.~~

- (c) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser; or
- (2) all the preconditions for a transfer of a share under the Securities Transfer Act have been met and the Company is required under the Securities Transfer Act to register the transfer.

5.1B Waivers of Requirements for Transfer

The Company may waive any of the requirements set out in Article 5.1A(1) and any of the preconditions referred to in Article 5.1A(2).

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder

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

5.4 Signing of Instrument of Transfer

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

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

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having

the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid as a fee to the Company, for registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations with respect to the shares as were held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

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

7.2 Purchase When Insolvent

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

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

7.3 Redemption of Shares

If the Company proposes to redeem some but not all of the shares of any class, the Directors may, subject to any special rights and restrictions attached to such class of shares, determine the manner in which the shares to be redeemed shall be selected.

7.4 Sale and Voting of Purchased Shares

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

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

8. BORROWING POWERS

8.1 Borrowing Powers

~~8.1~~—The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

~~8.2~~ ~~[Requires Heading]~~ Additional Powers

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, or with special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of Directors or otherwise and may, by their terms, be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the Directors may determine.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article ~~9.29.2~~ and the *Business Corporations Act*, the Company may:

- (1) ~~by directors' resolution or~~ by ordinary resolution, ~~in each case as determined by the directors:~~

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

9.2 Special Rights and Restrictions

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

- (1) ~~by directors' resolution or~~ by ordinary resolution, ~~in each case as determined by the directors~~, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares if none of those shares have been issued; and
- (2) by special resolution of the shareholders of the class or series affected, do any of the acts in ~~(1)~~(1) above if any of the shares of the class or series of shares have been issued.

9.3 Change of Name

The Company may by resolution of its directors or by ordinary resolution, in each case as determined by the directors, authorize an alteration of its Notice of Articles in order to change its name.

9.4 Other Alterations

The Company, save as otherwise provided by these Articles and subject to the *Business Corporations Act*, may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to these Articles are solely within the directors' powers, control or authority; and
- (2) if the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, by ordinary resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

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

10.2 Resolution Instead of Annual General Meeting

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

10.3 Calling of Meetings of Shareholders

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

10.4 Location of Meetings of Shareholders and Meetings by Telephone or Other Electronic Means

~~A meeting of the Company may be held: (1) — at a location outside British Columbia if that location is: The directors may determine the location of any shareholders meeting, which may be in our outside British Columbia.~~

~~(a) — approved by resolution of the directors before the meeting is held; or~~

~~(b) — approved in writing by the Registrar of Companies before the meeting is held; and~~

~~(2) — entirely or in part by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if approved by directors' resolution prior to the meeting and subject to the *Business Corporations Act*. Any person participating in a meeting by such means is deemed to be present at the meeting.~~

10.5 Notice for Meetings of Shareholders

Subject to Article ~~10.2~~,10.2, the Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

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

10.6 Record Date for Notice

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

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

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

10.7 Record Date for Voting

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

10.8 Failure to Give Notice and Waiver of Notice

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

10.9 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article ~~11.1~~,11.1, the notice of meeting or a circular prepared in connection with the meeting must:

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

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

10.10 Advance Notice Provisions

(1) Nomination of Directors

Subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the procedures set out in this Article 10.10 shall be eligible for election as directors to the board of directors of the Company. Nominations of persons for election to the board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting, as follows:

- (a) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a valid proposal made in accordance with the provisions of the *Business Corporations Act* or a valid requisition of shareholders made in accordance with the provisions of the *Business Corporations Act*; or
- (c) by any person entitled to vote at such meeting (a "Nominating Shareholder"), who:
 - (i) is, at the close of business on the date of giving notice provided for in this Article 10.10 and on the record date for notice of such meeting, either entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Company; and
 - (ii) has given timely notice in proper written form as set forth in this Article 10.10.

(2) Exclusive Means

For the avoidance of doubt, this Article 10.10 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Company.

(3) Timely Notice

In order for a nomination made by a Nominating Shareholder to be timely notice (a “Timely Notice”), the Nominating Shareholder’s notice must be received by the corporate secretary of the Company at the principal executive offices of the Company:

- (a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than 5:00 p.m. (Vancouver time) on the 30th day before the date of the meeting; provided, however, if the first public announcement made by the Company of the date of the meeting (each such date being the “Notice Date”) is less than 50 days before the meeting date, notice by the Nominating Shareholder may be given not later than the close of business on the 10th day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the Notice Date;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described in Article 10.10(3)(a) or 10.10(3)(b), and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 30th day before the date of the applicable meeting.

