



## RED PINE EXPLORATION INC. NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the **Annual and Special Meeting of Shareholders** (the “**Meeting**”) of Red Pine Exploration Inc. (the “**Corporation**”) will be held at the offices of Wildeboer Dellelce LLP at Suite 800 - 365 Bay Street, Toronto, Ontario, M5H 2V1, at 10:00 a.m. (Toronto time) on Wednesday, March 11, 2020 for the following purposes:

1. **TO RECEIVE** the audited financial statements of the Corporation for the financial year ended July 31, 2019 and the report of the auditor thereon;
2. **TO APPOINT** the Corporation’s auditors and authorize the directors of the Corporation to fix their remuneration;
3. **TO ELECT** Directors;
4. **TO CONSIDER**, and if deemed advisable, pass an ordinary resolution, substantially in the form set out in the accompanying information circular, re-approving the continued use of the Corporation’s 10% rolling stock option plan;
5. **TO CONSIDER**, and if deemed advisable, pass a special resolution, substantially in the form set out in the accompanying information circular, approving the proposed consolidation of the common shares of the Corporation, as described more fully in the accompanying information circular; and
6. **TO TRANSACT** such other business as may properly come before the Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on January 27, 2020 as the record date (the “**Record Date**”) for the Meeting. Only holders of record of the Corporation’s Shares at the close of business on the Record Date, who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described in the accompanying management information circular are entitled to notice of, and to vote at, this Meeting.

Particulars of the foregoing matters are set forth in the accompanying management information circular. The Corporation has elected to use the notice and access provisions under National Instrument 54-101 and National Instrument 51-102 (collectively, the “**Notice and Access Provisions**”) for this Meeting. The Notice and Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing the Corporation to post the management information circular and any additional materials online. Shareholders will still receive this notice of meeting and a form of proxy and may choose to receive a hard copy from the Corporation. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice and Access Provisions, which will not include a paper copy of the circular.

The audited financial statements of the Corporation as at and for the year ended July 31, 2019 and the report of the auditor of the Corporation thereon can be viewed on the Corporation’s website at [www.redpineexp.com](http://www.redpineexp.com) and on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the accompanying form of proxy in the enclosed return envelope. All instruments appointing proxies to be used at the Meeting or at any adjournment thereof must be delivered to the registered office of the Corporation, Suite 1001 - 145 Wellington Street West, Toronto, Ontario, M5J 1H8, or deposited with TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, ON M5H 4H1, by 10:00 a.m. ET on Monday, March 9, 2020.

DATED at Toronto, Ontario this 31<sup>st</sup> day of January, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) “*Quentin Yarie*”  
Quentin Yarie  
Chief Executive Officer



## **RED PINE EXPLORATION INC. INFORMATION CIRCULAR**

Unless otherwise specified, information contained in this management information circular (the “**Circular**”) is as of January 31<sup>st</sup>, 2020.

No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

All references to shareholders in this Circular and the accompanying Form of Proxy and Notice of Meeting are to be shareholders of record unless specifically stated otherwise.

### **SOLICITATION OF PROXIES**

This Circular is furnished in connection with the solicitation by and on behalf of the management of Red Pine Exploration Inc. (the “**Corporation**”) of proxies to be used at the annual and special meeting (the “**Meeting**”) of holders of the common shares of the Corporation (the “**Common Shares**”) to be held on Wednesday, March 11, 2020 at 10:00 a.m. (Toronto time), at the offices of Wildeboer Dellelce LLP at Suite 800 - 365 Bay Street, Toronto, Ontario, for the purposes set forth in the accompanying notice of the Meeting (the “**Notice of Meeting**”). It is expected that the solicitation will be primarily by mail, subject to the Notice and Access (as hereinafter defined) process. Employees of the Corporation may solicit proxies personally or by telephone at nominal cost. The cost of any such solicitation by management will be borne by the Corporation.

### **MANNER OF VOTING AND EXERCISE OF DISCRETION BY PROXIES**

The persons named in the enclosed Form of Proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such direction, such Common Shares will be voted **FOR** the election of management’s nominees as Directors, **FOR** the appointment of MNP LLP as the auditors, **FOR** the re-approval of the stock option plan and **FOR** the consolidation of the issued and outstanding common shares of the Corporation.

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to any amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

### **APPOINTMENT OF PROXIES**

The persons named in the enclosed form of proxy are directors (“**Directors**”) and/or officers (“**Officers**”) of the Corporation. A shareholder desiring to appoint some other person to represent him at the Meeting may do so by inserting such person’s name, who need not be a shareholder of the Corporation, in the blank space provided in the enclosed form of proxy (“**Form of Proxy**”) and striking out the names of the two persons specified or by completing another proper form of proxy. In all cases, the completed proxy is to be delivered to the registered office of the Corporation, Suite 1001 - 145 Wellington Street West, Toronto, Ontario, M5J 1H8, or deposited with TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, ON M5H 4H1, by 10:00 a.m. on Monday, March 9, 2020.

### **REVOCATION OF PROXIES**

A registered shareholder of the Corporation who has given a proxy may revoke the proxy as to any motion on which a vote has not already been cast pursuant to the authority conferred by it by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered shareholder or by his or her attorney authorized in writing or by electronic signature or, if the registered shareholder is a corporation, by an officer or attorney thereof properly authorized, either (i) at the principal office of the Corporation, Suite 1001 - 145 Wellington Street West, Toronto, Ontario, M5J 1H8, at any time prior to 5:00 p.m. (Toronto time) on March 9, 2020; (ii) with TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, ON M5H 4H1, at any time prior to 10:00 a.m. (Toronto time) on March 25, 2019; or (iii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; (b) transmitting, by telephone or electronic means, a revocation that complies with paragraph (i), (ii) or (iii) above and

that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law including attending the Meeting in person.

## NOTICE AND ACCESS

The Corporation has elected to use the notice and access process (“**Notice and Access**”) under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of this Circular and other meeting materials to registered shareholders of the Corporation and non-registered shareholders of the Corporation as set out below under the heading “Voting by Non-Registered Shareholders”. Notice and Access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR and one other website, rather than mailing paper copies of such meeting materials to shareholders.

The Corporation has posted this Circular, the Corporation’s audited financial statements for the years ended July 31, 2019 (the “Annual Financial Statements”) and the Corporation’s management discussion and analysis for the year ended July 31, 2019 (the “Annual MD&A”) on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and the Corporation’s website at [www.redpineexp.com](http://www.redpineexp.com) and at <http://docs.tsxtrust.com/2156>.

Although the Circular, Annual Financial Statements and Annual MD&A (collectively, the “**Meeting Materials**”) will be posted electronically online, as noted above, the registered shareholders and non-registered shareholders (subject to the provisions set out below under the heading “**Voting by Non-Registered Shareholders**”) will receive a “notice package” (the “**Notice and Access Notification**”), by prepaid mail, which includes the information prescribed by NI 54-101, and a proxy form (the “**Form of Proxy**”) or voting instruction form (“**VIF**”) from their respective intermediaries. Shareholders should follow the instructions for completion and delivery contained in the proxy or voting instruction form. Shareholders are reminded to review the Circular before voting. The Corporation will not use procedures known as ‘stratification’ in relation to the use of Notice and Access Provisions. Stratification occurs when a reporting issuer using the Notice and Access Provisions provides a paper copy of the information circular to some shareholders with the notice package.

