



**Norsemont  
Mining**

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

AND

INFORMATION CIRCULAR

**To be held on Thursday, September 8, 2022**

Dated: July 29, 2022

**NORSEMONT MINING INC.**

Suite 610, 700 West Pender Street  
Vancouver, British Columbia, V6C 1G8

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

**NOTICE IS HEREBY GIVEN** that the **Annual General and Special Meeting** (the “**Meeting**”) of **NORSEMONT MINING INC.** (the “**Company**”) will be held at Suite 610 – 700 West Pender Street, Vancouver, British Columbia, on **Thursday, September 8, 2022** at **10:00 a.m.** (Pacific Time) for the following purposes:

- to receive the audited financial statements of the Company for the financial year ended December 31, 2021, together with the auditor’s report thereon;
- to fix number of directors of the Company at seven (7);
- to re-elect the current seven directors for the ensuing year;
- to appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the Company’s auditor for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the auditor;
- to consider, and if deemed advisable, to pass, with or without variation, a resolution (the “**Shareholder Rights Plan Resolution**”) to approve, confirm, and ratify the shareholder rights plan of the Company as approved by the board of directors of the Company (the “**Rights Plan**”), which Rights Plan is more particularly described in the Information Circular and summarized in Appendix “B” to the Information Circular; and
- to transact such other business as may properly come before the Meeting or any adjournments thereof.

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

Only shareholders of record at the close of business on **July 25, 2022**, will be entitled to receive notice of and vote at the Meeting. Shareholders are entitled to vote at the Meeting either in person or by proxy. Each common share (the “**Common Shares**”) is entitled to one vote.

**Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their Common Shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.**

**Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their Common Shares will be voted at the Meeting. If you hold your Common Shares in a brokerage account, you are not a registered shareholder.**

**DATED** at Vancouver, British Columbia, this 29<sup>th</sup> day of **July, 2022**.

BY ORDER OF THE BOARD OF DIRECTORS:

Signed: “*Marc Levy*”

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MARC LEVY

Chairman, CEO, and Director

## NORSEMONT MINING INC.

Suite 610, 700 West Pender Street  
Vancouver, British Columbia, V6C 1G8

### MANAGEMENT INFORMATION CIRCULAR

The information contained in this Management Information Circular, unless otherwise indicated, is as of **July 29, 2022**.

**This Management Information Circular is being mailed by the management of NORSEMONT MINING INC. (the “Company” or “Norsemont”) to shareholders of record at the close of business on July 25, 2022, which is the date that has been fixed by the directors of the Company as the record date (the “Record Date”) to determine the shareholders who are entitled to receive notice of the meeting.** The Company is mailing this Information Circular in connection with the solicitation of proxies by and on behalf of the Company for use at its Annual General and Special Meeting (the “**Meeting**”) of the shareholders that is to be held on **Thursday, September 8, 2022** at 10:00 a.m. (Pacific Time) at Suite 610 – 700 West Pender Street, Vancouver, British Columbia, V6C 1G8. The solicitation of proxies will be primarily by mail for registered shareholders and by way of Notice and Access for Beneficial Shareholders (as defined below). Certain employees or directors of the Company may also solicit proxies by telephone or in person. The cost of solicitation will be borne by the Company.

#### **Notice-And-Access**

The Company has elected to use the notice and access (“**Notice and Access**”) provisions under National Instrument 54-101 (“**NI 54-101**”) *Communication with Beneficial Owners of Securities of a Reporting Issuer*, of the Canadian Securities Administrators, for the delivery to non-registered shareholders of the Company (“**Beneficial Shareholders**”) of its Notice of Meeting and Information Circular (the “**Meeting Materials**”) for the Meeting to be held on Thursday, September 8, 2022.

Under the provisions of Notice and Access, Beneficial Shareholders will receive a notice (“**Notice and Access Notice**”) containing information on how they can access the Meeting Materials electronically instead of receiving a printed copy or how to receive a printed copy of the Meeting Materials. Together with the Notice and Access Notice, Beneficial Shareholders will receive a Voting Instruction Form (“**VIF**”), enabling them to vote at the Meeting. The Meeting Materials for the Meeting will be posted on the Company’s website at [norsemont.com/investors](http://norsemont.com/investors) as of August 9, 2022 and will remain on the website for one year. The Meeting Materials will also be available on the Company’s SEDAR corporate profile at [www.sedar.com](http://www.sedar.com) as of August 9, 2022.

The Company has elected to use the Notice and Access for the Meeting in respect of mailings to its Beneficial Shareholders but not in respect of mailings to its registered shareholders. Registered shareholders will receive a paper copy of the Meeting Materials and a Form of Proxy.

#### **QUORUM**

Under the Company’s Articles, the quorum for the transaction of business at a Meeting of shareholder is one or more persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote at the Meeting.

## SECTION 1 - VOTING

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### WHO CAN VOTE?

If you are a registered shareholder of the Company as at **July 25, 2022**, you are entitled to notice of and to attend at the Meeting and cast a vote for each share registered in your name on all resolutions put before the Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating such officer's authority should be presented at the Meeting. If you are a registered shareholder but do not wish to, or cannot, attend the Meeting in person you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions (see "**Voting By Proxy**" below). If your shares are registered in the name of a "nominee" (usually a bank, trust company, securities dealer, financial institution, or other intermediary) you should refer to the section entitled "**Non-Registered Shareholders**" set out below.

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

### VOTING BY PROXY

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

**In order to be valid, you must return the completed form of proxy to the Company's transfer agent, Odyssey Trust, 350-409 Granville Street, Attention: Proxy Department, or by fax within North America at 1-800-517-4553, or by email at proxy@odysseytrust.com not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time fixed for the Meeting or any adjournments thereof.**

#### *What Is A Proxy?*

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

#### *Appointing A Proxyholder*

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

#### *Instructing Your Proxy*

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

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

**vote your shares IN FAVOUR of each of the items of business being considered at the Meeting.**

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

#### *Changing Your Mind*

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the Meeting and voting in person; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the Company at Suite 610 – 700 West Pender Street, Vancouver, British Columbia, V6C 1G8 or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 10:00 a.m. in the morning (Pacific Time) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the Meeting in person. **Only registered shareholders may revoke a proxy. If your shares are not registered in your own name and you wish to change your vote, you must arrange for your nominee to revoke your proxy on your behalf (see below under “Non-Registered Shareholders”).**

#### **REGISTERED SHAREHOLDERS**

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to the Company’s transfer agent, Odyssey Trust Company, 350-409 Granville St. Vancouver, BC V6C 1T2, Attention: Proxy Department, or by fax at 1-800-517-4553.

In all cases, the Proxy must be received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

#### **NON-REGISTERED SHAREHOLDERS**

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

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

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

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

Intermediaries that receive the proxy-related materials are required to forward the proxy-related materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the proxy-related materials to Non-Registered Holders. The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's Intermediary assumes the costs of delivery.

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

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

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

#### **NOTICE TO SHAREHOLDERS IN THE UNITED STATES**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws. The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended (the "**Act**"), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

## SECTION 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

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The Company is authorized to issue an unlimited number of common shares without par value.

As at the close of business on the Record Date being **July 25, 2022**, **54,620,305** shares were issued and outstanding. Each shareholder entitled to receive notice of and to vote at the Meeting is entitled to one vote for each common share registered in his or her name at the close of business on **July 25, 2022**.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a Proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at the Company's transfer agent and will be available at the Meeting.

To the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially owned, directly or indirectly, or exercised control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company as at **July 25, 2022**.

## SECTION 3 - THE BUSINESS OF THE MEETING

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A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

### FINANCIAL STATEMENTS

The audited financial statements of the Company for the financial year ended **December 31, 2021** will be placed before you at the Meeting. They have been mailed to the shareholders who have requested they receive a copy of same together with the Notice of Meeting and this Information Circular. These audited financial statements are available through the Internet on SEDAR at [www.sedar.com](http://www.sedar.com).

**No approval or other action needs to be taken at the Meeting in respect of these documents.**

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* and National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, both of the Canadian Securities Administrators, a person or corporation who in the future wishes to receive annual and interim financial statements from the Company must deliver a written request for such material to the Company. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the appropriate section on the Financial Statement Request Form attached to this Information Circular and send it to the Company.

### ELECTION OF DIRECTORS

#### *Number of Directors*

Under the Company's Articles and pursuant to the Act, the number of directors may be set by ordinary resolution but shall not be fewer than three. The Company currently has **seven (7)** directors. All of the current directors are being put forward by management of the Company for election at the Meeting.

### Recommendation

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**The Company's management recommends that the shareholders vote in favour of the resolution setting the number of directors at seven (7). Unless you give other instructions, the Management Proxyholders intend to vote FOR the resolution setting the number of directors at seven (7).**

#### **NOMINEES FOR ELECTION**

Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he or she resigns or otherwise vacates office before that time.

The following table sets out the names of management's nominees for election as directors of the Company; all offices in the Company each nominee now holds; each nominee's principal occupation, business or employment; the period of time during which each nominee has been a director of the Company; and the number of shares that are beneficially owned, directly or indirectly, over which control or direction is exercised, by each nominee as at Record Date.