(4) Proper Form of Notice

To be in proper written form, a Nominating Shareholder’s notice to the corporate secretary must comply with all the provisions of this Article 10.10 and disclose or include, as applicable:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a “Proposed Nominee”):
 - (i) the name, age, business and residential address of the Proposed Nominee;
 - (ii) the principal occupation/business or employment of the Proposed Nominee, both presently and for the past five years;
 - (iii) the number of securities of each class of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (iv) full particulars of any relationships, agreements, arrangements or understandings (including financial, compensation or indemnity related) between the Proposed Nominee and the Nominating Shareholder, or any

- affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;
- (v) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the *Business Corporations Act* or applicable securities law; and
 - (vi) a written consent of each Proposed Nominee to being named as nominee and certifying that such Proposed Nominee is not disqualified from acting as director under the provisions of subsection 124(2) of the *Business Corporations Act*; and
- (b) as to each Nominating Shareholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made:
- (i) their name, business and residential address;
 - (ii) the number of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Company or any of its securities, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Company or the person's economic exposure to the Company;
 - (iv) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;
 - (v) full particulars of any proxy, contract, relationship arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board;
 - (vi) a representation that the Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at such meeting;

- (vii) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and
- (viii) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* or as required by applicable securities law.

Reference to “Nominating Shareholder” in this Article 10.10(4) shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

(5) Currency of Nominee Information

All information to be provided in a Timely Notice pursuant to this Article 10.10 shall be provided as of the date of such notice. The Nominating Shareholder shall provide the Company with an update to such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days before the date of the meeting, or any adjournment or postponement thereof.

(6) Delivery of Information

Notwithstanding Part 23 of these Articles, any notice, or other document or information required to be given to the corporate secretary pursuant to this Article 10.10 may only be given by personal delivery or courier (but not by fax or email) to the corporate secretary at the address of the principal executive offices of the Company and shall be deemed to have been given and made on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. in the city where the Company’s principal executive offices are located and otherwise on the next business day.

(7) Defective Nomination Determination

The chair of any meeting of shareholders of the Company shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Article 10.10, and if any proposed nomination is not in compliance with such provisions, must as soon as practicable following receipt of such nomination and prior to the meeting declare that such defective nomination shall not be considered at any meeting of shareholders.

(8) Waiver

The board may, in its sole discretion, waive any requirement in this Article 10.10.

(9) Definitions

For the purposes of this Article 10.10, “public announcement” means disclosure in a news release disseminated by the Company through a national news service in Canada, or in a document filed by the Company for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

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

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

11.2 Special Majority

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

11.3 Quorum

Subject to the special rights ~~and~~ or restrictions attached to the shares of any class or series of shares, ~~the~~ a quorum for the transaction of business at a meeting of shareholders is ~~one person~~ present if at least two shareholders who, in the aggregate, hold at least 25% of the issued shares entitled to be voted at the meeting are present in person or represented by proxy, irrespective of the number of persons actually present at the meeting.

11.4 Other Persons May Attend

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that

person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.5 Requirement of Quorum

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

11.6 Lack of Quorum

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

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

11.7 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article ~~11.6(2)~~[11.6\(2\)](#) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the meeting shall be terminated.

11.8 Chair

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

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

11.9 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president willing to act as chair of the meeting or present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose a director, officer or corporate counsel to be chair of the meeting or if none of the above persons are present or if they decline to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.10 Adjournments

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

11.11 Notice of Adjourned Meeting

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

11.12 Decisions by Show of Hands or Poll

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

11.13 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article ~~11.12~~,[11.12](#), conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.14 Motion Need Not be Seconded

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

11.15 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.16 Manner of Taking Poll

Subject to Article ~~11.17~~,[11.17](#), if a poll is duly demanded at a meeting of shareholders:

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

11.17 Demand for Poll on Adjournment

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

11.18 Chair Must Resolve Dispute

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

11.19 Casting of Votes

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

11.20 Demand for Poll

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

11.21 Demand for Poll Not to Prevent Continuance of Meeting

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

11.22 Retention of Ballots and Proxies

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

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article ~~12.3~~[12.3](#):