The Corporation is not mailing the Meeting Materials directly to “non-objecting beneficial owners” (also known as “**NOBOs**”). NOBOs are beneficial owners who have indicated that the issuer whose securities they beneficially hold as Non-Registered Shareholders (as defined below) may have certain information disclosed to such issuers such as the Non-Registered Shareholder’s name, address and number of securities of the issuer such shareholder beneficially holds. The Corporation does not intend to pay for the cost of delivery to “objecting beneficial owners” (also known as “**OBOs**”). OBOs are Non-Registered Shareholders who have indicated that they do want the issuer whose securities they beneficially hold to be provided any information regarding such shareholder, and as a consequence any such insuch issuers are prohibited by law from OBOs will not receive the Meeting Materials unless the OBO’s Intermediaries (as defined below) assume the cost of delivery.

Shareholders will not receive a paper copy of the Meeting Materials unless they contact TSX Trust Company, in which case TSX Trust Company will mail the requested materials within three business days of any request, provided the request is made prior to the Meeting, as set out below. Shareholders with questions about Notice and Access may contact TSX Trust Company toll free at 1-866-600-5869. Requests for paper copies of the Meeting Materials must be received at least five (5) business days in advance of the proxy deposit cut-off date and time, which is 10:00 a.m. on March 9, 2020. Therefore, in order to receive a paper copy of the Meeting Materials in advance of the proxy deposit cut-off date, your request should be received by March 2, 2020.

## VOTING BY NON-REGISTERED SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Corporation as a substantial number of shareholders do not hold their Common Shares in their own name and thus are considered non-registered shareholders (“**Non-Registered Shareholders**”). If Common Shares are listed in an account statement provided to a shareholder by a broker then, in almost all cases, those Common Shares will not be registered in the shareholder’s name on the records of the Corporation and such shareholder will be a Non-Registered Shareholder. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker or another similar intermediary (in each case, an “**Intermediary**”) holding on the shareholder’s behalf.

The Meeting Materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner your Intermediary has sent the Meeting Materials to you on behalf of the Corporation.

In some cases, an Intermediary holding on behalf of a NOBO will date and sign the Corporation's Form of Proxy and send it to the NOBO for such NOBO to complete the voting instructions. If you have received the Corporation's Form of Proxy directly, you may return it to TSX Trust Company by regular mail in the return envelope provided or by fax at 416-595-9593 or by email to: [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com).

Only registered shareholders, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, NOBOs may also direct the voting of shares that they beneficially own. The intermediary holding your Common Shares on your behalf has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions to your Intermediary as specified in the request for voting instructions. **OBOs** and other beneficial holders receive a VIF from their Intermediary if such Intermediary has assumed the cost of mailing the Meeting Materials to the OBOs on whose behalf they are holding the Common Shares. Detailed instructions as to how to submit your vote will be on the VIF, or you may contact your Intermediary for additional instructions.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Common Shares they beneficially own. Should a non-registered holder who receives either a Form of Proxy or VIF wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the Form of Proxy or VIF and insert the non-registered holder's name in the blank space provided or, in the case of a VIF, follow the directions indicated on the VIF. Non-registered holders who receive a VIF from an Intermediary should carefully follow the instructions of their Intermediary including those regarding when and where the VIF is to be delivered.

A non-registered holder who has submitted a VIF may revoke it by contacting the Intermediary through which the non-registered holder's Common Shares are held and following the Intermediary's instructions. A non-registered holder who has submitted the Corporation's Form of Proxy may revoke it in the manner described in the Form of Proxy but will need the assistance of the Intermediary holding on behalf of such non-registered holder as only registered holders may sign the Form of Proxy. Please refer to the sections entitled "Appointment of Proxies" and "Revocation of Proxies".

## **VOTING SHARES AND RECORD DATE**

The Corporation is authorized to issue an unlimited number of Common Shares without par value carrying the right to one vote per share at all meetings of the shareholders of the Corporation.

As of January 31st, 2020, the Corporation had 477,222,387 Common Shares issued and outstanding.

In accordance with the provisions of the *Business Corporations Act* (Ontario) (the "**Act**"), the Corporation has fixed January 27, 2020 as the record date (the "**Record Date**") for the purpose of determining the shareholders who are entitled to vote at the Meeting. The Corporation will prepare a list of holders of its Common Shares as at the close of business on the record date. A shareholder named in the list will be entitled to vote the Common Shares shown opposite his name at the Meeting and all adjournments thereof.

## **QUORUM**

The presence of shareholders or proxy-holders entitled to cast votes at the Meeting holding a minimum of 10% of the outstanding Common Shares of the Corporation will constitute a quorum. The Corporation's list of shareholders as of the Record Date has been used to deliver to shareholders the Notice of Meeting and this Circular as well as to determine who is eligible to vote.

## **SHAREHOLDER APPROVALS**

Unless otherwise noted, approval of matters to be placed before the Meeting is by an "ordinary resolution", which is a resolution passed by a simple majority (50% plus 1) of the votes cast by shareholders of the Corporation entitled to vote and present in person or represented by proxy.

## **PRINCIPAL HOLDERS OF VOTING SHARES**

As of January 31<sup>st</sup>, 2020, to the knowledge of the Directors and senior Officers of the Corporation, the following person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation:

- Alamos Gold Inc. - 52,995,253 Common Shares (11.1%). Alamos also holds 52,995,253 share purchase warrants of the Corporation.

Information regarding shareholdings of the Corporation is taken from public sources posted by the holders thereof.

### **ITEM 1 – RECEIPT OF FINANCIAL STATEMENTS**

The audited consolidated annual financial statements of the Corporation and related management’s discussion and analysis for the financial year ended July 31, 2019 will be placed before the Meeting but shareholders will not be asked to vote thereon.

Copies of the Corporation’s audited consolidated financial statements for the financial year ended July 31, 2019 together with the report of the auditors thereon and related management’s discussion and analysis are available upon request from the Corporation or can be accessed at [www.redpineexp.com](http://www.redpineexp.com) and under the Corporation’s profile at [www.SEDAR.com](http://www.SEDAR.com).

### **ITEM 2 – APPOINTMENT AND REMUNERATION OF AUDITORS**

It is proposed to appoint MNP LLP, Chartered Accountants, of Toronto, Ontario as auditors of the Corporation to hold office until the next annual meeting of shareholders, and to authorize the Directors to fix their remuneration.

**The Board recommends a vote FOR the appointment of MNP LLP, Chartered Accountants, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the Directors to fix their remuneration.** Unless another choice is specified, the persons named in the enclosed Form of Proxy intend to vote FOR the appointment of MNP LLP, Chartered Accountants, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the Directors to fix their remuneration.

### **ITEM 3 – ELECTION OF DIRECTORS**

#### *Nominees for election as Directors*

The following table sets forth the names of all the persons proposed to be nominated for election as Directors. In accordance with the special resolution of the shareholders of the Corporation approved January 30, 2017 empowering the Board of Directors to set the number of directors to be elected at a meeting of shareholders, the Board of Directors has determined that there will be five directors elected at the Meeting. The table also lists the year they became a director, their principal occupations or employment within the five preceding years, and the number of Common Shares of the Corporation beneficially owned, directly or indirectly, by each of them as of January 31, 2020.