Each of the nominees has agreed to stand for election and management of the Company is not aware of any intention of any of them not to do so. Management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

<b>Name and place of residence<sup>(1)</sup></b>	<b>Principal occupation for the past five years<sup>(1)</sup></b>	<b>Director since</b>	<b>Number of shares<sup>(2)</sup></b>
<b>Allan Larmour</b> British Columbia, Canada  <i>Director</i>	Strategic business planning and investment consultant since 2009.	August 29, 2013	Nil
<b>John Bean<sup>(3) (4)</sup></b> British Columbia, Canada  <i>Director</i>	Chartered Professional Accountant; CFO of Aurora Cannabis Inc. from December 2014 to August 2016; Director of Avarone Metals Inc. since May 21, 2019; CFO of Cullinan Metals Corp. since June 9, 2022.	January 31, 2022	398,000
<b>Charles Ross<sup>(3) (4)</sup></b> British Columbia, Canada  <i>Director</i>	President of Goldex Resources Corp, August 2007-present; CFO of Tearlach Resources Limited, December 1996-Present; CEO of Four Nines Gold Inc., May 2019-Present	April 27, 2020	46,750
<b>Marc Levy</b> British Columbia, Canada  <i>Chairman, Director, and CEO</i>	President of Mosam Ventures Inc., October 2004 to present, Chief Executive Officer of Avarone Metals Inc. (formerly Remstar Resources Ltd.), August 2006 to present.	September 2, 2020	463,628
<b>Art Freeze<sup>(4)</sup></b> British Columbia, Canada  <i>Director</i>	Director of Canasil Resources Inc., Orex Minerals Inc., Barsele Minerals Corp. and Silver Viper Minerals Corp., Advisor to Grande Portage Resources Ltd., previous Consultant Geologist to Goldcorp Inc. until 2016.	September 2, 2020	23,750
<b>Patrick Burns</b> Salta, Argentina  <i>Director</i>	Consulting Geologist.	May 2, 2022	Nil
<b>Kyle Haddow<sup>(3)</sup></b> Alberta, Canada  <i>Director</i>	Director of Wangton Capital Corp from October 2021 to present and FTC Cards Inc from May 2021 to present; CFO of Monarch West Ventures Inc. from January 2021 to present; Partner and Director of Volente Capital Inc. from 2020 to the present;	October 20, 2021	46,541



	Independent Consultant; Analyst at Wildhorse Capital Partners Inc.; Financial Advisor at Scotiabank.		
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**NOTES:**

- (1) Information as to the residency and principal occupation has been provided by the respective directors.
- (2) Number of shares are provided on an undiluted basis. Information as to shares beneficially owned, as of July 29, 2022, not being within our knowledge has been furnished by the respective person, has been extracted from the list of registered shareholders maintained by the Company’s transfer agent, has been obtained from insider reports filed by respective person and available through the Internet at the Canadian System for Electronic Disclosure by Insiders ([www.sedi.ca](http://www.sedi.ca)) or has been obtained from early warning report and alternative monthly reports filed by the respective person and are available through the Internet on SEDAR at [www.sedar.com](http://www.sedar.com).
- (3) Member of the Audit Committee as of July 29, 2022.
- (4) Member of the Corporate Governance Committee as of July 29, 2022.

**Recommendation**

**The Company’s management recommends that the shareholders vote in favour of the election of the proposed nominees as directors of the Company for the ensuing year. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the nominees named in this Information Circular.**

**APPOINTMENT OF THE AUDITOR**

At the Meeting, Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, located at Suite 1500 – 1140 West Pender Street, Vancouver, British Columbia. V6E 4G1, will be recommended by management and the Board of Directors for re-appointment as auditor of the Company at a remuneration to be fixed by the directors. See Section 5 – Audit Committee – External Service Fees.

**Recommendation**

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

**SHAREHOLDER RIGHTS PLAN**

The Company adopted a Shareholder Rights Plan dated July 28, 2022 (the “**Rights Plan**”). A summary of the Rights Plan is attached hereto as Appendix B. The Rights Plan is available on the Company’s profile on [www.sedar.com](http://www.sedar.com) and copies are available on request.

The purpose of the Rights Plan is to provide the Board of Directors with time to review any unsolicited take-over bid that may be made and to take action, if appropriate, to enhance shareholder value. The Rights Plan attempts to protect shareholders of the Company by requiring all potential bidders to comply with the conditions specified in the Permitted Bid provisions, failing which such bidders are subject to the dilutive features of the Rights Plan. By creating the potential for substantial dilution of a bidder’s position, the Rights Plan encourages an offeror to proceed by way of a Permitted Bid or to approach the Board of Directors with a view to a negotiation.

The following description of the Rights Plan is qualified in its entirety by the terms of the Shareholder Rights Plan Agreement (the “**Rights Agreement**”) between Norsemont and Odyssey Trust.

#### *Operation of the Rights Plan*

At the close of business on July 28, 2022, one right will be issued and attached to each share of the Company outstanding at such time. The rights will automatically attach to the shares and no further action will be required by shareholders. A right will also automatically attach to each common share of the Company issued thereafter.

Subject to the terms of the Rights Plan and to certain exceptions provided therein, the rights will become exercisable in the event that any person, together with joint actors, acquires or announces its intention to acquire 20% or more of the Company’s outstanding shares without complying with the “Permitted Bid” provisions of the Rights Plan or in circumstances where the application of the Rights Plan is waived in accordance with its terms. The “Permitted Bid” provisions prevent the dilutive effects of the Rights Plan from operating if a take-over bid is made to all holders of shares of the Company (other than the bidder) by way of a take-over bid circular that remains open for acceptance for a minimum of 105 days and satisfies certain other conditions. In circumstances where a take-over bid does not comply with the requirements of the Rights Plan or where the application of the Rights Plan is not waived in accordance with its terms, the rights holders (other than the acquiring person and joint actors) will be entitled to purchase additional shares of the Company at a significant discount to the market price.

As the Rights Plan requires shareholder approval, Shareholders will be asked to consider, and if thought fit, approve and ratify the Rights Agreement entered into between the Company and Odyssey Trust Company, as rights agent, on July 28, 2022.

The Rights Plan must be approved by not less than a majority of the votes cast by all Shareholders present or represented by proxy at the Meeting. At the Meeting, Shareholders will be asked to consider, and if thought fit, approve the following ordinary resolution (the “**Shareholder Rights Plan Resolution**”):

**"BE IT HEREBY RESOLVED, as an ordinary resolution, that:**

1. The Shareholder Rights Plan Agreement dated July 28, 2022 between the Company and Odyssey Trust Company, as rights agent, is hereby approved, confirmed and ratified; and
2. Any one director or officer of the Company is hereby authorized and directed to execute and deliver, whether under corporate seal or otherwise, any such agreement, instrument, notice, consent, acknowledgement, certificate or other document and to perform and do all such other acts and things, as any such director or officer in his discretion may consider to be necessary or advisable from time to time in order to give effect to this resolution.

#### **Recommendation**

**The Company’s management recommends that the shareholders vote in favour of the resolution approving, confirming, and ratifying the Shareholders Right Plan. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the proposed resolution to authorize the Board of Directors to approve, confirm and ratify the Shareholder Rights Plan.**

#### **OTHER BUSINESS**

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof. Management of the Company knows of no other matters

to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxies solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting by proxy.

## SECTION 4 – EXECUTIVE COMPENSATION

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### GENERAL

For the purpose of this Statement of Executive Compensation:

“**Company**” means Norsemont Mining Inc.;

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

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year ended **December 31, 2021** whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

Based on the foregoing definitions, during the most recently completed financial year ended **December 31, 2021**, the Company had **three (3)** NEOs, namely Marc Levy, CEO, Kulwant Sandher, CFO, and John Currie, Vice President of Exploration.

### DIRECTOR AND NEO COMPENSATION

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

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

Table of compensation excluding compensation securities
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Name and position	Year Ended Dec 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$) <sup>(12)</sup>	Total compensation (\$)
<b>Marc Levy</b> <sup>(1)</sup> CEO and Director	2020	\$84,400	Nil	Nil	Nil	\$417,230	\$501,630
	2021	\$247,800	Nil	Nil	Nil	\$534,076	\$781,876
<b>Kulwant Sandher</b> <sup>(2)</sup> CFO	2020	\$102,625	Nil	Nil	Nil	\$76,000	\$178,625
	2021	\$141,000	Nil	Nil	Nil	\$66,427	\$207,427
<b>Allan Larmour</b> <sup>(3)</sup> Director	2020	Nil	Nil	Nil	Nil	\$38,000	\$38,000
	2021	Nil	Nil	Nil	Nil	\$12,811	\$12,811
<b>Charles Ross</b> <sup>(4)</sup> Director	2020	\$10,000	Nil	Nil	Nil	\$40,750	\$50,750
	2021	Nil	Nil	Nil	Nil	\$47,210	\$47,210
<b>Art Freeze</b> <sup>(5)</sup> Director	2020	Nil	Nil	Nil	Nil	\$108,000	108,000
	2021	Nil	Nil	Nil	Nil	\$54,565	\$54,565
<b>Adrian King</b> <sup>(6)</sup> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	\$68,250	\$68,250
<b>Kyle Haddow</b> <sup>(7)</sup> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	\$14,538	\$14,538
<b>John Currie</b> <sup>(8)</sup> VP Exploration	2020	\$20,750	Nil	Nil	Nil	Nil	\$20,750
	2021	\$236,220	Nil	Nil	Nil	\$69,933	\$306,153
<b>Kant Trivedi</b> <sup>(9)</sup> Director	2020	Nil	Nil	Nil	Nil	\$19,000	\$19,000
	2021	Nil	Nil	Nil	Nil	\$6,406	\$6,406
<b>Bill Koutsouras</b> <sup>(10)</sup> Former Director	2020	Nil	Nil	Nil	Nil	\$315,000	\$315,000
	2021	Nil	Nil	Nil	Nil	\$173,487	\$173,487
<b>Rana Vig</b> <sup>(11)</sup> Former Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

services provided and for services to be provided, directly or indirectly, to the Company or its subsidiaries.