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

12.2 Votes of Persons in Representative Capacity

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

12.3 Votes by Joint Holders

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

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

12.4 Legal Personal Representatives as Joint Shareholders

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

12.5 Representative of a Corporate Shareholder

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

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

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

12.6 Proxy Provisions Do Not Apply to All Companies

Articles ~~12.7~~12.7 to ~~12.15~~12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint up to two proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

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

12.9 When Proxy Holder Need Not Be Shareholder

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

- ~~(1) — the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;~~
- ~~(2) — the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or~~
- ~~(3) — the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.~~

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (2) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

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

12.11 Validity of Proxy Vote

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

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

12.12 Form of Proxy

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

[*name of company*]
(the “Company”)

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

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

Signed [month, day, year]

[Signature of shareholder]

[Name of shareholder—printed]

12.13 Revocation of Proxy

Subject to Article ~~12.14~~,[12.14](#), every proxy may be revoked by an instrument in writing that is:

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

12.14 Revocation of Proxy Must Be Signed

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

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

12.15 Production of Evidence of Authority to Vote

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

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the ~~Business Corporations~~ Act. The number of directors, excluding additional directors appointed under Article ~~14.8~~14.8, is set at:

- (1) subject to ~~paragraphs (2) and (3)~~,Article 13.1(2) the number of directors that is equal to the number of the Company's first directors;~~(2) — if the Company is a public company, and~~
and
 - ~~(a) — the number of directors elected by ordinary resolution (whether or not previous notice of the resolution was given); and~~
 - (a) the number of directors set ~~under Article 14.4;~~
- ~~(3) — if the Company is not a public company, the most recently set of:~~
 - ~~(a) — the number of directors elected by ordinary resolution (whether or not previous notice of the resolution was given)~~by a resolution of the directors; and
 - (b) the number of directors ~~set under~~ in the office pursuant to Article ~~14.4~~14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles ~~13.1(2) or 13.1(3)~~[13.1\(2\)](#):

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

13.3 Directors' Acts Valid Despite Vacancy

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

13.4 Qualifications of Directors

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

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

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

13.7 Special Remuneration for Directors

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

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article ~~10.2~~10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) those directors whose term of office expires at the annual general meeting cease to hold office immediately before the election or appointment of directors under paragraph ~~(1)~~(1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

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

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

14.3 Failure to Elect or Appoint Directors

If:

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

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

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

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who

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

14.5 Directors May Fill Casual Vacancies

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

14.6 Remaining Directors Power to Act

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

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

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

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

14.9 Ceasing to be a Director

A director ceases to be a director when:

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

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

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

~~15.—ALTERNATE DIRECTORS~~

~~15.1—Appointment of Alternate Director~~

~~Any director (an “appointor”) may by notice in writing received by the Company appoint any person (an “appointee”) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.~~

~~15.2—Notice of Meetings~~

~~Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.~~

~~15.3—Alternate for More Than One Director Attending Meetings~~

~~A person may be appointed as an alternate director by more than one director, and an alternate director:~~

- ~~(1) — will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;~~
- ~~(2) — has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;~~
- ~~(3) — will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;~~
- ~~(4) — has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.~~

~~15.4—Consent Resolutions~~

~~Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.~~

~~15.5—Alternate Director Not an Agent~~

~~Every alternate director is deemed not to be the agent of his or her appointor.~~

~~15.6—Revocation of Appointment of Alternate Director~~

~~An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.~~

~~15.7—Ceasing to be an Alternate Director~~

~~The appointment of an alternate director ceases when:~~

- ~~(1) — his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;~~
- ~~(2) — the alternate director dies;~~
- ~~(3) — the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;~~
- ~~(4) — the alternate director ceases to be qualified to act as a director; or~~
- ~~(5) — his or her appointor revokes the appointment of the alternate director.~~

~~15.8—Remuneration and Expenses of Alternate Director~~

~~The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.~~

15. POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove

officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

15.3 Power to Set the Remuneration of Auditors

The directors may, from time to time, set the remuneration of the auditor for the Company.