<b>NAME</b>	<b>DIRECTOR SINCE</b>	<b>PRINCIPAL OCCUPATION</b>	<b>SHARES BENEFICIALLY OWNED<sup>(1)</sup></b>
Drew Anwyll <sup>(2)(3)</sup> Toronto, ON Canada	January 28, 2019	President, Drew Anwyll Consulting Senior Vice President - Technical Services, Detour Gold Corporation from November 2014 to December 2018 VP Operations and Mine General Manager, Detour Gold Corporation from September 2011 to November 2014	2,240,000 <sup>(4)</sup>
Quentin Yarie Toronto, ON Canada	December 2009	CEO, Red Pine Exploration Inc. President & CEO, Honey Badger Exploration Inc. President & CEO, Macdonald Mines Exploration Inc.	2,496,040 <sup>(5)</sup>
Robert B. Dodds Oakville, ON Canada	February 3, 2017	Acting CEO and Vice Chair of Ontario Energy Board	5,470,735 <sup>(6)</sup>
Peter Kampian <sup>(2)(3)</sup> Cambridge, ON Canada	February 3, 2017	CFO of DionyMed Holdings Inc. CEO of Edege Financial Consulting Services Corp. Former CFO of Mettrum Health Corp. from 2014 to 2017	35,000 <sup>(7)</sup>
Andrew Baumen <sup>(2)(3)</sup> Oakville, ON Canada	November 8, 2018	President Baumen Mining Consulting Inc. VP, Technical Services, Barrick Gold Corporation 2017 to 2018 General Manager, Hemlo Operations, Barrick Gold Corporation 2010 to 2016	714,285 <sup>(8)</sup>

Notes:

- (1) Shares beneficially owned, or controlled or directed, directly or indirectly, as at January 31, 2020, based upon information furnished to the Corporation by each proposed director or as obtained from public sources.
- (2) Member of the Audit Committee.
- (3) Member of Compensation Committee.
- (4) Mr. Anwyll also holds 875,000 stock options of the Corporation and 1,400,000 warrants of the Corporation.
- (5) Mr. Yarie also holds 2,522,500 stock options of the Corporation and 397,500 warrants of the Corporation..
- (6) Mr. Dodds also holds 2,828,000 stock options of the Corporation and 714,286 warrants of the Corporation.
- (7) Mr. Kampian also holds 825,000 stock options of the Corporation.
- (8) Mr. Baumen also holds 875,000 stock options of the Corporation and 714,285 warrants of the Corporation.

Management does not contemplate that any of these proposed nominees will be unable to serve as a Director.

### *Cease Trade Orders and Bankruptcies*

Other than as set out below, to the best of the Corporation's knowledge, no proposed director of the Corporation is, or within 10 years before the date hereof, has been: (a) a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. No proposed director: (a) is at the date hereof, or has been with 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, or within 10 years before the date hereof, 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.

- Mr. Kampian acted as Chief Financial Officer of Oneworld Energy Inc. ("Oneworld"), a renewable energy developer of wind and solar projects, from October 2009 to July 2011. In October 2010, Mr. Kampian was appointed to Oneworld's board of directors. In July 2011, Mr. Kampian resigned as Chief Financial Officer of Oneworld. Mr. Kampian resigned as a director of Oneworld in October 2011. In June 2012, Oneworld filed for bankruptcy. Mr. Kampian is an officer of DionyMed Brands Inc., of which a receiver was appointed by the Supreme Court of British Columbia on October 29, 2019.

Other than as set out below, to the best of the Corporation's knowledge, no proposed director of the Corporation has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

**The Board recommends a vote FOR the election of each of the nominated directors.** Unless such authority is withheld, the persons named in the enclosed Form of Proxy intend to vote FOR the election of the individuals set forth in the tables above. Management does not contemplate that any of such nominees will be unable to serve as a Director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee in their discretion.

### **ITEM 4 – APPROVAL OF THE COMPANY'S STOCK OPTION PLAN**

The Board of Directors (the "**Board**") and Shareholders have previously approved the Corporation's stock option plan (the "**Plan**") for the benefit of the Directors, Officers, employees, and consultants of the Corporation, which complies with the policies of the TSX Venture Exchange ("**TSXVE**"). Under the Plan, which was previously approved by Shareholders on March 27, 2019, the Corporation may grant stock options to its Directors, Officers, employees and consultants.

The Plan is a "rolling" stock option plan as described in TSXVE Policy 4.4, that being a revolving or regenerating plan

under which options not exceeding a fixed proportion (namely, 10%) of the Corporation's issued and outstanding Common Shares may be reserved from time to time, subject to annual review and approval of the Plan by Shareholders and the TSXVE. Additional information on the plan is disclosed in the section entitled "Securities Authorized for Issuance Under Equity Compensation Plans".

It is proposed that the Shareholders pass a resolution approving the Plan substantially in the form set forth below:

**"NOW THEREFORE BE IT RESOLVED BY ORDINARY RESOLUTION THAT:**

1. the continued use of the Corporation's existing stock option plan (the "**Plan**"), all as more particularly described in the management information circular dated January 31, 2020, is hereby ratified and approved;
2. the Corporation be and is hereby authorized to grant stock options pursuant and subject to the terms and conditions of the Plan, entitling the option holders to purchase up to that number of common shares that is equal to 10% of the issued and outstanding shares of the Corporation at the time of the grant; and
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the TSX Venture Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the implementation of the Plan."

**The Board recommends a vote FOR the ordinary resolution ratifying and approving the continued use of the Plan.** Unless a shareholder has specified in the proxy that the shares are to be voted against the ordinary resolution, the persons named in the enclosed Form of Proxy intend to vote FOR the resolution ratifying and approving the continued use of the Plan.

**ITEM 5 – SPECIAL BUSINESS, CONSOLIDATION OF ISSUED AND OUTSTANDING SECURITIES**

The Board proposes to reduce the number of Common Shares of the Corporation in order to increase its flexibility with respect to potential business transactions, including any equity financings, if determined by the Corporation to be necessary. Shareholders are being asked to consider and, if thought appropriate, to pass the special resolution authorizing the Board, in its sole discretion, to consolidate the Common Shares on the basis of one (1) new Common Share for up to ten (10) old Common Shares (the "**Consolidation**") and amending the Corporation's articles accordingly. Notwithstanding approval of the Consolidation by the shareholders, the Board of Directors may, in its sole discretion, revoke this special resolution, and abandon the Consolidation without further approval or action by or prior notice to shareholders.

Prior to making any amendment to effect the consolidation of the Common Shares, the Corporation shall first be required to obtain any and all applicable regulatory and relevant TSXVE approvals.

The Board believes shareholder approval of a maximum potential consolidation ratio (rather than a single consolidation ratio) of one post-Consolidation Common Shares for up to ten (10) pre-Consolidation Common Shares provides the Board with flexibility to achieve the desired results of the Consolidation, and to ensure that the Corporation remains in compliance with applicable shareholder distribution requirements of the TSXVE. If this special resolution is approved, the Consolidation will be implemented, if at all, only upon a determination by the Board that the Consolidation is in the best interests of the Corporation and its shareholders at that time. In connection with any determination to implement a Consolidation, the Board will set the timing for such a consolidation and select the specific ratio from within the range set forth in the special resolution.

**Certain Risks Associated with the Consolidation**

There can be no assurance that the total market capitalization of the Common Shares (the aggregate value of all Common Shares at the then-market price) immediately after the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the market price per Common Share following the Consolidation will be higher than the market price per Common Share immediately before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. A decline in the market price of the Common Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of a Consolidation, and the liquidity of the Common Shares could be adversely affected. There can be no assurance that, if the Consolidation is implemented, the margin terms associated with the purchase of



Common Shares will improve or that the Corporation will be successful in receiving increased attention from institutional investors.

### Principal Effects of the Consolidation

As of January 31, 2020, the Corporation had 477,222,387 Common Shares issued and outstanding. Following the completion of the proposed Consolidation, the number of Common Shares of the Corporation issued and outstanding will depend on the ratio selected by the Corporation's Board. The following table sets out the appropriate number of Common Shares that would be outstanding as a result of the Consolidation at the ratios suggested below.