**NOTES:**

(1) Marc Levy was appointed CEO on September 21, 2020. Mr. Levy was a member of Audit Committee as at December 31, 2021 until January 31, 2022, when he resigned as a member of Audit Committee.

(2) Kulwant Sandher was appointed as Chief Financial Officer on April 27, 2018. Professional fees for the years ended December 31, 2021 and 2020 were paid to Hurricane Corporate Services Ltd., a company controlled by Kulwant Sandher.

(3) Allan Larmour was appointed as Director on August 13, 2013 and Interim CEO on June 7, 2017 until September 21, 2020. Mr. Larmour was a member of the Compensation Committee as at December 31, 2021.

(4) Charles Ross was appointed as Director on April 27, 2020. Mr. Ross is Chair of the Audit and Compensation Committees as at December 31, 2021 until January 31, 2022, when he resigned as a Chair of Audit Committee but remained a member of the Audit Committee.

(5) Art Freeze was appointed as Director on September 2, 2020.

(6) Adrian King was appointed Director on March 5, 2021 and resigned on April 20, 2022.

(7) Kyle Haddow was appointed Director on October 20, 2021. Mr. Haddow was a member of Audit and Compensation Committees as at December 31, 2021.

(8) John Currie was appointed Vice President of Exploration on February 24, 2021. Consulting fees for the year ended December 31, 2021 were paid to Ursa Minor SPA, a company controlled by John Currie.

(9) Kant Trivedi was Director from October 30, 2015 and resigned on January 31, 2022.

(10) Bill Koutsouras was appointed as Director from July 27, 2020 and resigned on September 30, 2021.

(11) Rana Vig was Director from April 5, 2018 until April 24, 2020.

(12) Other compensation represents fair value of options and RSUs granted and/or vested during the period.

## Stock Options and Other Compensation Securities

The Company granted the following compensation securities to the directors and NEOs during the financial year ended **December 31, 2021**.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	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
Marc Levy CEO	Options	400,000 <sup>(2)</sup> – 0.74%	Apr 20, 2021	\$0.60	\$0.69	\$0.78	Apr 20, 2026
	Options	150,000 <sup>(2)</sup> – 0.28%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	Nov 19, 2026
	RSU	110,000 <sup>(3)</sup> – 0.20%	Mar 5, 2021	\$0.56	\$0.56	\$0.78	NA
	RSU	55,000 <sup>(4)</sup> – 0.10%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	NA
Kulwant Sandher CFO	Options	100,000 <sup>(2)</sup> – 0.19%	Apr 20, 2021	\$0.60	\$0.69	\$0.78	Apr 20, 2026
	Options	100,000 <sup>(2)</sup> – 0.19%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	Nov 19, 2026
	RSU	75,000 <sup>(3)</sup> – 0.14%	Mar 5, 2021	\$0.56	\$0.56	\$0.78	NA
	RSU	37,000 <sup>(4)</sup> – 0.07%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	NA
Allan Larmour Director	Option	50,000 <sup>(2)</sup> – 0.09%	Apr 20, 2021	\$0.60	\$0.69	\$0.78	Apr 20, 2026
Charles Ross Director	Options	25,000 <sup>(2)</sup> – 0.05%	Apr 20, 2021	\$0.60	\$0.69	\$0.78	Apr 20, 2026
	Options	100,000 <sup>(2)</sup> – 0.19%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	Nov 19, 2026
	RSU	75,000 <sup>(3)</sup> – 0.14%	Mar 5, 2021	\$0.56	\$0.56	\$0.78	NA
	RSU	37,000 <sup>(4)</sup> – 0.07%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	NA
Art Freeze Director	Options	100,000 <sup>(2)</sup> – 0.19%	Apr 20, 2021	\$0.60	\$0.69	\$0.78	Apr 20, 2026
	Options	100,000 <sup>(2)</sup> – 0.19%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	Nov 19, 2026
	RSU	35,000 <sup>(3)</sup> – 0.06%	Mar 5, 2021	\$0.56	\$0.56	\$0.78	NA
	RSU	50,000 <sup>(4)</sup> – 0.09%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	NA
Adrian King Director	Options	100,000 <sup>(2)</sup> – 0.19%	Mar 5, 2021	\$0.56	\$0.56	\$0.78	Mar 5, 2026
	Options	100,000 <sup>(2)</sup> – 0.19%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	Nov 19, 2026
	RSU	75,000 <sup>(3)</sup> – 0.14%	Mar 5, 2021	\$0.56	\$0.56	\$0.78	NA
	RSU	50,000 <sup>(4)</sup> – 0.09%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	NA
Kyle Haddow Director	Options	100,000 <sup>(2)</sup> – 0.19%	Oct 20, 2021	\$0.74	\$0.73	\$0.78	Oct 20, 2026
	RSU	25,000 <sup>(4)</sup> – 0.05%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	NA
John Currie VP Exploration	Options	200,000 <sup>(2)</sup> – 0.37%	Feb 23, 2021	\$0.70	\$0.65	\$0.78	Feb 23, 2026
	Options	50,000 <sup>(2)</sup> – 0.09%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	Nov 19, 2026
	RSU	35,000 <sup>(3)</sup> – 0.06%	Mar 5, 2021	\$0.56	\$0.56	\$0.78	NA
	RSU	17,000 <sup>(4)</sup> – 0.03%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	NA
Kant Trivedi Director	Options	25,000 <sup>(2)</sup> – 0.05%	Apr 20, 2021	\$0.60	\$0.69	\$0.78	Apr 20, 2026
Bill Koutsouras Former Director	Options	250,000 <sup>(2)</sup> – 0.46%	Apr 20, 2021	\$0.60	\$0.69	\$0.78	Apr 20, 2026
	Options	25,000 <sup>(2)</sup> – 0.05%	Nov 19, 2021	\$1.05	\$1.05	\$0.78	Nov 19, 2026
	RSU	35,000 <sup>(3)</sup> – 0.06%	Mar 5, 2021	\$0.56	\$0.56	\$0.78	NA

### Notes:

<sup>(1)</sup> Represents the number of underlying shares issuable upon the exercise of Options and as a percentage of the total issued and outstanding shares of 53,984,033 as at December 31, 2021.

- (2) Options are vesting quarterly over the period of 2 years.  
(3) RSU are vesting annually over the period of 2 years.  
(4) RSU vesting quarterly over the period of 2 years.

No Options were re-priced, replaced, extended or otherwise materially modified during the Company's two most recently completed financial years. During the year ended December 31, 2021, the Company cancelled 2,410,000 options of which 950,000 were held by directors and NEOs.

The following table sets forth the total compensation securities held by each Named Executive Officer and director as of December 31, 2021:

Name and Position	Type of Compensation Security	Total Number of Compensation Securities Held	Total Number of Shares Underlying Compensation Securities
<b>Marc Levy</b> CEO	Stock Option	550,000	550,000
	RSU	165,000	165,000
<b>Kulwant Sandher</b> CFO	Stock Option	310,000	310,000
	RSU	112,000	112,000
<b>Allan Larmour</b> Director	Stock Option	150,000	150,000
<b>Charles Ross</b> Director	Stock Option	200,000	200,000
	RSU	112,000	112,000
<b>Art Freeze</b> Director	Stock Option	200,000	200,000
	RSU	85,000	85,000
<b>Adrian King</b> Director	Stock Option	200,000	200,000
	RSU	125,000	125,000
<b>Kyle Haddow</b> Director	Stock Option	100,000	100,000
	RSU	25,000	25,000
<b>John Currie</b> VP Exploration	Stock Option	250,000	250,000
	RSU	52,000	52,000
<b>Kant Trivedi</b> Director	Stock Option	105,000	105,000
<b>Bill Koutsouras</b> Former Director	Stock Option	275,000	275,000
	RSU	35,000	35,000
<b>TOTAL</b>	Stock Option	<b>2,340,000</b>	<b>2,340,000</b>
<b>TOTAL</b>	RSU	<b>711,000</b>	<b>711,000</b>

*Exercise of Compensation Securities by Directors and NEOs during the financial year ended December 31, 2021*

Name and Position	Type of Security	Number of securities	Exercise price	Date of exercise
None				

*2020 Equity Incentive Plan*

The Company implemented an omnibus equity incentive plan on July 3, 2020 (the "2020 Equity Incentive Plan") enabling the Board to grant equity-based incentive awards in the form of options ("Options"), restricted share units ("RSUs"), performance share units ("PSUs") and deferred share units ("DSUs", and collectively with Options, RSUs and PSUs, the "Awards") from time to time to eligible persons

(collectively, “**Participants**”) in consideration of such Participants providing services to the Company or a subsidiary of the Company. The number of Awards granted by the Company to Participants is determined by the Board, within the guidelines established by the 2020 Equity Incentive Plan.

The purpose of the 2020 Equity Incentive Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants of the Company and its subsidiaries, to reward such of those Directors, Employees and Consultants as may be granted Awards under the 2020 Equity Incentive Plan by the Board from time to time for their contributions toward the long-term goals and success of the Company and to enable and encourage such Directors, Employees and Consultants to acquire shares as long-term investments and proprietary interests in the Company.

A summary of the key terms of the 2020 Equity Incentive Plan is set out below, which is qualified in its entirety by the full text of the 2020 Equity Incentive Plan.