16. DISCLOSURE OF INTEREST OF DIRECTORS

16.1 Obligation to Account for Profits

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

16.2 Restrictions on Voting by Reason of Interest

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

16.3 Interested Director Counted in Quorum

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

16.4 Disclosure of Conflict of Interest or Property

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

16.5 Director Holding Other Office in the Company

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

16.6 No Disqualification

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

16.7 Professional Services by Director or Officer

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

16.8 Director or Officer in Other Corporations

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

17. PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

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

17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, ~~the chair of the meeting has a second or casting vote.~~

17.3 Chair of Meetings

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

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

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other

communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article ~~18.4~~17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

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

17.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article ~~18.1~~17.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article ~~24.1~~23.1 or orally or by telephone.

17.7 When Notice Not Required

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

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director or alternate director, as the case may be, has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice

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

17.9 Waiver of Notice of Meetings

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

17.10 Quorum

The quorum necessary for the transaction of the business of the directors ~~may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting~~ is a majority of the number of directors in office or such greater percentage of the number of directors the directors may determine from time to time.

17.11 Validity of Acts Where Appointment Defective

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

17.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article ~~18.12~~17.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

18. EXECUTIVE AND OTHER COMMITTEES

18.1 Appointment and Powers of Executive Committee

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

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

18.2 Appointment and Powers of Other Committees The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph ~~(1)~~(1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;
 - (b) the power to remove a director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

- (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph ~~(2)~~(2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

18.3 Obligations of Committees

Any committee appointed under Articles ~~19.1~~18.1 or ~~19.2~~18.2, in the exercise of the powers delegated to it, must:

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

18.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles ~~19.1~~18.1 or ~~19.2~~18.2:

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

18.5 Committee Meetings

Subject to Article ~~19.3(1)~~18.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles ~~19.1~~18.1 or ~~19.2~~18.2:

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

19. OFFICERS

19.1 Directors May Appoint Officers

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

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

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

19.3 Qualifications

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

19.4 Remuneration and Terms of Appointment

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

20. INDEMNIFICATION

20.1 Definitions

In this Article ~~21~~20:

- (1) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
 - (a) is or may be joined as a party; or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(3) “expenses” has the meaning set out in the *Business Corporations Act*.

20.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article ~~21.2~~20.2.

20.3 Indemnification

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

20.4 Non-Compliance with *Business Corporations Act*

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

20.5 Company May Purchase Insurance

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

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

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

21. DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Article ~~22.21~~ are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends

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

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article ~~22.2.21.2~~.

21.4 Record Date

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

21.5 Manner of Paying Dividend

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

21.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article ~~22.5.21.5~~, the directors may settle the difficulty as they deem advisable, and, in particular, may:

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

21.7 When Dividend Payable

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

21.8 Dividends to be Paid in Accordance with Number of Shares

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

21.9 Receipt by Joint Shareholders

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

21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 Fractional Dividends

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

21.12 Payment of Dividends

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

21.13 Unclaimed Dividends

Any dividend unclaimed after a period of three years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Company. The Company shall not be liable to any person in respect of any dividend which is forfeited to the company or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

21.14 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

22. DOCUMENTS, RECORDS AND REPORTS

22.1 Recording of Financial Affairs

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

22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, shareholders of the Company may inspect or obtain a copy of any accounting records of the Company.

23. NOTICES

23.1 Method of Giving Notice

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

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

23.2 Deemed Receipt of Mailing

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

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article ~~24.1~~23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;

- (3) e-mailed to a person to the e-mail address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; and
- (4) delivered in accordance with Section 23.1(5), is deemed to be received by the person on the day such written notice is sent.

23.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article ~~24.1~~23.1, prepaid and mailed or otherwise sent as permitted by Article ~~24.1~~23.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

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

23.5 Notice to Trustees

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

- (1) mailing the record, addressed to them:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph ~~(1)(b)~~(1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24. SEAL

24.1 Who May Attest Seal

Except as provided in Articles ~~25.2~~24.2 and ~~25.3~~24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or

- (4) any one or more directors or officers or persons as may be determined by the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article ~~25.1~~,24.1, the impression of the seal may be attested by the signature of any director or officer.

24.3 Mechanical Reproduction of Seal

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

25. PROHIBITIONS

25.1 Definitions

In this Article ~~26~~25:

- (1) “designated security” means:
- (a) a voting security of the Company;
 - (b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (2) “security” has the meaning assigned in the *Securities Act* (British Columbia);
- (3) “voting security” means a security of the Company that:
- (a) is not a debt security, and
 - (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

25.2 Application

Article ~~26.3~~[25.3](#) does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

25.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.