Selected Proposed Consolidation Ratios <sup>(1)</sup>	Approximate Number of Outstanding Common Shares (Post Consolidation) <sup>(2) (3)</sup>
1 for 2	238,611,194
1 for 3	159,074,129
1 for 5	95,444,477
1 for 7	68,174,627
1 for 10	47,722,239

Notes:

- (1) The ratios above are for information purposes only and are not indicative of the actual ratio that may be adopted by the Board of Directors to effect the Consolidation, which, if the Consolidation Resolution is approved, may be one New Common Share for up to every ten (10) issued and outstanding Common Shares.
- (2) The exact number of Common Shares outstanding after the Consolidation will vary based on the elimination of fractional shares, and certain other factors.
- (3) Based on the number of outstanding Common Shares as at the date hereof, being 477,222,387 Common Shares.

### Tax Effect

The Consolidation will not give rise to a capital gain or loss under the *Income Tax Act* (Canada) for a shareholder who holds such Common Shares as capital property. The adjusted cost base to the shareholder of the new Common Shares immediately after the consolidation will be equal to the aggregate adjusted cost base to the shareholder of the old Common Shares immediately before the Consolidation.

### Notice of Consolidation and Letter of Transmittal

Upon receipt of all required regulatory, stock exchange, shareholder and board of directors approvals, the Corporation will mail a letter of transmittal to all registered shareholders, which will need to be duly completed and submitted by any registered shareholder wishing to receive share certificates representing the post-Consolidation Common Shares to which he, she or it is entitled upon completion of the Consolidation. This letter of transmittal should be used by registered shareholders for the purpose of surrendering certificates representing the currently outstanding Common Shares to the Corporation's registrar and transfer agent, TSX Trust Company, in exchange for new share certificates representing whole post-Consolidation Common Shares of the Corporation. After the Consolidation, current issued share certificates representing pre-Consolidation Common Shares of the Corporation will (i) not constitute good delivery for the purposes of trades of post-Consolidation Common Shares; and (ii) be deemed for all purposes to represent the number of post-Consolidation Common Shares to which the Shareholder is entitled as a result of the Consolidation. No delivery of a new certificate to a Shareholder will be made until the Shareholder has surrendered his, her or its current issued certificates. **The letter of transmittal will contain instructions as to the procedure by which the existing share certificates and the letter of transmittal are to be sent to TSX Trust Company, the Corporation's registrar and transfer agent.**

### Non-registered shareholders

Non-registered shareholders of the Corporation holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the proposed Consolidation than those that will be put in place by the Corporation for registered shareholders. If you hold your Common Shares with such a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

### Fractional Shares

No fractional Common Shares of the Corporation will be issued upon the Consolidation. All fractions of post-Consolidation Common Shares will be rounded down to the next lowest whole number if the first decimal place is less than five and rounded up to the next highest whole number if the first decimal place is five or greater.

### Percentage Shareholdings

The Consolidation will not affect any shareholder's percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of Common Shares. Instead, the Consolidation will reduce proportionately the number of Common Shares held by all shareholders.

## **Implementation**

The implementation of the special resolution is conditional upon the Corporation obtaining the necessary regulatory consents. The special resolution provides that the Board is authorized, in its sole discretion, to determine not to proceed with the proposed Consolidation, without further approval of the Corporation's shareholders. In particular, the Board of Directors may determine not to present the special resolution to the Meeting or, if the special resolution is presented to the Meeting and approved, may determine after the Meeting not to proceed with completion of the proposed Consolidation and filing of the articles of amendment. If the Board does not implement the Consolidation prior to the next annual meeting of shareholders, the authority granted by the special resolution to implement the Consolidation on these terms would lapse and be of no further force or effect.

## **Special Resolution Approving the Consolidation**

It is proposed that the shareholders pass a resolution in the form set forth below:

### **“NOW THEREFORE BE IT RESOLVED BY SPECIAL RESOLUTION THAT:**

1. The Corporation be and is hereby authorized to amend the articles of the Corporation to consolidate the issued and outstanding Common Shares in the capital of the Corporation on the basis of up to one (1) new Common Share for every ten (10) issued and outstanding Common Shares (the “**Consolidation**”);
2. the Board of Directors is hereby authorized to determine the ratio for the Consolidation within the range set out in Table 1 – “Consolidation Ratio” of the management information circular dated January 31, 2020;
3. in the event that the Consolidation would otherwise result in the issuance of a fractional share, no fractional share will be issued and such fractional share will be rounded down to the next lowest whole number if the first decimal place is less than five and rounded up to the next highest whole number if the first decimal place is five or greater;
4. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation; and
5. notwithstanding the passing of this special resolution by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered without further notice to or approval of the Shareholders of the Corporation not to proceed with the Consolidation or to revoke this resolution at any time prior to the Consolidation becoming effective.”

**Unless such authority is withheld, the persons named in the enclosed Form of Proxy intend to vote FOR the resolution authorizing and approving the Consolidation. In order to be approved, the special resolution must be passed by at least 66 2/3% of the votes cast by shareholders at the Meeting in person or by proxy.**

## **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. Receipt at the Meeting of reports to the Directors and auditors and the Corporation's financial statements for its last completed financial year and the auditors' report thereon will not constitute approval or disapproval of any matters referred to therein. If any matters which are not now known should properly come before the Meeting, the accompanying Form of Proxy will be voted on such matters in accordance with the best judgment of the person voting it.

## **STATEMENT OF EXECUTIVE COMPENSATION**

Under applicable securities legislation, the Corporation is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer (“**CEO**”), Chief Financial Officer (“**CFO**”) and the most highly compensated executive officer, other than the CEO and CFO, who was serving as an executive officer at the end of financial year ended July 31, 2019 and whose total compensation exceeded \$150,000, for that financial year (collectively, “**NEO**” or the “**Named Executive Officers**”) and for the directors of the Corporation.

As of the year-ended July 31, 2019 the Corporation had two individuals that qualified as NEOs: Quentin Yarie, CEO and Tara Gilfillan, CFO.

## Summary Compensation Table

The following table is a summary of the compensation paid, directly or indirectly, to the Named Executive Officers and directors of the Corporation for the two most recently completed financial years.

COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All other compensation (\$)	Total compensation (\$)
Quentin Yarie <sup>(1)(2)</sup> <i>Chief Executive Officer, Director</i>	2019	150,000	-	-	-	35,938	185,938
	2018	164,300	-	-	-	-	164,300
Tara Gilfillan <sup>(3)</sup> <i>Chief Financial Officer</i>	2019	96,000	-	-	-	22,500	118,500
	2018	48,000	-	-	-	-	48,000
Robert Dodds <sup>(4)</sup> <i>Director</i>	2019	-	-	-	-	17,500 <sup>(8)</sup>	17,500
	2018	102,924	-	-	-	-	102,924
Peter Kampian <sup>(5)</sup> <i>(Chair) Director</i>	2019	-	-	-	-	23,125 <sup>(9)</sup>	23,125
	2018	-	-	-	-	-	-
Drew Anwyll <sup>(6)</sup> <i>Director</i>	2019	-	-	-	-	21,875 <sup>(9)</sup>	21,875
	2018	-	-	-	-	-	-
Andrew Baumen <sup>(7)</sup> <i>Director</i>	2019	-	-	-	-	29,100 <sup>(9)</sup>	29,100
	2018	-	-	-	-	-	-

Notes:

- (1) No additional compensation was awarded to NEOs that are also directors.
- (2) Quentin Yarie was appointed CEO on July 29, 2015.
- (3) Tara Gilfillan was appointed CFO in February 2018. She resigned effective November 29, 2019. Gregory Duras was appointed CFO effective November 29, 2019 upon the resignation of Tara Gilfillan.
- (4) Robert Dodds was appointed Executive Director on February 3, 2017. He resigned this position effective December 10, 2018, and continues to serve as a director.
- (5) Andrew Baumen was appointed as a director on November 8, 2018.
- (6) Drew Anwyll was appointed as a director on January 28, 2019.
- (7) Andrew Baumen was appointed as a director on November 8, 2017.
- (8) This amount was paid for executive services rendered.
- (9) These amounts were paid in respect of consulting services rendered.