### ***Key Terms of the Equity Incentive Plan***

#### *Shares Subject to the 2020 Equity Incentive Plan*

The 2020 Equity Incentive Plan is a rolling plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), provides that the aggregate maximum number of Common Shares that may be issued upon the exercise or settlement of awards granted under the 2020 Equity Incentive Plan shall not exceed 10% of the Company’s issued and outstanding Common Shares from time to time, such number being 54,620,305 as at July 25, 2022. The 2020 Equity Incentive Plan is considered an “evergreen” plan, since the Common Shares covered by awards which have been exercised, settled or terminated shall be available for subsequent grants under the 2020 Equity Incentive Plan and the number of awards available to grant increases as the number of issued and outstanding Common Shares increases.

#### *Insider Participation Limit*

The 2020 Equity Incentive Plan also provides that the aggregate number of Common Shares (a) issuable to insiders at any time (under all of the Company’s security-based compensation arrangements) cannot exceed 10% of the Company’s issued and outstanding Common Shares and (b) issued to insiders within any one year period (under all of the Company’s security-based compensation arrangements) cannot exceed 10% of the Company’s issued and outstanding Common Shares. Furthermore, the 2020 Equity Incentive Plan provides that (i) the Company shall not make grants of awards to non-employee directors if, after giving effect to such grants of awards, the aggregate number of Common Shares issuable to non-employee directors, at the time of such grant, under all of the Company’s security based compensation arrangements would exceed 1% of the issued and outstanding Common Shares on a non-diluted basis, and (ii) within any one financial year of the Company, (a) the aggregate fair value on the date of grant of all Options granted to any one non-employee director shall not exceed \$100,000, and (b) the aggregate fair market value on the date of grant of all awards (including, for greater certainty, the fair market value of the Options) granted to anyone non-employee director under all of the Company’s security based compensation arrangements shall not exceed \$150,000; provided that such limits shall not apply to (i) awards taken in lieu of any cash retainer or meeting director fees, and (ii) a one-time initial grant to a non-employee director upon such non-employee director joining the Board.

Any Common Shares issued by the Company through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Common Shares available for issuance pursuant to the exercise of awards granted under the 2020 Equity Incentive Plan.

### *Administration of the 2020 Equity Incentive Plan*

The Plan Administrator (as defined in the 2020 Equity Incentive Plan) is determined by the Board, and is initially the Board. The 2020 Equity Incentive Plan may in the future continue to be administered by the Board itself or delegated to a committee of the Board. The Plan Administrator determines which directors, officers, consultants and employees are eligible to receive awards under the 2020 Equity Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Company, the number of Common Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the 2020 Equity Incentive Plan and may adopt guidelines and other rules and regulations relating to the 2020 Equity Incentive Plan, and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the 2020 Equity Incentive Plan.

### *Eligibility*

All directors, employees and consultants are eligible to participate in the 2020 Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the 2020 Equity Incentive Plan will be determined in the sole and absolute discretion of the Plan Administrator.

### *Types of Awards*

Awards of Options, RSUs, PSUs and DSUs may be made under the 2020 Equity Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the 2020 Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the 2020 Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Common Shares issued pursuant to awards.

### Options

An Option entitles a holder thereof to purchase a prescribed number of treasury Common Shares at an exercise price set at the time of the grant. The Plan Administrator will establish the exercise price at the time each Option is granted, which exercise price must in all cases be the greater of the closing market price of the Common Shares on (i) the trading day prior to the date of grant and (ii) the date of grant, and as otherwise required pursuant to the policies of the Canadian Securities Exchange (the “**Market Price**”). Subject to any accelerated termination as set forth in the 2020 Equity Incentive Plan, each Option expires on its respective expiry date. The Plan Administrator will have the authority to determine the vesting terms applicable to grants of Options. Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as otherwise set forth in any written employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and the participant. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable. The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in the 2020 Equity Incentive Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in



the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. Subject to the policies of the Canadian Securities Exchange, a participant may, in lieu of exercising an Option pursuant to an exercise notice, elect to surrender such Option to the Company (a “**Cashless Exercise**”) in consideration for an amount from the Company equal to (i) the Market Price of the Common Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the Option (or portion thereof) surrendered relating to such Common Shares (the “**In-the-Money Amount**”) by written notice to the Company indicating the number of Options such participant wishes to exercise using the Cashless Exercise, and such other information that the Company may require. Subject to the provisions of the 2020 Equity Incentive Plan and the policies of the Canadian Securities Exchange, the Company will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Common Shares having a fair market value equal to the In-the-Money Amount.

#### Restricted Share Units

A RSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the 2020 Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”).

The number of RSUs (including fractional RSUs) granted at any particular time under the 2020 Equity Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the greater of (i) the Market Price of a Common Share on the date of grant and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A of the U.S. Internal Revenue Code of 1986, to the extent applicable.

Upon settlement, holders will redeem each vested RSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Common Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Common Shares and cash. Any such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date. Subject to the provisions of the 2020 Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

#### Performance Share Units

A PSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a participant’s service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the 2020 Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**PSU Service**”).

Year”).

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will redeem each vested PSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Common Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Common Shares and cash. Any such cash payments made by the Company to a participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date. Subject to the provisions of the 2020 Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

#### Deferred Share Units

A DSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or, at the election of the holder and subject to the approval of the Plan Administrator, the cash value thereof) for each DSU on a future date. The Board may fix from time to time a portion of the total compensation (including annual retainer) paid by the Company to a director in a calendar year for service on the Board (the “**Director Fees**”) that are to be payable in the form of DSUs. In addition, each director is given, subject to the provisions of the 2020 Equity Incentive Plan, the right to elect to receive a portion of the cash Director Fees owing to them in the form of DSUs.

Except as otherwise determined by the Plan Administrator or as set forth in the particular award agreement, DSUs shall vest immediately upon grant. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of Director Fees that are to be paid in DSUs, as determined by the Plan Administrator, by (b) the Market Price of a Share on the date of grant. Upon settlement, holders will redeem each vested DSU for: (a) one fully paid and non-assessable Common Share issued from treasury in respect of each vested DSU, or (b) at the election of the holder and subject to the approval of the Plan Administrator, a cash payment on the date of settlement. Any cash payments made under the 2020 Equity Incentive Plan by the Company to a participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.

#### *Dividend Equivalents*

Except as otherwise determined by the Plan Administrator or as set forth in the particular award agreement, RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Common Shares. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of RSUs, PSUs and DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

#### *Black-out Periods*

In the event an award expires, at a time when a scheduled blackout is in place or an undisclosed material change or material fact in the affairs of the Company exists, the expiry of such award will be the date that is 10 business days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

## Term

While the 2020 Equity Incentive Plan does not stipulate a specific term for awards granted thereunder, as discussed below, awards may not expire beyond 10 years from its date of grant, except where shareholder approval is received or where an expiry date would have fallen within a blackout period of the Company. All awards must vest and settle in accordance with the provisions of the 2020 Equity Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

## Termination of Employment or Services

The following table describes the impact of certain events upon the participants under the 2020 Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant's applicable employment agreement, award agreement or other written agreement:

Event	Provisions
<b>Termination for Cause/Resignation</b>	<ul style="list-style-type: none"><li>Any Option or other award held by the participant that has not been exercised, surrendered or settled as of the Termination Date (as defined in the 2020 Equity Incentive Plan) shall be immediately forfeited and cancelled as of the Termination Date.</li></ul>
<b>Termination without Cause</b>	<ul style="list-style-type: none"><li>A portion of any unvested Options or other awards shall immediately vest, such portion to be equal to the number of unvested Options or other awards held by the participant as of the Termination Date multiplied by a fraction the numerator of which is the number of days between the date of grant and the Termination Date and the denominator of which is the number of days between the date of grant and the date any unvested Options or other awards were originally scheduled to vest. Any vested Options may be exercised by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Option; and (B) the date that is 90 days after the Termination Date. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested award other than an Option, such award will be settled within 90 days after the Termination Date.</li></ul>
<b>Disability</b>	<ul style="list-style-type: none"><li>Any award held by the participant that has not vested as of the date of such participant's Termination Date shall vest on such date. Any vested Option may be exercised by the participant at any time until the expiry date of such Option. Any vested award other than an Option will be settled within 90 days after the Termination Date.</li></ul>
<b>Death</b>	<ul style="list-style-type: none"><li>Any award that is held by the participant that has not vested as of the date of the death of such participant shall vest on such date. Any vested Option may be exercised by the participant's beneficiary or legal representative (as applicable) at any time during the period that terminates on the earlier of: (a) the expiry date of such Option, and (b) the first anniversary of the date of the death of such participant. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested award other than an Option, such award will be settled with the Participant's beneficiary or legal representative (as applicable) within 90 days after the date of the Participant's death</li></ul>

<p><b>Retirement</b></p>	<ul style="list-style-type: none"> <li>• Any (i) outstanding award that vests or becomes exercisable based solely on the Participant remaining in the service of the Company or its subsidiary will become 100% vested, and (ii) outstanding award that vests based on the achievement of Performance Goals (as defined in the 2020 Equity Incentive Plan) that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested Option may be exercised by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Option; and (B) the third anniversary of the participant’s date of retirement. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested award other than an Option that is described in (i), such award will be settled within 90 days after the participant’s retirement. In the case of a vested award other than an Option that is described in (ii), such award will be settled at the same time the award would otherwise have been settled had the participant remained in active service with the Company or its subsidiary. Notwithstanding the foregoing, if, following his or her retirement, the participant commences (the “<b>Commencement Date</b>”) employment, consulting or acting as a director of the Company or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any person that carries on or proposes to carry on a business competitive with the Company or any of its subsidiaries, any Option or other award held by the participant that has not been exercised or settled as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date.</li> </ul>
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*Change in Control*