## Stock Options and Other Compensation Securities

During the financial year ended July 31, 2019, the following compensation securities were granted or issued to the directors and Named Executive Officers by the Corporation:

COMPENSATION SECURITIES							
Name and Position	Type of Compensation Security <sup>(1)</sup>	Number of Compensation Securities, Number of Underlying Securities and percentage of class (#)	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at year end (\$)	Expiry Date
Quentin Yarie <sup>(2)</sup> <i>Chief Executive Officer, Director</i>	Stock Option	937,500	August 10, 2018	0.06	0.06	0.045	August 10, 2023
		500,000	June 20, 2019	0.06	0.035		June 20, 2022
Tara Gilfillan <sup>(3)</sup> <i>Chief Financial Officer</i>	Stock Option	300,000	August 10, 2018	0.06	0.06	0.045	August 10, 2023
		600,000	June 20, 2019	0.06	0.035		June 20, 2022
Robert Dodds <sup>(4)</sup> <i>Director</i>	Stock Option	200,000	August 10, 2018	0.06	0.06	0.045	August 10, 2023
		500,000	June 20, 2019	0.06	0.035		June 20, 2022
Peter Kampian <sup>(5)</sup> <i>(Chair) Director</i>	Stock Option	300,000	August 10, 2018	0.06	0.06	0.045	August 10, 2023
		625,000	June 20, 2019	0.06	0.035		June 20, 2022

Drew Anwyll <sup>(6)</sup> <i>Director</i>	Stock Option	875,000	June 20, 2019	0.06	0.035	0.045	June 20, 2022
Andrew Baumen <sup>(7)</sup> <i>Director</i>	Stock Option	875,000	June 20, 2019	0.06	0.035	0.045	June 20, 2022

Notes:

- (1) No additional compensation was awarded to NEOs that are also directors.
- (2) Quentin Yarie was appointed CEO on July 29, 2015. As of July 31, 2019, Mr. Yarie held a total of 2,522,500 stock options of the Corporation. None of such options are subject to vesting provisions.
- (3) Tara Gilfillan was appointed CFO in February 2018. She resigned effective November 29, 2019. Gregory Duras was appointed CFO effective November 29, 2019 upon the resignation of Tara Gilfillan. Ms Gilfillan's stock options will expire 90 days after such resignation, or February 25, 2020, in accordance with the terms of the Corporation's stock option plan.
- (4) Robert Dodds was appointed Executive Director on February 3, 2017. He resigned this position effective December 10, 2018, and continues to serve as a director. As of July 31, 2019, Mr. Dodds held a total of 2,828,000 stock options of the Corporation. None of such options are subject to vesting provisions.
- (5) Peter Kampian was appointed as director on November 8, 2018. As of July 31, 2019, Mr. Kampian held a total of 825,000 stock options of the Corporation. None of such options are subject to vesting provisions.
- (6) Drew Anwyll was appointed as director on January 28, 2019. As of July 31, 2019, Mr. Anwyll held a total of 875,000 stock options of the Corporation. None of such options are subject to vesting provisions.
- (7) Andrew Baumen was appointed as director on November 8, 2018. As of July 31, 2019, Mr. Baumen held a total of 875,000 stock options of the Corporation. None of such options are subject to vesting provisions.

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

During the financial year ended July 31, 2019, the following compensation securities were exercised by the directors and Named Executive Officers of the Corporation:

<b>EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NEOs</b>							
<b>Name and Position</b>	<b>Type of Compensation Security</b>	<b>Number of underlying Securities exercised</b>	<b>Exercise Price per Security (\$)</b>	<b>Date of Exercise</b>	<b>Closing Price per Security on Date of Exercise (\$)</b>	<b>Difference Between Exercise Price and Closing Price on Date of Exercise (\$)</b>	<b>Total Value of Date of Exercise (\$)</b>
Quentin Yarie <i>Chief Executive Officer, Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tara Gilfillan <sup>(1)</sup> <i>Chief Financial Officer</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robert Dodds <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peter Kampian (Chair) <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andrew Baumen <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Drew Anwyll <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Tara Gilfillan was appointed CFO in February 2018. She resigned effective November 29, 2019. Gregory Duras was appointed CFO effective November 29, 2019 upon the resignation of Tara Gilfillan. Ms Gilfillan's stock options will expire 90 days after such resignation, or February 25, 2020, in accordance with the terms of the Corporation's stock option plan.

### ***Pension Plan Benefits***

For the most recently completed financial year, the Corporation did not have any pension or retirement benefit plans and none are proposed at this time.

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

Currently, the Corporation has a "rolling" stock option plan as described in TSXVE Policy 4.4. Pursuant to the Plan, the Board may from time to time, in its discretion, and in accordance with TSXVE requirements, grant to directors, officers, consultants and employees of the Corporation and its affiliates, non-transferable options to purchase Common

Shares exercisable for a period of up to five years from the date of the grant, provided that the number of Common Shares reserved for issuance thereunder may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant. The Plan was last re-approved for use by the Corporation at the annual meeting of shareholders held on March 27, 2019 and is required to be re-approved at the Meeting.

The purpose of the Plan is to develop the interest of bona fide officers, directors, employees, management company employees and consultants of the Corporation in the growth and development of the Corporation by providing them with the opportunity through stock options to acquire an increased proprietary interest in the Corporation. The exercise price for each option is determined by the Board at the time of grant and may not be less than the Discounted Market Price (as such term is defined in the policies of the TSXVE) of the Common Shares as of the date of grant. If any option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of which the option was not exercised shall be available for the purposes of the Plan. Any exercises of options will make new grants available under the Plan, effectively resulting in a re-loading of the number of options available for grant under the Plan.

Pursuant to the Plan, the maximum number of Common Shares reserved for issuance in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant. Incentive stock options granted to any optionee that does not continue as a director, officer, employee or consultant of the Corporation or one of its affiliates, may be exercised up to 90 days following the date the optionee ceases to be a director, officer, employee or consultant of the Corporation or one of its affiliates, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period determined by the Board, which date shall not be later than one year after such death and the expiry date of such option.

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

The following are the material terms of each agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the company or any of its subsidiaries that were performed by a director, NEO or was performed by any other party but are services typically provided by a director or NEO.

- The Corporation signed a management consulting agreement with Tara Gilfillan in February 2018, which provided that her management company would receive approximately CAD\$8,000 per month for providing her services as CFO to the Corporation, subject to a 12-month notice period for termination without cause. Ms Gilfillan resigned as Chief Executive Officer effective November 29, 2019.
- Gregory Duras was appointed Chief Financial Officer effective November 29, 2019. At this time, Mr. Duras has not entered into an employment agreement with the Corporation.
- The Corporation signed an employment contract with Quentin Yarie in May 2016, whereby he will receive \$150,000 per annum over a five-year term beginning on January 1, 2016. Written performance objectives will be established annually whereby Mr. Yarie could receive a potential bonus of up to 100% of base salary at the sole discretion of the Board. The Corporation can terminate the CEO's employment at any time without cause upon giving 12-month notice period, salary or combination thereof, plus an additional one month notice, salary or combination thereof for each completed year of service to a maximum of 6 months of additional notice period, salary or combination thereof.

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

The Board, with the recommendation of the compensation committee, determines the compensation payable to the directors of the Corporation and reviews such compensation annually.

For the fiscal year ending July 31, 2019, each director was entitled to (i) a \$nil monthly fee; (ii) \$nil per day for each meeting attended in person; (iii) \$nil for each meeting attended by telephone upon furnishing an invoice for same; (iv) reimbursement for travel and other meeting-related expenses and may, from time to time, be awarded stock options under the provisions of the Plan. Certain directors earned consulting fees in respect of consulting services provided to the Corporation, as set out in the "Compensation Excluding Compensation Securities" table above.

There are no other arrangements under which the directors of the Corporation were compensated by the Corporation during the most recently completed financial year end for their services in their capacity as directors, other than as set out herein.

## **Compensation of Named Executive Officers**

### *Principles of Executive Compensation*

Remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to the Corporation's management team. The main objectives the Corporation hopes to achieve through its compensation are:

- to attract and retain executives critical to the Corporation's success, who will be key in helping the Corporation achieve its corporate objectives and increase shareholder value;
- to motivate the Corporation's management team to meet or exceed targets;
- to recognize the contribution of the Corporation's executive officers to the overall success and strategic growth of the Corporation; and
- to align the interests of management and the Corporation's shareholders by providing performance-based compensation in addition to salary.

It is one of the aims of the compensation strategy to ensure that executives of the Corporation are paid reasonably and consistent with the level of responsibility and authority which they assume and taking into account the role they play in advancing the strategic objectives of the Corporation.

For the fiscal year ending July 31, 2019, the compensation committee of the Board (the "Compensation Committee") was composed of three directors, being Andrew Baumen, Drew Anwyll and Peter Kampian, all three of whom are considered to be independent. The role of the Compensation Committee is to undertake periodic, independent reviews of market conditions to ensure that the executive officers of the Corporation are paid competitively relative to other comparable participants in the industry. When deemed necessary, the Compensation Committee may call upon outside resources to assist with these reviews and to ensure that the compensation packages available to executives are adequate to retain the existing complement of executives and recruit others into this group as an integral part of facilitating and sustaining the continued growth of the Corporation.

The basic elements of the compensation strategy are base salary, annual incentives and long-term incentives.

### *Base Salary*

On an individual basis, base salaries are reviewed for each executive officer, including the CEO, and where it is deemed necessary, changes are made. In order to ensure that base salaries paid are competitive relative to other similar positions within the mining industry in Canada, surveys of such salaries are examined. Other considerations taken into account when examining base salaries include years of experience, the potential contribution which the individual can make to the success of the Corporation and the level of responsibility and authority inherent in the job and the importance of maintaining internal equity within the organization.

The Chief Executive Officer has an employment contract with the Corporation. The Compensation Committee approved a base salary of \$150,000 for the 2019 fiscal year (2018: \$150,000).

The Chief Financial Officer, Tara Gilfillan, had a management consulting contract and was not an employee of the Corporation. She received total compensation of \$96,000 for the 2019 fiscal year (2018: \$48,000).

### *Annual Incentives*

The Compensation Committee may recommend bonuses be paid to executive officers of the Corporation when their performance warrants additional consideration.

The Chief Executive Officer has the opportunity to earn an additional bonus based on personal and corporate performance during the review period as part of his employment contract with the Corporation. During the fiscal year ended July 31, 2019, a performance bonus of \$NIL (2018: \$NIL) was awarded to the Chief Executive Officer.

During the fiscal year ended July 31, 2019, Tara Gilfillan was awarded a discretionary performance bonus of \$NIL (2018: \$NIL). Subsequent to the year end, Tara Gilfillan resigned as Chief Financial Officer effective November 29, 2019 and Gregory Duras was appointed as Chief Financial Officer effective November 29, 2019.

#### *Long-term Incentives*

Options to purchase the Common Shares of the Corporation encourage executive officers to own and hold the Corporation's Common Shares and are a method of linking the performance of the Corporation and the appreciation of share value to the compensation of the executive officer. When determining the number of options granted to an executive officer, items such as the relative position of the individual officer, the contribution made by that officer during the review period and the number of options granted previously would be taken into consideration.

The Compensation Committee recommends option grants to the Board. Pursuant to the Corporation's Plan, the Corporation's Board grants options to directors, executive officers, other employees and consultants as incentives. The level of stock options awarded to a Named Executive Officer (as hereinafter defined) is determined by his position and his potential future contributions to the Corporation.

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

The Corporation has implemented the Plan, described in more detail under the headings "*Part II – Statement of Executive Compensation – Stock Option Plan and Other Incentive Plans*" above. The following table sets out additional information with respect to the Plan as of July 31, 2019.

<b>Name and Position</b>	<b>(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)</b>	<b>(b) Weighted-average exercise price of outstanding options, warrants and rights (#)</b>	<b>(c) Number of securities remaining available for future issuance under equity compensation plans (excluding security reflected in column (a)) (\$)</b>
Stock Option Plan <sup>(1)</sup>	18,262,500	\$0.11	18,660,532
Equity Compensation Plans Not Approved by Shareholders <sup>(2)</sup>	N/A	N/A	N/A

Notes:

(1) The Corporation's stock option Plan is a 10% "rolling number" stock option plan – see "*Part I: Business to be Conducted at the Meeting – Approval of Stock Option Plan*" for more information. The number in column (c) is calculated using the issued and outstanding common shares as of July 31, 2019, being 369,230,323.

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

No person who is now, or was at any time since the beginning of the most recently completed financial year of the Corporation has been, a director, executive officer or senior officer of the Corporation, or associate thereof, been indebted to the Corporation, or had indebtedness during that period which was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

#### **AUDITORS**

The external auditor of the Corporation is MNP LLP, Chartered Accountants, of Toronto, Ontario. MSCM LLP, Chartered Accountants were first appointed as the Corporation's Auditors in 2003.

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

None of the directors or senior officers of the Corporation, nor any proposed director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last completed fiscal year or in any proposed transaction which, in either case, has or will materially affect the Corporation.

## MANAGEMENT CONTRACTS

Management functions of the Corporation are substantially performed by senior officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

## DISCLOSURES RELATING TO CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 – Corporate Governance Guidelines (“NP 58-201”) and National Instrument 58-101 – Disclosure of Corporate Governance Practices (“NI 58-101”) set out a series of guidelines for effective corporate governance. The guidelines address matters such as the constitution and independence of corporate boards, the function to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each reporting issuer of its approach to corporate governance with reference to the guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of conformity. The following disclosure is provided in accordance with the corporate governance disclosure prescribed by Form 58-101F2 of NI 58-101.

### *Board of Directors*

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is defined as a relationship, which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment.

The Board currently has five members, consisting of Drew Anwyll, Quentin Yarie, Peter Kampian, Andrew Baumen and Dr. Robert Dodds. The Board of Directors has voted to set the number of Board members to five as of the date of the upcoming annual general meeting.

Under NI 58-101 and NP 58-201, three of the Directors, Drew Anwyll, Peter Kampian and Andrew Baumen are considered “independent” by the Board of Directors within the meaning of that term therein. The other two Directors, Quentin Yarie, CEO and Robert Dodds, SVP, are considered to be non-independent by virtue of their material relationship with the Corporation as executive officers. Mr. Yarie is the current Chief Executive Officer and Mr. Dodds, as the former Executive Director of the Corporation, is not considered independent until a period of three years has passed since he last served as an executive.

### *Directorships*

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

NAME OF DIRECTOR	OTHER REPORTING ISSUER (OR EQUIVALENT IN A FOREIGN JURISDICTION)
Drew Anwyll	Goldsource Mines Inc.
Quentin Yarie	MacDonald Mines Exploration Ltd. Honey Badger Exploration Inc.
Peter Kampian	Grenville Strategic Royalty Corp. CannaRoyalty Corp.