Under the 2020 Equity Incentive Plan, except as may be set forth in an employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and a participant:

- (a) If within 12 months following the completion of a transaction resulting in a Change in Control (as defined below), a participant’s employment, consultancy or directorship is terminated by the Company or a subsidiary of the Company without Cause (as defined in the 2020 Equity Incentive Plan), without any action by the Plan Administrator:
  - (i) any unvested awards held by the participant at Termination Date shall immediately vest; and
  - (ii) any vested awards may be exercised, surrendered to the Company, or settled by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such award; and (B) the date that is 90 days after the Termination Date. Any award that has not been exercised, surrendered or settled at the end of such period being immediately forfeited and cancelled.
- (b) Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Common Shares will cease trading on the Canadian Securities Exchange, the Company may terminate all of the awards, other than an Option held by a participant that is a resident of Canada for the purposes of the Income Tax Act (Canada), granted under the 2020 Equity Incentive Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such participant as determined by the Plan Administrator, acting reasonably, provided that any vested awards granted to U.S. Taxpayers (as defined in the 2020 Equity Incentive Plan) will be settled within 90 days of the Change in Control.

Subject to certain exceptions, a “**Change in Control**” includes (a) any transaction pursuant to which a person or group acquires more than 50% of the outstanding Common Shares, (b) the sale of all or substantially all of the Company’s assets, (c) the dissolution or liquidation of the Company, (d) the

acquisition of the Company via consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise, (e) individuals who comprise the Board at the last annual meeting of shareholders (the “**Incumbent Board**”) cease to constitute at least a majority of the Board, unless the election, or nomination for election by the shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, in which case such new director shall be considered as a member of the Incumbent Board, or (f) any other event which the Board determines to constitute a change in control of the Company.

#### *Non-Transferability of Awards*

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant, by will or as required by law, no assignment or transfer of awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding award pass to a beneficiary or legal representative upon the death of a participant, the period in which such award can be exercised by such beneficiary or legal representative shall not exceed one year from the participant’s death.

#### *Amendments to the 2020 Equity Incentive Plan*

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting Common Shares, amend, modify, change, suspend or terminate the 2020 Equity Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the 2020 Equity Incentive Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the 2020 Equity Incentive Plan without the consent of such participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that would cause an award held by a U.S. Taxpayer to be subject to the income inclusion under Section 409A of the United States Internal Revenue Code of 1986, as amended, shall be null and void ab initio. Notwithstanding the above, and subject to the rules of the Canadian Securities Exchange, the approval of shareholders is required to effect any of the following amendments to the 2020 Equity Incentive Plan:

- (a) increasing the number of Common Shares reserved for issuance under the 2020 Equity Incentive Plan, except pursuant to the provisions in the 2020 Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increasing or removing the 10% limits on Common Shares issuable or issued to insiders;
- (c) reducing the exercise price of an option award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award) except pursuant to the provisions in the 2020 Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (d) extending the term of an Option award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the participant or within 10 business days following the expiry of such a blackout period);

- (e) permitting an Option award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period);
- (f) increasing or removing the limits on the participation of non-employee directors;
- (g) permitting awards to be transferred to a person;
- (h) changing the eligible participants; and
- (i) deleting or otherwise limiting the amendments which require approval of the shareholders.

Except for the items listed above, amendments to the 2020 Equity Incentive Plan will not require shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b) amending the provisions for early termination of awards in connection with a termination of employment or service, (c) adding covenants of the Company for the protection of the participants, (d) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (e) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

#### *Anti-Hedging Policy*

Participants are restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of awards granted to them.

#### *Securities Authorized For Issuance Under Equity Compensation Plans*

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of the financial year ended **December 31, 2021**:

<b>Equity Compensation Plan Information</b>			
<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by Securityholders	4,085,000	\$0.65	233,723 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>4,085,000</b>	<b>\$0.65</b>	<b>233,723 <sup>(1)</sup></b>

#### **NOTES:**

- <sup>(1)</sup> Represents the number of shares available under the 2020 Equity Incentive Plan, which reserves a number of shares for issuance, pursuant to the exercise of stock options, that is equal to 10% of the issued and outstanding shares from time to time.

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

The Company does not have any written employment, consulting or management agreements or arrangements with any of the Company's current NEOs or directors; however, each of the NEOs have verbally agreed on a monthly fee to be paid by the Company for compensation.

### *Termination and Change of Control Benefits*

For the financial year ended **December 31, 2021**, there were no plans, contracts, agreements or arrangements that provided for compensation to NEOs or directors of the Company, or that provided for payments to a NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Company or a change in the NEO or director's responsibilities.

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

#### *Compensation of Directors and Named Executive Officers*

The Board and the Compensation Committee have the responsibility for determining compensation for the directors and senior executives of the Company including the CEO and CFO. The Company does not currently pay its directors any remuneration for acting as directors and the only compensation for acting as directors received by non-management directors is through the grant of Awards and certain consulting fees.

At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director and/or senior executive of the Company. In addition, the number of Awards to any director or senior executive is determined by the Board as a whole, thereby providing the independent directors with input into compensation decisions.

#### *Elements of NEO Compensation*

As discussed above, the Company provides the 2020 Equity Incentive Plan to motivate NEOs by providing them with the opportunity, through grant Awards, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of stock options to NEOs.

Other than the 2020 Equity Incentive Plan, the Company does not offer any long-term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

#### *Pension disclosure*

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans currently in place or proposed at this time.

## **SECTION 5 - AUDIT COMMITTEE**

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The Audit Committee is a standing committee of the Board of Directors, the primary function of which is to assist the Board of Directors in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board of Directors and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board have established.

National Instrument 52-110 *Audit Committees* ("NI 52-110") requires the Company, as a venture issuer to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

## **AUDIT COMMITTEE CHARTER**

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

### **COMPOSITION OF AUDIT COMMITTEE**

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that an individual 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 the issues that can reasonably be expected to be raised by the Company's financial statements.

As of July 29, 2022 the current members of the Audit Committee are John Bean (Chair), Charles Ross and Kyle Haddow.

All members of the Audit Committee are not executive officers of the Company and; therefore, are considered independent members of the Audit Committee.

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

### **RELEVANT EDUCATION AND EXPERIENCE**

All of the Audit Committee members are senior-level businesspeople with experience in financial matters; each has an understanding of accounting principles used by the Company to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour.

Each member also has an understanding of the mineral exploration and mining business in which the Company is engaged and has an appreciation of the financial issues and accounting principles that are relevant in assessing the Company's financial disclosures and internal control systems.

In addition, each of the members of the Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies from their years of experience as directors or officers of public companies other than the Company. See Section 6 - Corporate Governance – Directorships in Other Public Companies.

#### *John Bean*

Mr. Bean is a Chartered Professional Accountant with many years of experience in public practice and industry experience with specific expertise in financial management and reporting, and corporate finance.

#### *Charles Ross*

Mr. Ross has a strong understanding of accounting principles and an ability to assess the application of these principals. He has over 25 years' experience in the international resources sector as a senior executive. He applies accounting principles regularly when evaluating financial reports of target companies. He has more than 20 years' experience acting as the CFO of various companies in both the



resources and manufacturing sectors. He has prepared financial statements, supervised financial statement preparation, coordinated audits and chaired audit committees. He has setup internal controls and procedures over financial reporting in compliance with regulatory regimes in both domestic and foreign environments

*Kyle Haddow*

Mr. Haddow is an active market participant and investor in the public markets in Canada and USA, where he assists companies with capital markets requirements including advisory services, financing and Mergers & Acquisitions. He also currently serves as Director or Officer of several public or private companies, including being a director for FTC Cards Inc. and Wangton Capital Corp, as well as being CFO of Monarch West Ventures Inc, a capital pool company.

Mr. Haddow has also operated as an independent consultant and investor in the Canadian market after several years in merchant banking, where he worked with companies in a variety of industries and played an integral role in the management and coordination of multiple financing rounds for public and private portfolio companies. He also worked with portfolio companies on their go-public strategies and subsequent listings and was responsible for M&A due diligence on numerous prospective and closed transactions on behalf of portfolio companies.

Mr. Haddow earned a BA in Political Science from McGill University and a Master's in Global Management from Royal Roads University.

#### **AUDIT COMMITTEE OVERSIGHT**

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

#### **RELIANCE ON CERTAIN EXEMPTIONS**

At no time since the commencement of the Company's most recently completed financial year ended **December 31, 2021**, has the Company relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Company's Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

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

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

#### **EXTERNAL AUDITOR SERVICE FEES**

In the following table, "Audit Fees" are fees billed by the Company's external auditors for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related

Fees” are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax Fees” are billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. “All Other Fees” are fees billed by the auditors for products and services not included in the foregoing categories.

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

Auditor	Financial Year Ending Dec 31	Audit Fees <sup>(1)</sup>	Audit-related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
Dale Matheson Carr-Hilton LaBonte LLP <sup>(5)</sup>	2020	\$35,427	Nil	\$2,000	\$Nil
	2021	\$30,000	Nil	\$2,000	\$366

**NOTES:**

- (1) The aggregate audit fees billed.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements that are not included under the heading “Audit Fees”.
- (3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for products and services other than as set out under the headings “Audit Fees”, “Audit Related Fees” and “Tax Fees”.
- (5) Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, was appointed as the Company’s auditor February 8, 2017.