### *Nomination of Directors*

The Board performs the functions of a nominating committee and is responsible for the appointment and assessment of Directors. The Board believes that this is a practical approach at this stage of the Corporation’s development and given the small size of the Board. While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain Directors with business knowledge and an established knowledge of mineral exploration and development, or other areas such as finance, which would assist in guiding the officers of the Corporation.

As such, nominations tend to be the result of recruitment efforts by management of the Corporation and discussions among Directors prior to the consideration by the Board as a whole.

### *Policies Regarding the Representation of Women on the Board and in Executive Officer Positions*

The Corporation has not adopted a written policy relating to the identification and nomination of women directors and executive officers. The Corporation has not adopted a target regarding women on the board and in executive officer positions. Given the small size of the Corporation’s management team, which consists primarily of the CEO and CFO,



the Board believes adopting a target regarding women in executive officer positions is not practical at this stage in the Corporation's development.

As at January 31, 2020 there were no women on the Board of Directors.

#### ***Director Term Limits***

The Corporation has not adopted term limits for or other mechanisms for board renewal. The Board believes that term limits are not practical at this stage of the Corporation's development.

#### ***Board's Relations with Management***

The President and CEO is a member of the Board, as is usual in a company of this size. The Board feels that this is not an impediment to the proper discharge of the Board's responsibilities. Furthermore, the interaction between Management and Board members, both inside and outside of meetings of the Board, ensures that the Board is properly informed and that the Board members' experience is brought to bear when needed by management.

The Board remains sensitive to corporate governance issues and seeks to set up the necessary structures to ensure the effective discharge of its responsibilities without creating additional overhead costs or reducing the return on shareholders' equity. The Board is committed to ensuring the long-term viability of the Corporation, as well as the well-being of its employees and of the communities in which it operates. The Board has also adopted a policy of permitting individual Directors under appropriate circumstances to engage legal, financial or other expert advisors at the Corporation's expense.

#### ***Director Compensation***

Refer to "Executive Compensation – Compensation Discussion and Analysis" for a discussion of the steps taken to determine the compensation of the NEOs of the Corporation. Refer to "Executive Compensation – Director Compensation" for a discussion of the steps taken to determine the compensation of the Directors of the Corporation.

#### ***Director Assessment***

The Board assesses, on an annual basis, the contribution of the Board as a whole and each of the individual Directors, in order to determine whether each is functioning effectively.

#### ***Director Orientation and Continuing Education***

The Corporation does not provide a formal orientation and education program for new Directors. However, new Directors are given an opportunity to familiarize themselves with the Corporation by visiting its corporate offices, meeting with other Directors, reviewing the rules and regulations of the stock exchange where the Corporation's shares are listed, and reviewing the Corporation's by-laws. Moreover, new Directors are encouraged to speak with the Corporation's solicitors to become familiarized with their legal responsibilities as Directors.

#### ***Ethical Business Conduct***

The role of the Board is to oversee the conduct of the Corporation's business, to set corporate policy and to supervise management, which is responsible to the Board for the day-to-day conduct of business. However, given the size of the Corporation, all material transactions are addressed at the Board level. The Board discharges five specific responsibilities as part of its overall "stewardship responsibility". These are:

- (1) Strategic Planning Process: Given the Corporation's size, the strategic plan is elaborated directly by management, with input from and assistance of the Board;
- (2) Managing Risk: The Board directly oversees most aspects of the business of the Corporation and thus does not require the elaboration of "systems" or the creation of committees to effectively monitor and manage the principal risks of all aspects of the business of the Corporation;
- (3) Appointing, Training and Monitoring Senior Management: No elaborate system of selection, training and assessment of management has been established, as those would prove too costly; however, the Board closely

monitors management's performance, which is measured against the overall strategic plan, through reports by and regular meetings with management;

- (4) Communication Policy: It is and has always been the unwritten policy of the Board to communicate effectively with its shareholders, other stakeholders, and the public generally through statutory filings and mailings, as well as news releases; the shareholders are also given an opportunity to make comments or suggestions at shareholder meetings; these comments and suggestions are then factored into the Board's decisions; and
- (5) Ensuring the integrity of the Corporation's Internal Control and Management Information System: Given the involvement of the Board in operations, the reports from and the meetings with management, the Board can effectively track and monitor the implementation of approved strategies.

## **DISCLOSURES RELATING TO AUDIT COMMITTEE**

National Instrument 52-110 – Audit Committees (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. The following disclosure is provided in accordance with the audit committee disclosure prescribed by Form 52-110F2 of NI 52-110.

### ***Audit Committee Charter and Composition***

The Board has established an Audit Committee consisting of three Directors of the Corporation, the majority of whom are not Officers, employees or Control Persons of the Corporation.

For the year-ended July 31, 2019, Peter Kampian (Audit Committee Chair), Drew Anwyll and Andrew Baumen were members of the audit committee and were “financially literate” as defined in NI 52-110. The members of the Audit Committee are considered to be “independent” by the Board of Directors within the meaning of NI 52-110.

Pursuant to NI 52-110, a person is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

As a “venture issuer”, as defined in NI 52-110, the Corporation is relying on an exemption provided in section 6.1 thereunder from certain disclosure requirements and requirements regarding the composition of the audit committee, including the requirement that all members qualify as “independent”.

The responsibilities and operation of the Audit Committee are set out in the Corporation's Audit Committee charter (see Appendix “A”).

### ***Relevant Education and Experience***

#### **Peter Kampian (Chair of Audit Committee)**

Mr. Kampian CPA, CA, ICD.D, has a long track record as a financial executive with a number of Canadian public companies and has over 30 years of financial management experience. Mr Kampian is currently Chief Financial Officer of DionyMed Brands Inc, and CEO of Edge Financial Consulting Services Corp. Mr Kampian also serves on the Board of James E Wagner Cultivation Corporation and also serves as Chair of the Audit Committee. Mr. Kampian was Boards of Grenville Strategic Royalty Corp (currently Flow Capital Corp) and CannaRoyalty Corp where he was the Chair of the Audit Committee for both companies. Mr. Kampian was the Chief Financial Officer of Mettrum Health Corp., which was acquired by Canopy Growth Corp in early 2017. Previously Mr. Kampian was involved with several startup businesses in renewable energy including Threshold Power Trust, Riverbank Power Corporation and Oneworld Energy Corporation. Mr. Kampian also the held the position of Vice President Finance with Superior Energy Management and Chief Financial Officer of Algonquin Income Fund (now Algonquin Power and Utilities) where he led and supported debt and equity capital raising. Mr Kampian is a Chartered Accountant and a member of the Charter Professional Accountants of Ontario and a member of the Institute of Corporate Directors.

#### **Drew Anwyll**

Drew Anwyll is a mining engineer with over 25 years of broad experience in both head offices and operations. During his career in the gold mining industry, he has worked in both open pit and underground mines across Canada, South

Africa, Papua New Guinea and Solomon Islands in operations / production, project management and construction, project start-up and corporate development. He has previously served as Senior Vice President – Technical Services and Vice President of Operations at Detour Gold Corporation along with senior Management-level positions at Placer Dome, Barrick Gold and Allied Gold. He is currently on the board of Goldsource Mines Inc. He is a Professional Engineer (Ontario) and holds a Bachelor’s and a Master’s degree of Engineering from McGill University.

**Andrew Baumen**

Mr. Baumen is a mining engineer with over 35 years of broad experience in both corporate head offices and operations. During his career in the gold and base metals sector, he has worked in both underground, open pit and smelters across Canada, United States, Africa and South American operations / production, project management, construction and project start-up. He has previously served as Vice President – Technical Services and General Manager at Barrick Gold Corporation. He is a Professional Engineer (Ontario) and holds a Bachelor of Applied Science in Mining Engineering from Queen’s University.