## SECTION 6 - CORPORATE GOVERNANCE

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**GENERAL**

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) provides guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2 and requires full and complete annual disclosure of a listed company’s systems of corporate governance with reference to National Policy 58-201 – *Corporate Governance Guidelines* (the “**Guidelines**”). Where a company’s corporate governance system differs from the Guidelines, each difference and the reason for the difference is required to be disclosed. The Company’s approach to corporate governance is provided below.

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices that are both in the interest of its Shareholders and contribute to effective and efficient decision making. The Guidelines establishes corporate governance guidelines that 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. NI 58-101 mandates disclosure of corporate governance practices for Venture Issuers in Form 58-101F2, which disclosure is set out below.

**COMPOSITION OF THE BOARD OF DIRECTORS**

All seven proposed nominees for election as a director at the 2022 Annual General and Special Meeting are current directors of the Company. Form 58-101F1 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect

“material relationship” with the Company. “Material relationship” is defined as a relationship that could, in the view of the company’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

As at the date of this Information Circular, the board consisted of seven (7) directors. Of the proposed nominees, Marc Levy, who also serves the Company as Chairman and CEO, and Allan Larmour, who served as interim CEO of the Company from June 7, 2017 to September 21, 2020 are “inside” or management directors and, as such, are considered not to be “independent”. Art Freeze, Charles Ross, John Bean, Kyle Haddow, and Patrick Burns are considered by the Board to be “independent”, within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. It is the objective of the Company to continue to have a majority of independent Board members and enhance the quality of the Company’s corporate governance.

The Chair of the Board is Marc Levy. The independent directors exercise their responsibilities for independent oversight of management and are provided with leadership through their positions on the Board.

Management was delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff, and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management through meetings of the Board and by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The Board as a whole reviews executive compensation and recommends stock option grants accordingly.

#### **MANDATE OF THE BOARD**

The Board is elected by and accountable to the shareholders of the Company. The mandate of the Board is to continually govern the Company and to protect and enhance the assets of the Company in the long-term best interests of the Shareholders. The Board will annually assess and approve a strategic plan which takes into account, among other things, the opportunities and the identification of the principal risks of the issuer’s business, and ensuring the implementation of appropriate systems to manage these risks.

#### **DIRECTORSHIPS IN OTHER PUBLIC COMPANIES**

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

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction) <sup>(1)</sup>
Allan Larmour	Cloud Nine Web3 Technologies Inc., Tisdale Clean Energy Corp., Avarone Metals Inc., Gama Explorations Inc.
Art Freeze	Canasil Resources Inc., Orex Minerals Inc., Barsele Minerals Corp. and Silver Viper Minerals Corp.
Charles Ross	Goldex Resources Corporation, Tearlach Resources Limited, Four Nines Gold Inc., Halio Energy Inc., Norzan Enterprises Ltd.
John Bean	Avarone Metals Inc.
Kyle Haddow	Wangton Capital Corp., Monarch West Ventures Inc.
Marc Levy	Avarone Metals Inc.

Patrick Burns	GoldHaven Resources Corp., World Copper Ltd., Woodbine Resources Corp.,
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**NOTES:**

<sup>(1)</sup> Information not being within our knowledge has been furnished by the respective person or has been obtained from insider reports filed by respective person and available through the Internet at the Canadian System for Electronic Disclosure by Insiders ([www.sedi.ca](http://www.sedi.ca)).

**ORIENTATION AND CONTINUING EDUCATION**

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company’s size and current level of operations. However, if the growth of the Company’s operations warrants it, it is likely that a formal orientation process will be implemented.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and consultants to keep themselves current with industry trends and developments and changes in legislation, with management’s assistance. Board members have full access to the Company’s records. Reference is made to the table under the heading “Election of Directors” for a description of the current principal occupations of the members of the Company’s Board.

**ETHICAL BUSINESS CONDUCT**

The Board has determined that the fiduciary duties placed on individual directors by the Company's governing corporate legislation, common law and the restrictions placed by applicable corporate legislation on an individual director’s participation in decisions of the Board in which the director has an interest are sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Furthermore, the Board promotes fair dealing with all its stakeholders and requires compliance with the laws of each jurisdiction in which the Company operates.

The Board of Directors is also required to comply with the conflict of interest provisions of the Act and relevant securities regulation in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his interest and is not entitled to vote on any matter that is the subject of the conflict of interest.

**NOMINATION OF DIRECTORS**

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. The Board as a whole determines new nominees to the Board of Directors, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the individual Board members, including both formal and informal discussions among Board members and the President and CEO. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors’ credentials are reviewed and discussed amongst the members of the Board prior to the proposed director’s nomination.

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but

will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an *ad hoc* basis.

#### **COMPENSATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER**

The Company does not currently pay its directors any remuneration for acting as directors and the only compensation for acting as directors received by non-management directors is through the grant of incentive stock options. At present, the Board is satisfied that the current Board compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. The number of options to be granted to any director or officer is determined by the Board as a whole, thereby providing the independent directors with significant input into compensation decisions. Stock options to be granted to "management" directors are required, as a matter of board practice, to be reviewed and approved by the "non-management" directors. Given the current size and limited scope of operations of the Company, the Board does not believe that a formal compensation committee is required. At such time as, in the opinion of the Board, the size and activities of the Company and the number of management employees warrants it, the Board will consider it necessary to appoint a formal compensation committee. See Section 4 – *Statement of Executive Compensation – Director and NEO Compensation*.

#### **COMMITTEES OF THE BOARD OF DIRECTORS**

The Company currently has an Audit Committee, a Compensation Committee, and Corporate Governance Committee. Presently, the members of the Audit Committee are John Bean (Chair), Charles Ross, and Kyle Haddow. The members of the Compensation Committee Charles Ross (Chair), John Bean, and Kyle Haddow. The members of the Corporate Governance Committee are Art Freeze (Chair), John Bean, and Charles Ross.

#### **ASSESSMENTS**

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

## **SECTION 7 - OTHER INFORMATION**

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

As at the date of this Circular, there was no indebtedness outstanding with any current or former Director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, 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 its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness 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 or its subsidiaries, in relation to a securities purchase program or other program.

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

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, ended **December 31, 2021**, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

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

Applicable securities legislation defines “*informed person*” to mean any of the following: (a) a director or executive officer of a reporting issuer; (b) a director or officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities. Except as otherwise disclosed herein, no informed persons had (or has) any interest in any transaction with the Company since the commencement of our most recently completed financial year ended **December 31, 2021**, or in any proposed transaction, that has materially affected the Company or is likely to do so.

#### **MANAGEMENT CONTRACTS**

Other than as disclosed herein, there are no management functions of the Company or its subsidiaries which are to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Company.

#### **CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

For purposes of the disclosure in this section, an “order” means 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, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

Except as disclosed herein, none of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of the Circular, or has been, within 10 years before the date of the Circular, a director, chief executive officer (“**CEO**”) or chief financial officer (“**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 Circular, or has been within 10 years before the date of the 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 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. Larmour was a director of EmerGeo Solutions Worldwide Inc. (“**EmerGeo**”) when it became the subject of a cease trade order issued by the British Columbia Securities Commission dated August 7, 2013, for its failure to file a comparative financial statement for the financial year ended March 31, 2013, and a management’s discussion and analysis for the period ended March 31, 2013. On November 6, 2013, EmerGeo became the subject of a cease trade order issued by the Alberta Securities Commission for its failure to file annual audited financial statements, annual management’s discussion and analysis, and certification of annual filings for the year ended March 31, 2013, and interim unaudited financial statements, interim management’s discussion and analysis, and certification of interim filings for the interim period ended June 30, 2013. As at the date hereof, both cease trade orders remain in effect.

Mr. Larmour was also a director of EmerGeo Solutions Inc., a subsidiary of EmerGeo incorporated on July 2, 2002, and in the business of providing emergency and crisis management software and services, when it filed an Assignment in Bankruptcy on February 16, 2012. The assets of EmerGeo Solutions Inc. were subsequently sold and recovered amounts paid to debtors.

#### **ADDITIONAL INFORMATION**

Financial information about the Company is included in the Company’s financial statements and Management’s Discussion and Analysis for the financial year ended **December 31, 2021**, which have been electronically filed with regulators and are available through the Internet on SEDAR at [www.sedar.com](http://www.sedar.com). Copies may be obtained without charge upon request to the Company at Suite 610, 700 West Pender Street, Vancouver, British Columbia V6C 1G8. You may also access the Company’s public disclosure documents through the Internet on SEDAR at [www.sedar.com](http://www.sedar.com).

**DIRECTOR APPROVAL**

The contents of this Circular and the sending thereof to the shareholders have been approved by the Directors of the Company.

**Dated** at Vancouver, British Columbia, this 29<sup>th</sup> day of July, 2022.

**BY ORDER OF THE BOARD**

Signed: "*Marc Levy*"

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Marc Levy  
Chief Executive Officer



## **SCHEDULE "A"**

### **NORSEMONT MINING INC. (the "Company")**

#### **AUDIT COMMITTEE CHARTER**

##### **Article 1 – Mandate and Responsibilities**

The Audit Committee is appointed by the board of directors of the Company (the "Board") to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company. The Audit Committee's primary duties and responsibilities are to:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) recommend to the Board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;
- (e) review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company's financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

##### **Article 2 – Pre-Approval of Non-Audit Services**

The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor. The

pre-approval of non-audit services must be presented to the Audit Committee at its first scheduled meeting following such pre-approval.