In addition to the background and experience noted with respect to each member of the Audit Committee, all members of the Audit Committee had direct access to the Corporation’s auditors and to the Corporation’s management.

***Audit Committee Oversight***

Since the commencement of the most recently completed financial year, the Board adopted all the recommendations of the Audit Committee to nominate or compensate an external auditor.

***Reliance on Certain Exemptions***

Since the commencement of the most recently completed financial year, the Corporation did not rely on an exemption provided under Section 2.4 (*De Minimis Non-audit Services*) of NI 52-110, nor has the Corporation obtained or relied upon any exemption from a securities regulatory authority or regulator from the requirements of Part 8 (*Exemptions*) of NI 52-110.

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

The Audit Committee has not adopted any specific policies and procedures regarding the engagement of non-audit services, but does review such matters as they arise in light of factors such as the Corporation’s current needs, the availability of services from other sources and the other services provided by the Corporation’s auditor.

**EXTERNAL AUDITOR SERVICES FEES**

The following table sets out the aggregate fees billed by the Corporation’s external auditor during each of the last two fiscal years.

<b>Category of Fees</b>	<b>Year Ended July 31, 2019 (\$)</b>	<b>Year Ended July 31, 2018 (\$)</b>
Audit Fees <sup>(1)</sup>	46,500	35,000
Audit-Related Fees <sup>(2)</sup>	7,500	Nil
Tax Fees <sup>(3)</sup>	5,250	2,500
All Other Fees <sup>(4)</sup>	Nil	2,500

Notes:

- (1) Fees billed by the Corporation’s external auditor during the fiscal year.
- (2) Fees billed during the fiscal year for assurance and related services by the Corporation’s external auditor that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and are not reported under “Audit Fees”.
- (3) Fees billed during the fiscal year for services rendered by the Corporation’s external auditor for tax compliance, tax advice and tax planning.
- (4) Aggregate fees billed during the fiscal year for products and services provided by the Corporation’s external auditor, other than the services reported under “Audit Fees”, “Audit-Related Fees” and “Tax Fees”.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is filed on the System for Electronic Data Analysis and Retrieval (“**SEDAR**”) and can be accessed on the internet at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation’s comparative financial statements and in its management discussion and analysis (“**MD&A**”) for its most recently completed financial year.

Shareholders may request copies of such financial statements and MD&A by mailing a request to: Red Pine Exploration Inc., Suite 1001, 145 Wellington Street West, Toronto, Ontario, M5J 1H8.

## **DIRECTORS’ APPROVAL**

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

**DATED** at Toronto, Ontario this 31<sup>st</sup> day of January, 2020.

*(Signed) “Quentin Yarie”*

**Quentin Yarie**  
Chief Executive Officer

## APPENDIX “A”

### AUDIT COMMITTEE CHARTER

**General and Authority** - The Audit Committee (the “**Committee**”) is appointed by the Board of Directors of Red Pine Exploration Inc. (the “**Corporation**”). The Committee is a key component of the Corporation’s commitment to maintaining a higher standard of corporate responsibility. The Committee shall review the Corporation’s financial reports, internal control systems, the management of financial risks and the external audit process. It has the authority to conduct any investigation appropriate to its responsibilities. The Committee shall have the authority to: engage independent counsel and other advisors as it determines necessary to carry out its duties; set and pay the compensation for advisors employed by the Committee; and communicate directly with the internal and external auditors.

**Overseeing the External Audit Process** – (a) the Committee shall recommend to the Board the external auditor to be nominated, shall set the compensation for the external auditor and shall ensure that the external auditor reports directly to the Committee, (b) the Committee shall be directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting, (c) the Committee shall review the external auditor’s audit plan, including scope, procedures and timing of the audit, (d) the Committee shall pre-approve all non-audit services to be provided by the external auditor, (e) the Committee shall review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employers of the present and former external audit, and (f) the Committee shall review fees paid by the Corporation to the external auditor and other professionals in respect of audit and non-audit services on an annual basis.

**Financial Reporting and Internal Controls** – (a) The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with generally accepted accounting principles, that the information contained therein is not erroneous, misleading or incomplete and that the audit function has been effectively carried out, (b) the Committee shall report to the Board with respect to its review of the annual audited financial statements and recommend to the Board whether or not same should be approved prior to their being publicly disclosed, (c) the Committee shall review the Corporation’s annual and interim financial statements, management’s discussion and analysis relating to annual and interim financial statements, and earnings press releases prior to any of the foregoing being publicly disclosed by the Corporation, (d) the Committee shall satisfy itself that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements other than the disclosure referred to in Section 3.2(c) of this Charter, and periodically assess the adequacy of these procedures, (e) the Committee shall oversee any investigations of alleged fraud and illegality relating to the Corporation’s finances, (f) the Committee shall establish procedures for: (1) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and (2) the confidential, anonymous submission by employees of the Corporation or concerns regarding questionable accounting or auditing matters, and (g) the Committee shall meet no less frequently than annually with the external auditor and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls, auditing matters and such other matters as the Committee deems appropriate.

**Risk Management and Other Responsibilities** - The Committee shall inquire of management and the external auditor regarding significant risks or exposures to which the Corporation may be subject, and shall assess the adequacy of the steps management has taken to minimize such risks. The Committee shall perform any other responsibilities consistent with this charter and any applicable laws as appropriate.

**Composition** - The Committee shall be composed of three or more directors, the majority of whom are not employees, Control Persons or officers of the Corporation or any of its Associates or Affiliates, as such capitalized terms are defined by the TSX Venture Exchange, (b) if at any time, the Corporation ceases to be exempt from Part 3 of Multilateral Instrument 52-100 - Audit Committees, every audit committee member shall be Independent, as such term is defined in said Instrument, (c) notwithstanding Sections 4.1(a) and 4.1(b) of this Charter, the Committee and its membership shall at all times be so constituted as to meet all

current, applicable legal, regulatory and listing requirements, including, without limitation, securities laws and the requirements of the TSX and the TSX Venture Exchange and of all applicable securities regulatory authorities, and (d) committee members shall be appointed by the Board from time to time. One member shall be designated by the Board to serve as Chair.

**Meetings** – (a) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable laws. A minimum of two and at least 50% of the members present either in person or by telephone shall constitute a quorum. Further, in order for a quorum to be constituted, the majority of members present must not be employees, Control Persons or officers of the Corporation or any of its Associates or Affiliates, as such capitalized terms are defined by the TSX Venture Exchange, (b) if and whenever a vacancy in the Committee shall exist, the remaining members may exercise all of its powers and responsibilities provided that a quorum (as herein defined) remains in office, (c) the time and place at which meetings of the Committee shall be held, and the procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile or electronic means, by giving 48 hours notice, or such greater notice as may be required under the Corporation's By-Laws, provided that no notice shall be necessary if all the members are present either in person or by telephone or if those absent have waived notice or otherwise indicated their consent to the holding of such meeting, (d) the Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person, who need not be a member, to act as a secretary at any meeting, (e) the Committee may invite such officers, directors and employees of the Corporation as it deems appropriate, from time to time, to attend meetings of the Committee, (f) Any matters to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all members of the Committee, and such actions shall be effective as though they had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose.

**Reporting to the Board** - The Committee shall report regularly to the Board on Committee activities, findings and recommendations. The Committee is responsible for ensuring that the Board is aware of any matter that may have a significant impact on the financial condition or affairs of the Corporation.

**Continued Review of the Charter** - The Committee shall review and assess the continued adequacy of this Charter annually and submit such proposed amendments as the Committee sees fit to the Board for its consideration.