The Audit Committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each non-audit service and the procedures do not include delegation of the Audit Committee's responsibilities to management.

### **Article 3 – External Advisors**

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

### **Article 4 – External Auditors**

The external auditors are ultimately accountable to the Audit Committee and the Board, as representatives of the shareholders. The external auditors will report directly to the Audit Committee.

The Audit Committee will:

- (a) review the independence and performance of the external auditors and annually recommend to the Board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- (b) approve the fees and other significant compensation to be paid to the external auditors;
- (c) on an annual basis, review and discuss with the external auditors all significant relationships they have with the Company that could impair the external auditors' independence;
- (d) review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the Audit Committee may have;
- (e) before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants;
- (f) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting;
- (g) resolve any disagreements between management and the external auditors regarding financial reporting;
- (h) approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Company; and
- (i) receive from the external auditors timely reports of:
  - (i) all critical accounting policies and practices to be used;
  - (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and

- (iii) other material written communications between the external auditors and management.

#### **Article 5 – Legal Compliance**

On at least an annual basis, the Audit Committee will review with the Company's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

#### **Article 6 - Complaints**

Individuals are strongly encouraged to approach a member of the Audit Committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The Audit Committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the Audit Committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the Board appropriate corrective action.

To the extent practicable, all complaints will be kept confidential. The Company will not condone any retaliation.

## SCHEDULE "B"

### Summary of the Shareholder Rights Plan

#### *Background of the Rights Plan*

The Company and Odyssey Trust Company (the "**Rights Agent**") entered into a shareholder rights plan agreement (the "**Rights Plan**") dated as of July 28, 2022. A summary of the key features of the Rights Plan follows. This summary is qualified in its entirety by reference to the text of the Rights Plan, as it may be amended from time to time in accordance with its terms, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). Capitalized terms used in this summary without express definition have the meanings ascribed thereto in the Rights Plan.

#### *Issue of Rights*

The Company issued one right (a "**Right**") in respect of each common share (each, a "**Common Share**") outstanding at the close of business on **July 28, 2022** (the "**Record Time**"). The Company will issue Rights on the same basis for each Common Share issued after the Record Time but prior to the earlier of the Separation Time (as defined below) and the Expiration Time (as defined below).

#### *Rights Certificates and Transferability*

Before the Separation Time, the Rights will be evidenced by the registered ownership of the Common Shares (whether or not evidenced by a certificate representing such Common Shares) and the Rights will not be transferable separate from the Common Shares. From and after the Separation Time, the Rights will be evidenced by separate Rights Certificates which will be transferable separate from and independent of the Common Shares.

#### *Exercise of Rights*

Rights are not exercisable before the Separation Time. After the Separation Time and before the Expiration Time, each Right entitles the holder (other than holders described below) to acquire that number of Common Shares having an aggregate Market Price on the date of the occurrence of the Flip-in Event (as defined below) equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (subject to certain anti-dilution adjustments). Subject to adjustment in accordance with the terms of the Rights Plan, the Exercise Price shall be an amount equal to five times the Market Price per Common Share determined as of the Separation Time. Effectively, this means that a shareholder of the Company, other than an Acquiring Person (as defined below) and certain persons related to such Acquiring Person as further described in the Rights Plan, can acquire additional Common Shares from treasury at half their Market Price after the Separation Time.

#### *Definition of "Acquiring Person"*

Subject to certain exceptions, an Acquiring Person is a person who is the Beneficial Owner (as defined below) of 20% or more of the outstanding Common Shares.

#### *Definition of "Beneficial Ownership"*

Under the Rights Plan, a person shall be deemed the "Beneficial Owner" of, and to have "Beneficial Ownership" of, and to "Beneficially Own":

1. any securities of which such person or any Affiliate or Associate of such person or any other person acting jointly or in concert with such person is the owner in law or equity; and

2. any securities as to which such person or any Affiliate or Associate of such person or any other person acting jointly or in concert with such person has the right to acquire upon the conversion, exchange or exercise of any Convertible Securities or pursuant to any agreement, arrangement, pledge or understanding, subject to certain exceptions, in each case if such right is exercisable immediately or within a period of 60 days thereafter.

However, a person is not deemed the "Beneficial Owner" of, or to have "Beneficial Ownership" of, or to "Beneficially Own" securities under the Rights Plan where, among other things:

1. by reason of the holders of such securities having agreed to deposit or tender such securities to a Take-over Bid made by such person or any of such person's Affiliates or Associates or by any other person acting jointly or in concert with such person pursuant to a Permitted Lock-up Agreement, until those securities have been taken up or paid for, whichever occurs first;
2. such securities have been deposited or tendered pursuant to a Take-over Bid made by such person or any of such person's Affiliates or Associates or by any other person acting jointly or in concert with such person, until those securities have been taken up or paid for, whichever occurs first;
3. such person, any Affiliate or Associate of such person or any other person acting jointly or in concert with such person holds such security, provided that such person is an investment fund or mutual fund manager, a trust company, a statutory body established to manage funds of public bodies, an agent of the Crown for the management of public assets, a pension fund or a pension fund administrator or trustee, as long as such person is not making a Take-over Bid or acting jointly or in concert with a person who is making a Take-over Bid, the whole as more fully described in the Rights Plan and subject to certain exceptions set forth therein; or
4. such person is a registered holder of securities as a result of carrying on the business of or acting as a nominee of a securities depository.

*Definition of "Separation Time"*

The Separation Time occurs on the tenth trading day after the earlier of the following dates, or such later date as may be determined by the Board:

1. the first date of public announcement of facts indicating that a person has become an Acquiring Person;
2. the date of the commencement or announcement of the intent of a person to commence a Take-over Bid (other than a Permitted Bid (as defined below)); and
3. the date on which a Permitted Bid ceases to qualify as such. However, if any such Take-over Bid expires, is cancelled, is terminated, or is otherwise withdrawn prior to the Separation Time, then the Take-over Bid shall be deemed never to have been made for purposes of determining the Separation Time.

*Definition of "Expiration Time"*

The Expiration Time occurs on the date being the earlier of:

1. the time at which the right to exercise Rights is terminated under the terms of the Rights Plan; and
  2. if the Company does not request that its shareholders confirm the Rights Plan in accordance with the terms of the Rights Plan or if a majority of votes cast by Independent Shareholders who vote in respect of the resolution to approve the Rights Plan are voted against the Rights Plan, immediately upon the confirmation by the chairman of such shareholders' meeting of the result of the vote on such resolution.
- Definition of a "Flip-in Event" A Flip-in Event occurs when a person becomes an Acquiring Person. Upon

the occurrence of a Flip-in Event, any Rights that are beneficially owned by an Acquiring Person or by certain persons related to the Acquiring Person or by persons to whom the Acquiring Person has transferred its Rights, will become null and void. As a result, the Acquiring Person's investment in the Company would be greatly diluted if a substantial portion of the Rights are exercised after a Flip-in Event occurs.

*Definition of "Permitted Bid"*

A Permitted Bid is a Take-over Bid made by an Offeror by way of a Take-over Bid circular that complies with the following conditions:

1. the Take-over Bid is made to all registered holders of Common Shares (other than Common Shares held by the Offeror);
2. the Offeror agrees that no Common Shares and/or Convertible Securities will be taken up or paid for under the bid on a date which is not earlier than 105 days following the commencement of the bid, or such shorter period that a take-over bid (that is not exempt from the general take-over bid requirements of National Instrument 62-104 Take-Over Bids and Issuer Bids ("**NI 62-104**")) must remain open for deposits of securities thereunder in the applicable circumstances at such time, pursuant to NI 62-104;
3. the Offeror agrees that no Common Shares and/or Convertible Securities will be taken up or paid for under the bid unless, on the date referred to in paragraph 2 above: (i) if the Take-over Bid is for Common Shares only, more than 50% of the outstanding Common Shares held by Independent Shareholders have been deposited or tendered pursuant to the bid and not withdrawn; or (ii) in all other cases, more than 50% of a combination of the then outstanding Common Shares and Convertible Securities held by Independent Shareholders have been deposited or tendered pursuant to the bid and not withdrawn;
4. the Offeror agrees that the Common Shares and, if applicable, Convertible Securities may be deposited to the Take-over Bid at any time before the date of the first take-up of or payment for Common Shares and, if applicable, Convertible Securities, unless the Take-over Bid is withdrawn, and Common Shares deposited to the Take-over Bid may be withdrawn at any time until taken up or paid for; and
5. if the condition in paragraph 3 above is satisfied, the bid shall remain open for an additional period of at least 10 days to permit the remaining shareholders to tender their Common Shares and, if applicable, Convertible Securities.

A Permitted Bid also includes a Competing Permitted Bid (as defined below).

*Definition of "Competing Permitted Bid"*

A Competing Permitted Bid is a Take-over Bid that:

1. is made while another Permitted Bid is in existence; and
2. satisfies all the requirements of a Permitted Bid, other than the requirement set out in paragraph 2 of the definition of "Permitted Bid" above, and contains a condition that no Common Shares and/or Convertible Securities shall be taken up or paid for under the Competing Permitted Bid prior to a date that is no earlier than the date on which Common Shares may be taken up or paid for under any other Permitted Bid that preceded the Competing Permitted Bid that is then in existence for the Common Shares.

*Definition of "Permitted Lock-up Agreement"*

A Permitted Lock-up Agreement is an agreement between a person making a Take-over Bid (the "Lock-up

Bid") and one or more holders (each, a "Locked-up Person") of Common Shares and/or Convertible Securities pursuant to which such Locked-up Persons agree to deposit or tender Common Shares or Convertible Securities to the Lock-up Bid and where the agreement:

1. permits the Locked-up Person to terminate its obligation to deposit or tender to or not to withdraw Common Shares and/or Convertible Securities from the Lock-up Bid in order to tender or deposit such Common Shares and/or Convertible Securities to another Take-over Bid or support another transaction where the price or value per Common Share or Convertible Security offered under such Take-over Bid or transaction is higher than the price or value per Common Share or Convertible security offered under the Lock-up Bid; or
2. permits the Locked-up Person to terminate its obligation to deposit or tender to or not to withdraw Common Shares and/or Convertible Securities from the Lock-up Bid in order to tender or deposit such Common Shares and/or Convertible Securities to another Take-over Bid or support another transaction if: (i) the price or value per Common Share or Convertible Security offered under the other Take-over Bid or transaction exceeds the price or value per Common Share or Convertible Security offered under the Lock-up Bid by as much as or more than a specified amount not greater than 7% of the price or value per Common Share or Convertible Security offered under the Lock-up Bid; or (ii) the number of Common Shares or Convertible Securities to be purchased under such other Take-over Bid or transaction exceeds the number of Common Shares or Convertible Securities offered to be purchased under the Lock-up Bid by as much or more than a specified number of Common Shares or Convertible Securities not greater than 7% of the number of Common Shares or Convertible Securities offered to be purchased under the Lock-up Bid, at a price or value per Common Share or Convertible Security that is not less than the price or value per Common Share or Convertible Security offered under the Lockup Bid; and
3. provides for no "break-up" fees, "top-up" fees, penalties, expenses or other amounts that exceed in the aggregate the greater of: (i) the cash equivalent of 2.5% of the price or value payable under the Lock-up Bid to the Locked-up Person, and (ii) 50% of the amount by which the price or value payable under another Take-over Bid or another transaction to a Locked-up Person exceeds the price or value of the consideration that such Locked-up Person would have received under the Lock-up Bid, to be payable by such Locked-up Person pursuant to the agreement if any Locked-up Person fails to tender Common Shares or Convertible Securities pursuant thereto or withdraws Common Shares or Convertible Securities previously tendered thereto in order to tender such Common Shares or Convertible Securities to another Take-over Bid or support another transaction.

#### *Fiduciary Duties of Directors*

The Rights Plan will not detract from or lessen duties of the Board, including the duty to act honestly and in good faith with a view to the best interests of the Company and its shareholders. The Board will continue to have the duty and power to take such actions and make such recommendations to the Company's shareholders as are considered appropriate.

#### *Redemption of Rights*

The Rights may be redeemed by the Board at its option with the prior approval of the shareholders at any time prior to the later of the Stock Acquisition Date and the Separation Time at a redemption price of \$0.000001 per Right. In addition, the Rights will be redeemed automatically in the event of a successful Permitted Bid, including a Competing Permitted Bid, or a bid for which the Board has waived, in accordance with the provisions of the Rights Plan, the operation of the Rights Plan.

#### *Waiver*

Before a Flip-in Event occurs, the Board may waive the application of the Flip-in provisions of the Rights

Plan to any prospective Flip-in Event which would occur by reason of a Take-over Bid made by a Take-over Bid circular to all registered holders of Common Shares. However, if the Board waives the Rights Plan with respect to a particular bid, it will be deemed to have waived the Rights Plan with respect to any other Take-over Bid made by Take-over Bid circular to all registered holders of Common Shares before the expiry of that first bid. The Board may also waive the "Flip-in" provisions of the Rights Plan in respect of any Flip-in Event provided that the Board has determined that the Acquiring Person became an Acquiring Person through inadvertence and on the condition that such Acquiring Person reduces its ownership to such a level that it is no longer an Acquiring Person. Finally, the Board may waive the "Flip-in" provisions of the Rights Plan in respect of any Flip-in Event provided that the Acquiring Person has reduced its ownership or has entered into a contractual arrangement with the Company or other acceptable undertaking to do so such that at the time the waiver becomes effective such person is no longer an Acquiring Person. Other waivers of the "Flip-in" provisions of the Rights Plan will require prior approval of the shareholders of the Company.

#### *Term of the Rights Plan*

The Rights Plan must be ratified by shareholders at the Meeting in order to stay in effect. Subsequently, the Rights Plan must be reconfirmed by the shareholders every three years thereafter.

#### *Amending Power*

Except for minor amendments to correct clerical or typographical errors and amendments to maintain the validity of the Rights Plan as a result of a change in any applicable legislation, regulations or rules, consent of shareholders is required for amendments to the Rights Plan before the Separation Time. Consent of the holders of Rights is required for amendments to the Rights Plan after the Separation Time and before the Expiration Time.

#### *Rights Agent*

Odyssey Trust Company Holders of Rights not Shareholders Until a Right is exercised, the holder thereof as such will have no rights as a shareholder of the Company.

#### *Objectives of the Rights Plan*

The Rights Plan is not being proposed by management in anticipation of any pending or threatened take-over bid, nor to deter take-over bids generally. The primary objectives of the Rights Plan are to seek to ensure that, in the context of a bid for control of the Company through an acquisition of Common Shares, all shareholders have an equal opportunity to participate in the bid. The Rights Plan is not intended to prohibit a change of control of the Company in a transaction that is procedurally fair to shareholders. The rights of shareholders to seek a change in the Board or to influence or promote action of the Board in a particular manner will not be affected by the Rights Plan. The Rights Plan is not designed to alter, diminish or reduce the fiduciary duties of our directors if faced with a potential change of control transaction or restrict the potential actions that might be taken by the directors in such circumstances.

In adopting the Rights Plan, the Board considered a number of factors, including the following concerns arising from the existing securities law framework that applies to take-over bids in Canada after the changes to NI 62-104 were implemented in 2016.

Under the previous take-over bid regime in Canada, a take-over bid was only required to remain open for 35 days. Shareholder rights plans were utilized to effectively extend such time period, which allowed the board of the target company to solicit white knights or pursue other alternative transactions. As a result of recent amendments to the take-over bid regime under NI 62-104, a formal take-over bid must now remain open for a minimum of 105 days, subject to certain exceptions, and this time period also applies under the Rights Plan.



While existing Canadian securities legislation has established a number of procedural requirements for the conduct of take-over bids, which generally require that a take-over bid be made to all shareholders and that a bidder offer identical consideration to all shareholders, the take-over bid regime includes exemptions to the formal bid requirements that could operate to allow control of an issuer to be acquired without the making of a formal take-over bid to all shareholders. Specifically, Canadian securities legislation allows a small group of securityholders to dispose of their securities pursuant to a private agreement at a premium to market price, which premium is not shared with other securityholders. In addition, a person may slowly accumulate securities through stock exchange acquisitions which may result, over time, in an acquisition of control without payment of fair value for control or a fair sharing of a control premium among all securityholders. It may also be possible to engage in transactions outside of Canada without regard to these protections. The Rights Plan addresses these concerns by applying to all acquisitions that would result in a person owning 20% or more of the Common Shares (subject to certain limited exceptions), thereby generally precluding a person from acquiring a control interest in the Company without making a Permitted Bid to all shareholders.

A shareholder may feel pressured to tender to a bid that the shareholder considers to be inadequate out of a concern that failing to tender may result in the shareholder being left with illiquid or minority discounted securities in the Company. This is particularly so in the case of a partial bid for less than all securities of a class, where the bidder wishes to obtain a control position but does not wish to acquire all of the Common Shares. The Rights Plan provides a mechanism in the Permitted Bid provision that is intended to address this concern by requiring that a take-over bid remain open for acceptance for a further 10 Business Days following public announcement that more than 50% of the Common Shares held by Independent Shareholders have been deposited and not withdrawn. This mechanism is intended to lessen any undue pressure to tender that may be encountered by a shareholder, as the shareholder will have the ability to tender during a subsequent offering period after learning that a majority of the other shareholders of the Company have tendered to the offer.

#### *General Impact of the Rights Plan*

It is not the intention of the Board, in approving the Rights Plan, to secure the continuance of existing directors or management in office, nor to avoid a bid for control of the Company in a transaction that is procedurally fair. For example, through the Permitted Bid mechanism, shareholders may tender to a bid that meets the Permitted Bid criteria without triggering the exercise of Rights under the Rights Plan, regardless of the value of the consideration being offered under the bid. The Rights Plan should not preclude any shareholder from utilizing the proxy mechanism under the *British Columbia Business Corporations Act* ("**BCBCA**") and securities laws to promote a change in the management or direction of the Company, or the Board, and is designed to have no effect on the rights of holders of outstanding Common Shares to requisition a meeting in accordance with the provisions of the BCBCA, or to enter into agreements with respect to voting their Common Shares. The definitions of "Acquiring Person" and "Beneficial Ownership" have been developed to minimize concerns that the Rights Plan may be inadvertently triggered or triggered as a result of an overly broad aggregation of holdings of institutional shareholders and their clients. The Rights Plan is not expected to interfere with the day-to-day operations of the Company. The issuance of the Rights does not in any way alter the financial condition of the Company, impede its business plans or alter its financial statements. In summary, the Board believes that the dominant effect of the Rights Plan will be to ensure equal treatment of all shareholders in the context of an acquisition of control.